

COUNTY OF VICTORIA, TEXAS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2020

COUNTY OF VICTORIA, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 2020

Prepared by: County Auditor's Office
Michelle Samford
Victoria County Auditor

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INTRODUCTORY SECTION



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July 1, 2021

Honorable District Judges
Honorable County Judge
Honorable County Commissioners
County of Victoria
Victoria, Texas

The County Auditor's Office is pleased to present the Comprehensive Annual Financial Report of the County of Victoria, Texas (the "County"), for the year ended December 31, 2020. This report is submitted in compliance with Texas Local Government Code 114.025.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The County Auditor serves as the Chief Financial Officer for Victoria County. By statute, the Auditor reports to the State District Judges. This provides for an independent review of County financial operations separate from the Commissioner's Court, the legislative and executive branch of county government. The County Auditor is responsible for accounting systems design, audit functions required by law, general control of finances and ensuring that the County meets its fiduciary responsibilities to taxpayers with regard to County finances by strictly enforcing the statutes governing County finances as provided by the local government code. As an appointed County Official, the County Auditor takes an oath to uphold the Constitution and the laws of the State of Texas.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In compliance with Texas Local Government Code 115.045, the financial statements and notes contained in this report have been audited by the independent auditors of Harrison, Waldrop and Uherek, L.L.P., a firm of licensed certified public accountants. The independent auditors' report is included in the Financial Section of this report.

When other accounting bases conflict with state law, Texas and its political subdivisions may follow the statutory provisions of Chapter 2264, Texas Government Code. Accordingly, in 2008 the County followed the statutory basis of accounting, which is another comprehensive basis of accounting provided, but not mandated, by this statute. For the County, the only difference between generally accepted accounting principles ("GAAP") and the statutory basis of accounting is in the reporting of other postemployment benefits ("OPEB").

The statutory basis differs from GAAP in that the County's presentation of OPEB on the financial statements uses the statutory modified accrual basis. This basis accurately and fairly sets forth the financial position of the County by (i) measuring the cost of benefits according to their adoption by the governing body of the County; and by (ii) providing an accurate assessment of OPEB liabilities and extent of their funding for the time for which the benefits were adopted. Under GAAP, GASB Statement No. 45 ("GASB 45"), "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" defines an OPEB liability to include amounts the governing body has not authorized nor promised to employees, and for which there is no legally enforceable liability. The County has concluded that recognizing an OPEB liability as defined by GASB 45 would result in publishing financial statements that are materially misleading. It would also be inconsistent with State financial laws and misrepresent the nature, scope, and duration of the financial activities of the County.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the Financial Section of this report.

PROFILE OF VICTORIA COUNTY

The County is located in southeastern Texas on the Coastal plain about midway between the southern and eastern extremities of the Texas Gulf Coast. The County was created in 1836 from a Mexican municipality named for Mexican President Guadalupe Victoria. The County encompasses an area of 892 square miles and serves a population of 92,290.

The County is a public corporation and political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners' Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners' Court sets the tax rates, establishes policies for County operations, approves contracts for the County, and develops and adopts the County budget. The Commissioners' Court is also responsible for development of policies and orders, approving financial commitments, and appointment of various department heads. The management and leadership provided by members of the Commissioners' Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth.

The County provides a full range of services. The County provides many services not ordinarily provided by any other entity of government and provides additional services in cooperation with other local governmental units. A primary service is the administration of justice, which includes the civil and criminal county and district courts, justices of the peace, constables, district attorney, investigators, clerks of the courts, sheriff, jail, security, emergency management and grand jury bailiffs. Other functions performed by the County include the construction and maintenance of roads and bridges, either independently or in cooperation with other entities; administration of public health services; assistance to indigents; and the provision of juvenile, health, education, and welfare services involving the care and correction of dependent or delinquent children as well as property tax collections for multiple agencies.

The annual budget serves as the foundation for the County's financial planning and control. Budget hearings are posted annually in July and August by the County Judge, with the final budget approved by the Commissioners' Court following the hearings. The final budget includes contingency line items. Most appropriated budgets are prepared by fund, department, and category. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the line-item level within an individual fund. The original budget may be amended by Commissioners' Court under conditions prescribed by Texas Local Government Code, Section 111.010. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted.

Various potential component units were evaluated to determine whether they should be included in the County's reporting entity because of the significance of their operational and financial relationship with the County. Based upon standards established by the Governmental Accounting Standards Board (see Note 1 to the financial statements), two component units are included in the report: the Victoria County Navigation District and Citizens Medical Center. These entities are discretely presented and are not considered part of the primary government of the County. This reporting method was used because, while the entities are financially accountable to the County, they do not have substantively the same governing body as the County nor do they provide services exclusively to the County.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Victoria operates.

Local Economy - The County is one of the leading regional economies in the seven-county Golden Crescent region. The County has developed into a primary business center with growth in services and retail employment. The County's principal economic activities include petrochemical and industrial chemical plants, plastics manufacturers, heavy steel fabrication, pre-stressed concrete, oil and gas exploration, medical services, professional and financial services, retail trade, and higher education. Although the oil and gas petrochemical industries remain a vital component of the area employment base, diversification within these industries into production of ancillary goods and plastics has reduced economic vulnerability to energy price fluctuations.

The County records reflect modest debt levels, rapid principal amortization, and acceptable reserve levels that have benefited from sound fiscal management practices. The County practices conservative budgeting and sets General Fund reserve targets at 25% of annual expenditures. In the past year, the County incurred a decrease in the General Fund unassigned fund balance mainly as a result of an increase in capital improvement projects and transfers to the employee health insurance fund. The County's General Fund reserve target is based on the County's policy of deferring ad valorem property taxes. The resulting unassigned fund balance does not include \$8.3 million in ad valorem taxes collected in October, November, and December of 2020, and are instead reported as unavailable revenues.

Long-Term Financial Planning - The County of Victoria has identified several long-term issues that need to be prioritized and funded by the Commissioners' Court. These priorities include improvements to the HVAC systems to identified buildings and making the County Airport more cost efficient.

Cash Management - The Commissioners' Court has adopted a formal investment policy for the County consistent with State statutes governing the investment of County funds and has designated the County Treasurer as the County's investment officer. The policy is updated annually. The general objectives set forth in the policy provide for financial security and optimum liquidity of County funds while achieving the maximum yield on funds invested and maximum levels of invested funds. Authorized investments are consistent with those investments authorized by State law for Texas counties. Currently, the County has limited its investments to certificates of deposits and money market funds.

Risk Management - The County has risk exposure in various areas including general liability, worker's compensation, automobile liability, and property damage. To reduce its risk exposure in these areas, the County purchases commercial insurance policies from a private carrier. The related policies carry various deductibles and aggregate maximum loss totals.

The County is also exposed to risk of loss in the area of employee health coverage. In this area, the County bears all risk of loss up to \$125,000 per participant per year. Co-insurance through a private insurance carrier assumes all risk for individual participants past that level. Please refer to the notes to the financial statements for a complete discussion of the County's employee health insurance operations.

Pension Benefits - The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). Specific plan provisions are adopted by the County within the options available in the state statutes governing the TCDRS. Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest and employer-financed monetary credits. The level of these monetary credits is adopted within the constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed.

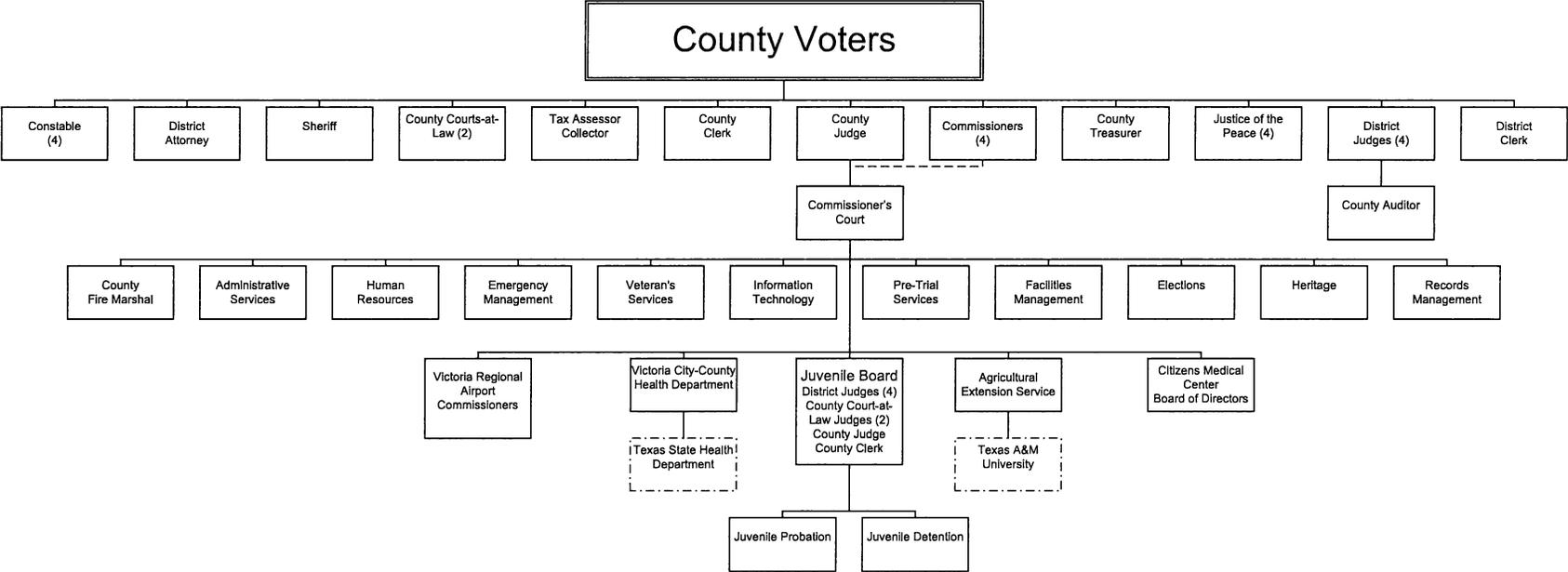
ACKNOWLEDGEMENTS

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated efforts of the staff of the County Auditor's Office. We express our appreciation to all the members of the office who assisted in and contributed to its preparation. We would also like to thank the accounting firm of Harrison, Waldrop & Uherek, L.L.P. for sharing their knowledge, and extending their cooperation and support to the County Auditor's Office. Appreciation must also be expressed to the County Judge, members of the Commissioners' Court, the County Treasurer, and all other officials of the County for their assistance in planning and conducting the financial operations of the County in a progressive and responsible manner.

Respectfully submitted,
Michelle Samford
Victoria County Auditor

2020 Victoria County Organizational Chart

Comprehensive Annual Financial Report



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ELECTED OFFICIALS

NAME	POSITION
Benjamin Zeller	County Judge
Danny Garcia	Commissioner, Precinct #1
Kevin Janak	Commissioner, Precinct #2
Gary Burns	Commissioner, Precinct #3
Clint Ives	Commissioner, Precinct #4
Constance Filley Johnson	Criminal District Attorney
Heidi Easley	County Clerk
Cathy Stuart	District Clerk
Sean Kennedy	County Treasurer
Rena Scherer	County Tax Assessor-Collector
Justin Marr	County Sheriff
Travis H. Ernst	Judge, County Court-at-Law #1
Daniel Gilliam	Judge, County Court-at-Law #2
Jack Marr	Judge, 24th Judicial District
K. Stephen Williams, III	Judge, 135th Judicial District
Robert Bell	Judge, 267th Judicial District
Eli Garza	Judge, 377th Judicial District
Mary Ann Rivera	Justice of the Peace #1
Stuart Posey	Justice of the Peace #2
Robert Whitaker	Justice of the Peace #3
John Miller	Justice of the Peace #4
Gary Smejkal	Constable, Precinct #1
James E. Calaway	Constable, Precinct #2
Kenneth Easley, Jr.	Constable, Precinct #3
Aaron Burleson	Constable, Precinct #4

APPOINTED OFFICIALS

NAME	POSITION
Michelle Samford	County Auditor
Richard Castillo	County Fire Marshal

FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS
101 S. MAIN, SUITE 400
VICTORIA, TEXAS 77901-8142

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INDEPENDENT AUDITORS' REPORT

The Honorable County Judge and Members
of the Commissioners' Court
County of Victoria, Texas

Report on the Financial Statements

We have audited the accompanying statutory basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Victoria, Texas (the "County") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting practices prescribed or permitted by Government Code Section 2266.051, as adopted by the State of Texas House Bill 2365 as described in Note 1 to the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Citizens Medical Center, which represent 79 percent, 81 percent, and 98 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions insofar as it relates to the amounts included for the Citizens Medical Center, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Citizens Medical Center were not audited in accordance with *Government Auditing Standards*.

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 organization'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 organization'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 adverse and unqualified audit opinions.

The Honorable County Judge and Members
of the Commissioners' Court
County of Victoria, Texas

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the County using financial accounting practices prescribed or permitted by Government Code Section 2264-051, as adopted by State of Texas House Bill 2365, which practices differ from generally accepted accounting principles (GAAP) in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 1 and GAAP, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with GAAP, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended.

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective statutory basis financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2020, and the respective statutory basis changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with the financial accounting practices prescribed or permitted by Government Code Section 2264-051, as adopted by State of Texas House Bill 2365 described in Note 1.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of changes in total OPEB liability and related ratios, and schedules of employer contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable County Judge and Members
of the Commissioners' Court
County of Victoria, Texas

Other Information

Our audit was conducted for the purpose of forming opinions on the statutory basis financial statements that collectively comprise the County's basic financial statements. The introductory section, statutory basis combining and individual major and nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular* and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

July 1, 2021

The discussion and analysis of the County of Victoria's (the "County") financial performance provides an overview of the County's financial activities for the year ended December 31, 2020. The discussion and analysis should be read in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the financial statements. The discussion and analysis includes comparative data for the prior year.

FINANCIAL HIGHLIGHTS

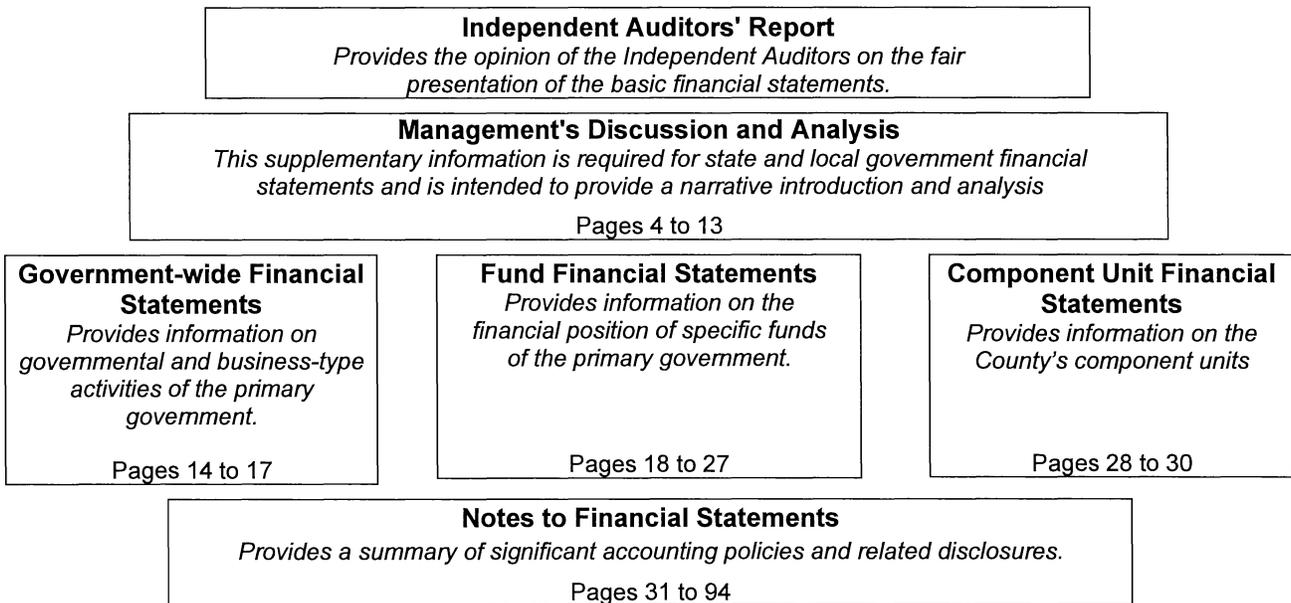
- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the year ended December 31, 2020, by \$39,696,663. Of this amount \$17,654,620 is available to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position of the governmental and business-type activities netted an increase of \$1,358,548. \$1,279,441 of this increase related to the governmental activities.
- At December 31, 2020, the County's governmental funds reported combined ending fund balances of \$22,669,899. The amount available for governmental discretion (unassigned fund balance) is \$16,060,070.
- At December 31, 2020, the fund balance for the General Fund was \$16,060,315, a \$1,862,652 decrease over last year. The unassigned portion of fund balance was \$16,060,315 or 100% of total General Fund balance or 42% of total General Fund expenditures for 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

The new financial reporting model instituted by Governmental Accounting Standards Board Statement 34 (GASB 34) seeks to improve operational accountability by highlighting an overall picture that was lost in the detail of fund accounting. Instead of focusing on aggregations of similar individual funds, GASB 34 introduced government-wide financial statements, which present the government as a single unified entity.

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) component unit financial statements, and 4) notes to financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Organization and Flow of Financial Section Information



OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

Government-wide Financial Statements. The *government-wide financial statements*, which consist of the following two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's 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 the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during 2020. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, highways and streets, culture and recreation, and public health. The business-type activities of the County include the airport and other (commissary).

The government-wide financial statements include not only the County itself (known as the *primary government*) but also the component units of Victoria County Navigation District and Citizens Medical Center. These component units are not included as part of the primary government.

The government-wide financial statements can be found on pages 14-17 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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

The County maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered a major fund. Data from the other 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 and individual statements and schedules following the required supplementary information.

OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

The County adopts an annual appropriated budget for its General Fund, road and bridge special revenue funds, and Debt Service Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and is located on pages 140-147 of this report. Budget comparisons are presented for the road and bridge special revenue funds and the Debt Service Fund on pages 149-154 of this report.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its airport and other enterprise activities (commissary). *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the County's various functions. The County uses an internal service fund to account for its employee health insurance services. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the airport, which is considered to be a major fund of the County, and other (commissary).

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

Notes to 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 financial statements can be found on pages 31-94 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's General Fund's budgetary comparison schedule and historical pension and OPEB benefits information. Required supplementary information can be found on pages 95-103 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 104-159 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 the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$39,696,663 at the close of the year ended December 31, 2020.

County of Victoria, Texas						
NET POSITION (Statutory Basis)						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 69,176,391	\$ 68,254,230	\$ 1,249,859	\$ 826,888	\$ 70,426,250	\$ 69,081,118
Capital assets (net)	32,625,655	32,350,543	5,652,802	6,130,111	38,278,457	38,480,654
Total assets	101,802,046	100,604,773	6,902,661	6,956,999	108,704,707	107,561,772
Deferred outflow of resources	5,798,832	13,552,124	-	-	5,798,832	13,552,124
Current and other liabilities	5,899,812	5,054,155	188,063	330,888	6,087,875	5,385,043
Noncurrent liabilities	37,194,644	49,084,954	29,218	19,838	37,223,862	49,104,792
Total liabilities	43,094,456	54,139,109	217,281	350,726	43,311,737	54,489,835
Deferred inflow of resources	31,495,139	28,285,946	-	-	31,495,139	28,285,946
Net position						
Net investment in capital assets	11,906,255	10,876,359	5,652,802	6,130,111	17,559,057	17,006,470
Restricted	4,482,986	3,930,837	-	-	4,482,986	3,930,837
Unrestricted	16,622,042	16,924,646	1,032,578	476,162	17,654,620	17,400,808
Total net position	\$ 33,011,283	\$ 31,731,842	\$ 6,685,380	\$ 6,606,273	\$ 39,696,663	\$ 38,338,115

The largest portion of the County's net position (44.5%) reflects unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

The next largest portion of the County's net position (44.2%) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that 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.

The remaining balance of restricted net position (\$4,482,986) represents resources that are subject to external restrictions on how they may be used.

At the end of the current year, the County is able to report positive balances in all three categories of net position, for the government as a whole, as well as for the governmental activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

County of Victoria, Texas

**CHANGES IN NET POSITION
(Statutory Basis)**

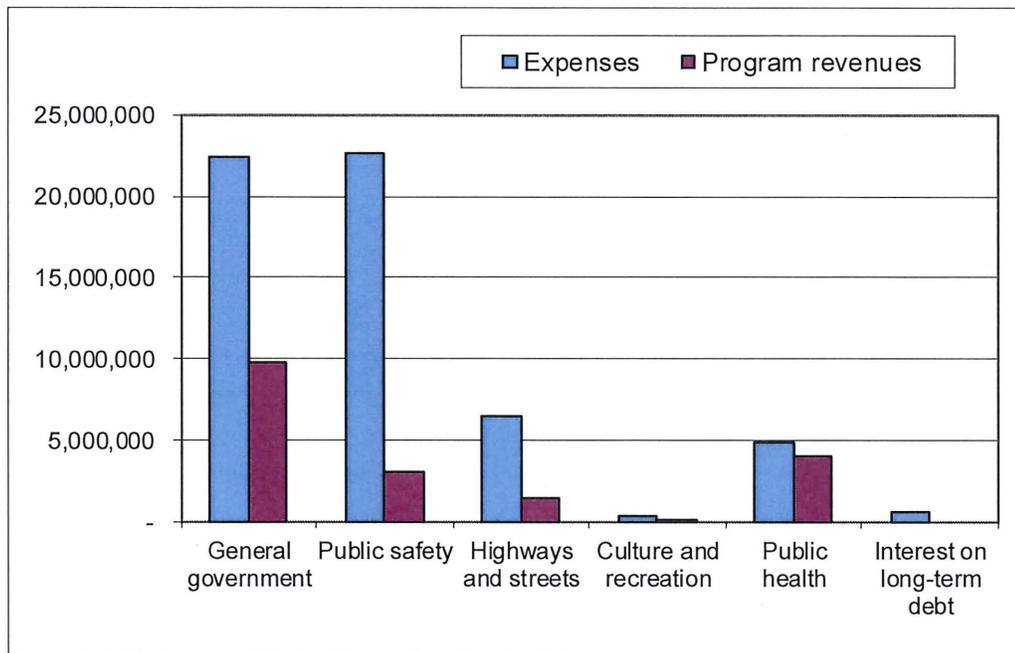
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program revenues:						
Charges for services	\$ 8,697,418	\$ 10,811,243	\$ 2,416,087	\$ 3,167,225	\$ 11,113,505	\$ 13,978,468
Operating grants & contributions	8,847,234	6,401,522	184,324	83,212	9,031,558	6,484,734
Capital grants & contributions	806,880	671,011	-	237,142	806,880	908,153
General revenues:						
Property taxes	29,021,304	25,814,316	-	-	29,021,304	25,814,316
Other taxes	10,189,453	10,575,074	-	-	10,189,453	10,575,074
Other	1,404,922	1,443,992	4,140	10,444	1,409,062	1,454,436
Total revenues	58,967,211	55,717,158	2,604,551	3,498,023	61,571,762	59,215,181
EXPENSES						
General governmental	22,331,100	23,817,872	-	-	22,331,100	23,817,872
Public safety	22,647,849	23,277,427	-	-	22,647,849	23,277,427
Highways and streets	6,484,337	7,226,644	-	-	6,484,337	7,226,644
Culture and recreation	287,547	312,336	-	-	287,547	312,336
Public health	4,871,860	4,118,147	-	-	4,871,860	4,118,147
Interest on long-term debt	583,908	558,442	-	-	583,908	558,442
Airport	-	-	2,841,230	3,656,509	2,841,230	3,656,509
Commissary	-	-	165,383	175,288	165,383	175,288
Total expenses	57,206,601	59,310,868	3,006,613	3,831,797	60,213,214	63,142,665
Change in net position before transfers	1,760,610	(3,593,710)	(402,062)	(333,774)	1,358,548	(3,927,484)
Transfers	(481,169)	(392,250)	481,169	392,250	-	-
Change in net position	1,279,441	(3,985,960)	79,107	58,476	1,358,548	(3,927,484)
Net position - January 1, 2020	31,731,842	35,717,802	6,606,273	6,547,797	38,338,115	42,265,599
Net position - December 31, 2020	\$ 33,011,283	\$ 31,731,842	\$ 6,685,380	\$ 6,606,273	\$ 39,696,663	\$ 38,338,115

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

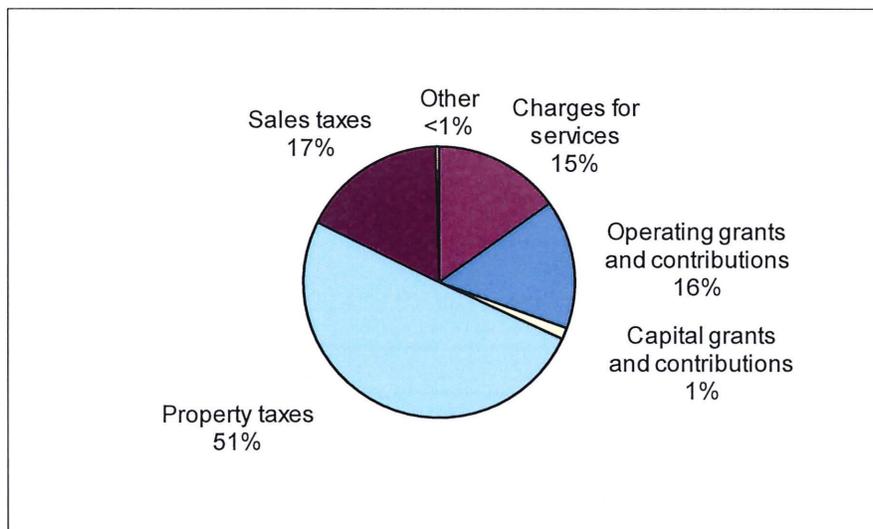
Governmental activities. Governmental activities increased the County's net position by \$1,279,441, thereby accounting for a majority of the total increase in the net position of the County. Key elements of this increase are as follows:

- Operating grants and contributions increased \$2,445,712 from the prior year primarily due to additional Coronavirus funds received.
- Property tax revenues increased \$3,206,988 from the prior year due to an increase in taxable assessed values in the County.
- Total expenses decreased \$2,104,267 or 3% from the prior year. A decrease in general government expenses made up 71% of this decrease primarily due to changes in pension liability and related expense.

Expenses and Program Revenues - Governmental Activities



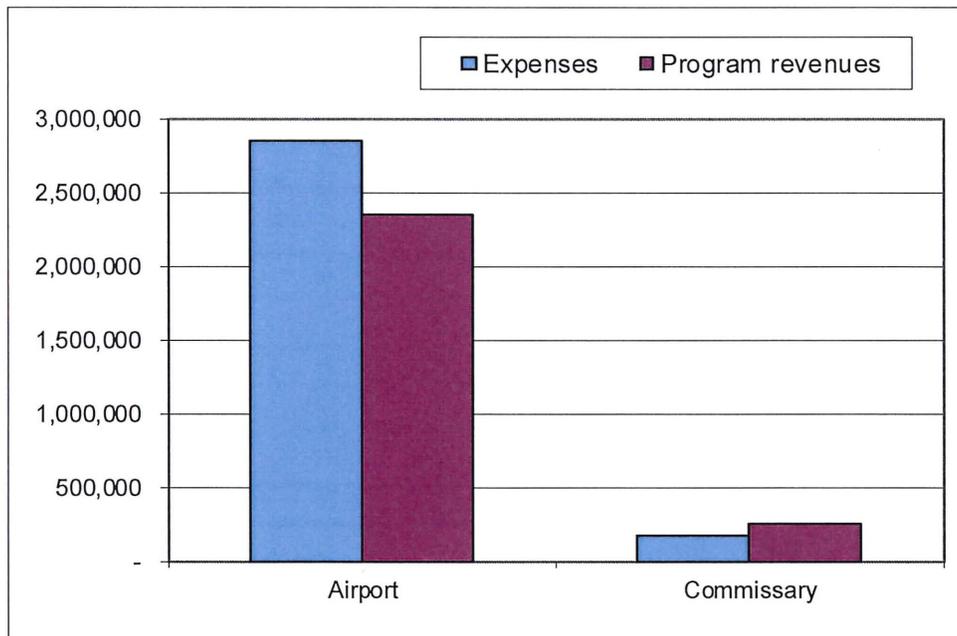
Revenues by Source - Governmental Activities



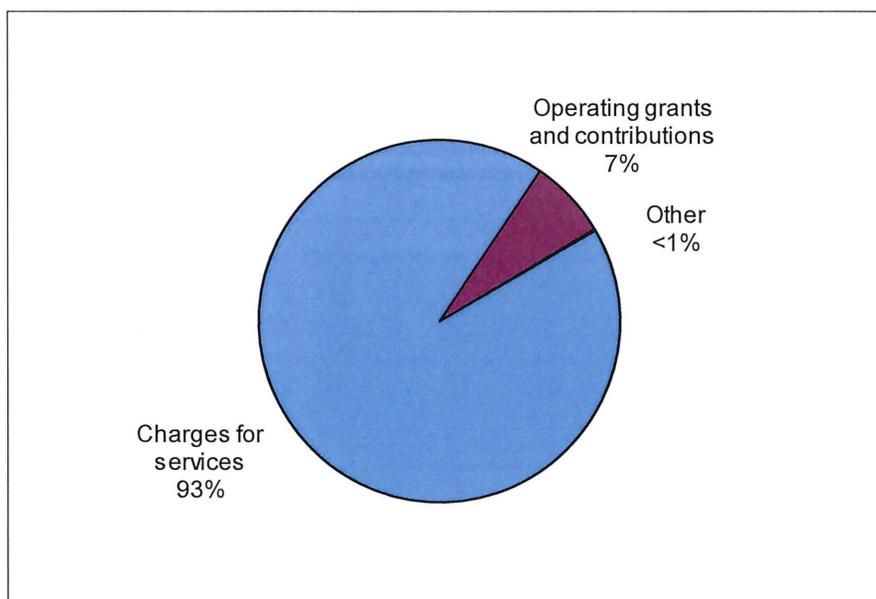
GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

Business-type activities. Business-type activities increased the County’s net position by \$79,107. Total revenues decreased \$893,472 and total expenses decreased \$825,184 due to declines in demand for airport services as a result of the Coronavirus, as well as closure of the airport runway for several months for ongoing reconstruction. In addition, there was an increase in transfers from governmental activities of \$88,919 or 23% compared to 2019.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. Non-financial assets such as governmental buildings, roads, park land and long-term liabilities that will not be paid with current assets are excluded.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$22,669,899, a decrease of \$708,071 in comparison with the prior year. Of the total fund balance, \$16,060,070 constitutes *unassigned fund balance* and is available for spending at the County's discretion. Of the remaining fund balance, \$6,609,829 is *restricted* to specific types of expenditures.

General Fund. The General Fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the General Fund was \$16,060,315, which constituted the total fund balance. 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 42% of total General Fund expenditures, while total fund balance represents 42% of that same amount.

The fund balance of the County's General Fund decreased by \$1,862,652 during the current year. This decrease is due partially to an increase in expenditures in the amount of \$769,168 compared to 2019, 68% of which related to public safety. The remainder of the decrease is attributed to an increase in transfers to other governmental funds of \$747,072.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of proprietary funds at the end of the year amounted to:

Fund	2020	2019
	Unrestricted Net Position	Unrestricted Net Position
Airport	\$ 658,578	\$ 200,590
Commissary	374,000	275,572
Total	\$ 1,032,578	\$ 476,162

Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an increase of \$1,413,673 in total expenditures and can be briefly summarized as follows:

- \$790,096 in miscellaneous increases in general governmental expenditures, mainly due to the reconstruction of parking lots for the Health Department and JP3 and completion of the Commissioner's Court renovations.
- \$623,577 in miscellaneous increases in public safety expenditures, mainly due to capital outlay for new vehicles, radios, and various other equipment.

These increases were to be funded out of miscellaneous increases in intergovernmental revenues, fines and forfeitures revenues, and other miscellaneous revenues.

For 2020, the General Fund's actual expenditures and transfers out came in \$2,405,272 lower than the final budget. This positive variance is mainly due to:

- Payroll and other various expenditure accounts that came in under budget for 2020.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$38,278,457 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and machinery and equipment. The net decrease in the County's investment in capital assets for the current year was 1% (a 1% increase for governmental activities and a 8% decrease for business-type activities).

County of Victoria, Texas						
CAPITAL ASSETS						
(Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,681,055	\$ 2,681,055	\$ -	\$ -	\$ 2,681,055	\$ 2,681,055
Construction in progress	1,552,129	552,198	464,447	273,492	2,016,576	825,690
Buildings	9,410,043	9,780,513	-	-	9,410,043	9,780,513
Improvements	8,147,072	8,230,498	4,776,341	5,440,990	12,923,413	13,671,488
Machinery and equipment	4,961,825	5,044,174	412,014	415,629	5,373,839	5,459,803
Infrastructure	5,873,531	6,062,105	-	-	5,873,531	6,062,105
Total	\$ 32,625,655	\$ 32,350,543	\$ 5,652,802	\$ 6,130,111	\$ 38,278,457	\$ 38,480,654

Major capital asset events during the current year included the following:

- The changes to the governmental activities capital assets during the year ended December 31, 2020, consisted of the following:
 - Construction in progress increased by \$999,931 due to the completion of Commissioner's Court renovations, offset by the addition of renovations at the Regional Disaster Recovery & Response building and various other projects.
 - Improvements decreased by \$83,426 due to the addition of renovations to the Commissioner's Court and County Court at Law #1, offset by current year depreciation.
 - Various machinery and equipment items were purchased and sold.
- The changes to the business-type activities capital assets during the year ended December 31, 2020, consisted of the following:
 - Construction in progress increased by \$190,955 due to the airport paving rehabilitation project.
 - Various machinery and equipment items were purchased and sold.

Additional information on the County's capital assets can be found in Note 6 of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION - (Continued)

Long-term debt. At the end of the current year, the County had total bonded debt outstanding of \$20,820,289. This debt is backed by the full faith and credit of the government.

County of Victoria, Texas

Outstanding Debt and Net Bond Premium (Discount)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Certificates of obligation	\$ 15,105,000	\$ 15,800,000	\$ -	\$ -	\$ 15,105,000	\$ 15,800,000
General obligation bonds	4,835,000	4,835,000	-	-	4,835,000	4,835,000
Issuance premiums	880,289	950,247	-	-	880,289	950,247
Total	<u>\$ 20,820,289</u>	<u>\$ 21,585,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,820,289</u>	<u>\$ 21,585,247</u>

The County's total bonded debt decreased by \$764,958 during the current year due to scheduled debt service payments. The County maintains an "AA" rating from Standard & Poor's, and Fitch Ratings for general obligation debt. Additional information on the County's long-term debt can be found in Note 14.

Economic Factors and Next Year's Budgets and Rates

The annual budget is developed to provide efficient, effective, and controlled use of the County's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the Commissioners' Court sets the direction of the County, allocates its resources, and establishes its priorities.

The final 2021 budget was adopted by Commissioners' Court on September 14, 2020. The budget did not include a cost of living salary increase. The property tax rate was set at \$0.3959 (39.59 cents) per \$100 assessed taxable valuation, which reflects no change from the prior year. The taxable valuation increased for the 2021 year by \$126.2 million which will result in an increase of tax revenue of \$312,661.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provide in this report or requests for additional financial information should be addressed to the County Auditor's Office, 115 N. Bridge, Room 122, Victoria, Texas 77901.

Basic Financial Statements

COUNTY OF VICTORIA, TEXAS

STATEMENT OF NET POSITION - STATUTORY BASIS

December 31, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 22,103,588	\$ 1,138,901	\$ 23,242,489	\$ 77,902,187
Investments	10,490,000	-	10,490,000	-
Receivables (net)	23,461,971	59,487	23,521,458	18,054,009
Internal balances	792	(792)	-	-
Due from other governments	3,174,523	-	3,174,523	9,785,231
Due from component unit	9,836,789	-	9,836,789	-
Due from external parties	108,728	-	108,728	-
Prepaid items	-	26,978	26,978	7,306,160
Inventory	-	25,285	25,285	2,072,456
Estimated amounts due from third-party payers	-	-	-	178,076
Total current assets	69,176,391	1,249,859	70,426,250	115,298,119
Noncurrent assets				
Capital assets				
Land and other assets not being depreciated	4,233,184	464,447	4,697,631	29,437,011
Buildings, improvements, and equipment (net)	28,392,471	5,188,355	33,580,826	89,570,913
Restricted cash	-	-	-	9,841,655
Other assets	-	-	-	268,660
Net pension asset	-	-	-	8,827,103
Total noncurrent assets	32,625,655	5,652,802	38,278,457	137,945,342
Total assets	101,802,046	6,902,661	108,704,707	253,243,461
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	100,889	-	100,889	-
Deferred outflow related to pension	5,300,276	-	5,300,276	2,020,424
Deferred outflow related to OPEB	397,667	-	397,667	-
Total deferred outflows of resources	5,798,832	-	5,798,832	2,020,424

The accompanying notes are an integral part of this statement.

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current liabilities				
Accounts payable	\$ 1,274,858	\$ 59,339	\$ 1,334,197	\$ 8,743,434
Accrued expenses	1,265,891	39,059	1,304,950	11,898,925
Accrued interest payable	247,362	-	247,362	27,715
Due to other governments	547,354	-	547,354	-
Claims payable	320,106	-	320,106	-
Deposits	49,364	25,353	74,717	-
Unearned revenue	40,273	47,420	87,693	27,903,233
Accrued compensated absences	874,726	16,892	891,618	-
Current portion of long-term obligations	1,279,878	-	1,279,878	2,332,792
Total current liabilities	5,899,812	188,063	6,087,875	50,906,099
Noncurrent liabilities				
Noncurrent portion of long-term obligations	21,752,077	29,218	21,781,295	31,468,828
Net pension liability	13,778,737	-	13,778,737	-
OPEB liability	1,663,830	-	1,663,830	-
Total noncurrent liabilities	37,194,644	29,218	37,223,862	31,468,828
Total liabilities	43,094,456	217,281	43,311,737	82,374,927
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	26,796,203	-	26,796,203	2,323,956
Deferred inflow related to pension	4,587,218	-	4,587,218	6,222,175
Deferred inflow related to OPEB	111,718	-	111,718	-
Total deferred inflows of resources	31,495,139	-	31,495,139	8,546,131
NET POSITION				
Net investment in capital assets	11,906,255	5,652,802	17,559,057	96,296,404
Restricted for:				
Debt service	892,317	-	892,317	-
Other purposes	3,590,669	-	3,590,669	8,827,103
Unrestricted	16,622,042	1,032,578	17,654,620	59,219,320
Total net position	\$ 33,011,283	\$ 6,685,380	\$ 39,696,663	\$ 164,342,827

COUNTY OF VICTORIA, TEXAS

STATEMENT OF ACTIVITIES - STATUTORY BASIS

For the year ended December 31, 2020

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 22,331,100	\$ 4,469,942	\$ 4,488,022	\$ 804,833
Public safety	22,647,849	1,750,924	1,317,162	-
Highways and streets	6,484,337	1,347,561	95,436	2,047
Culture and recreation	287,547	250	-	-
Public health	4,871,860	1,128,741	2,946,614	-
Interest on long-term debt	583,908	-	-	-
Total governmental activities	<u>57,206,601</u>	<u>8,697,418</u>	<u>8,847,234</u>	<u>806,880</u>
Business-type activities				
Airport	2,841,230	2,160,555	184,324	-
Commissary	165,383	255,532	-	-
Total business-type activities	<u>3,006,613</u>	<u>2,416,087</u>	<u>184,324</u>	<u>-</u>
Total primary government	<u>\$ 60,213,214</u>	<u>\$ 11,113,505</u>	<u>\$ 9,031,558</u>	<u>\$ 806,880</u>
Component Units	<u>\$ 232,385,632</u>	<u>\$ 230,770,254</u>	<u>\$ 229,785</u>	<u>\$ 307,802</u>

General revenues

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales taxes

Other taxes

Grants and contributions not restricted to specific programs

Unrestricted Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business- type Activities	Total	Component Units
\$ (12,568,303)	\$ -	\$ (12,568,303)	\$ -
(19,579,763)	-	(19,579,763)	-
(5,039,293)	-	(5,039,293)	-
(287,297)	-	(287,297)	-
(796,505)	-	(796,505)	-
(583,908)	-	(583,908)	-
<u>(38,855,069)</u>	<u>-</u>	<u>(38,855,069)</u>	<u>-</u>
-	(496,351)	(496,351)	-
-	90,149	90,149	-
<u>-</u>	<u>(406,202)</u>	<u>(406,202)</u>	<u>-</u>
<u>(38,855,069)</u>	<u>(406,202)</u>	<u>(39,261,271)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,077,791)</u>
27,436,525	-	27,436,525	2,332,465
1,584,779	-	1,584,779	-
9,914,958	-	9,914,958	-
274,495	-	274,495	-
412,994	-	412,994	-
444,946	4,140	449,086	745,963
546,982	-	546,982	1,160,344
(481,169)	481,169	-	-
<u>40,134,510</u>	<u>485,309</u>	<u>40,619,819</u>	<u>4,238,772</u>
1,279,441	79,107	1,358,548	3,160,981
<u>31,731,842</u>	<u>6,606,273</u>	<u>38,338,115</u>	<u>161,181,846</u>
<u>\$ 33,011,283</u>	<u>\$ 6,685,380</u>	<u>\$ 39,696,663</u>	<u>\$ 164,342,827</u>

COUNTY OF VICTORIA, TEXAS
BALANCE SHEET - STATUTORY BASIS
GOVERNMENTAL FUNDS
December 31, 2020

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 12,528,192	\$ 9,574,875	\$ 22,103,067
Investments	10,490,000	-	10,490,000
Receivables (net)	19,572,364	3,763,298	23,335,662
Due from other governments	1,297,366	1,877,157	3,174,523
Due from other funds	<u>1,978,045</u>	<u>488,664</u>	<u>2,466,709</u>
Total assets	<u>\$ 45,865,967</u>	<u>\$ 15,703,994</u>	<u>\$ 61,569,961</u>
LIABILITIES			
Accounts payable	\$ 721,228	\$ 514,841	\$ 1,236,069
Accrued expenditures	935,816	319,875	1,255,691
Due to other funds	155,461	1,825,273	1,980,734
Due to other governments	363,279	184,075	547,354
Deposits	1,400	47,964	49,364
Unearned revenue	<u>18,093</u>	<u>21,872</u>	<u>39,965</u>
Total liabilities	<u>2,195,277</u>	<u>2,913,900</u>	<u>5,109,177</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>27,610,375</u>	<u>6,180,510</u>	<u>33,790,885</u>
Total deferred inflows of resources	<u>27,610,375</u>	<u>6,180,510</u>	<u>33,790,885</u>
FUND BALANCES			
Restricted	-	6,609,829	6,609,829
Unassigned	<u>16,060,315</u>	<u>(245)</u>	<u>16,060,070</u>
Total fund balances	<u>16,060,315</u>	<u>6,609,584</u>	<u>22,669,899</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 45,865,967</u>	<u>\$ 15,703,994</u>	<u>\$ 61,569,961</u>

The accompanying notes are an integral part of this statement.

COUNTY OF VICTORIA, TEXAS**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION
OF GOVERNMENTAL ACTIVITIES - STATUTORY BASIS**

December 31, 2020

Total governmental fund balances		\$ 22,669,899
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
The Internal Service Fund is used by the County to charge the cost of health insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.		(619,028)
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as "unavailable" in the funds.		3,441,201
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenues in the governmental funds and thus are not included in fund balance.		3,553,481
Other noncurrent assets (i.e. due from component unit) are not current financial resources and therefore not reported in the funds.		9,836,789
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:		
Governmental capital assets costs	\$ 194,587,260	
Accumulated depreciation of governmental capital assets	<u>(161,961,605)</u>	32,625,655
Deferred outflows of resources are not reported in the governmental funds:		
Deferred amount on refunding	100,889	
Deferred amount on pension	5,300,276	
Deferred amount on OPEB	<u>397,667</u>	5,798,832
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds and certificates payable	(19,940,000)	
Capital lease	(87,290)	
Issuance premiums	(880,289)	
Interlocal commitment	(1,102,414)	
Accrued interest payable	(247,362)	
Compensated absences	(1,896,688)	
Net pension liability	(13,778,737)	
OPEB liability	<u>(1,663,830)</u>	(39,596,610)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred amount on pension	(4,587,218)	
Deferred amount on OPEB	<u>(111,718)</u>	<u>(4,698,936)</u>
Net position of governmental activities		<u>\$ 33,011,283</u>

The accompanying notes are an integral part of this statement.

COUNTY OF VICTORIA, TEXAS**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - STATUTORY BASIS
GOVERNMENTAL FUNDS**

For the year ended December 31, 2020

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 31,895,163	\$ 5,874,005	\$ 37,769,168
Fees of office and user fees	1,766,919	2,403,330	4,170,249
Intergovernmental	3,884,150	7,883,736	11,767,886
Fines and forfeitures	713,358	195,201	908,559
Investment income	394,190	50,235	444,425
Licenses and permits	55,928	-	55,928
Contributions	-	1,111,581	1,111,581
Miscellaneous	972,909	1,306,123	2,279,032
Total revenues	<u>39,682,617</u>	<u>18,824,211</u>	<u>58,506,828</u>
EXPENDITURES			
Current			
General government	19,021,153	2,811,638	21,832,791
Public safety	19,225,114	2,380,283	21,605,397
Highways and streets	-	6,359,200	6,359,200
Culture and recreation	247,639	-	247,639
Public health	-	4,808,668	4,808,668
Capital outlay	-	1,330,510	1,330,510
Debt service			
Principal retirement	-	954,786	954,786
Interest and fiscal charges	-	566,061	566,061
Total expenditures	<u>38,493,906</u>	<u>19,211,146</u>	<u>57,705,052</u>
Excess (deficiency) of revenues over expenditures	<u>1,188,711</u>	<u>(386,935)</u>	<u>801,776</u>
OTHER FINANCING SOURCES (USES)			
Capital lease	-	111,203	111,203
Sale of assets	11,119	-	11,119
Transfers in	17,000	1,965,640	1,982,640
Transfers out	<u>(3,079,482)</u>	<u>(535,327)</u>	<u>(3,614,809)</u>
Total other financing sources (uses)	<u>(3,051,363)</u>	<u>1,541,516</u>	<u>(1,509,847)</u>
Change in fund balances	(1,862,652)	1,154,581	(708,071)
Fund balances at beginning of year	<u>17,922,967</u>	<u>5,455,003</u>	<u>23,377,970</u>
Fund balances at end of year	<u>\$ 16,060,315</u>	<u>\$ 6,609,584</u>	<u>\$ 22,669,899</u>

The accompanying notes are an integral part of this statement.

COUNTY OF VICTORIA, TEXAS*RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - STATUTORY BASIS
For the year ended December 31, 2020*

Total net change in fund balances - governmental funds		\$ (708,071)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
The Internal Service Fund is used by the County to charge the costs of health insurance to individual funds. The net activity of the Internal Service Fund is reported with governmental activities.		444,926
The net effect of various transactions involving capital assets (i.e., transfers, contributions, adjustments and dispositions) is to increase (decrease) net position.		(137,556)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Increase in capital assets	\$ 3,280,500	
Depreciation expense	<u>(2,867,832)</u>	412,668
Issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		
Capital lease		(111,203)
The payment from a component unit is reported as miscellaneous income in the governmental funds. However, in the government-wide statements, this payment is reported as a reduction of a noncurrent asset.		(165,827)
Current year payments on long-term debt are expenditures in the fund financial statements, but they serve to reduce long-term liabilities in the government-wide financial statements. In the current year, these amounts consist of:		
Bond principal retirement	695,000	
Interlocal commitment principal retirement	259,786	
Capital lease principal retirement	<u>23,913</u>	978,699
Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Similarly, other revenues are not currently available at year end and are not reported as revenue in the governmental funds.		
Property taxes	1,498,858	
Other revenues	<u>(746,733)</u>	752,125
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences	(27,945)	
Net pension costs	(44,784)	
OPEB costs	(95,745)	
Increase in accrued interest	(77,630)	
Decrease in loss on bond refunding	(10,174)	
Decrease in bond premium	<u>69,958</u>	<u>(186,320)</u>
Change in net position of governmental activities		\$ <u>1,279,441</u>

The accompanying notes are an integral part of this statement.

COUNTY OF VICTORIA, TEXAS

STATEMENT OF NET POSITION - STATUTORY BASIS

PROPRIETARY FUNDS

December 31, 2020

	Business-type Activities			Governmental Activities- Internal Service Fund
	Airport	Commissary	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 779,534	\$ 359,367	\$ 1,138,901	\$ 521
Receivables (net)	29,703	29,784	59,487	126,309
Prepaid items	26,978	-	26,978	-
Inventory	25,285	-	25,285	-
Total current assets	861,500	389,151	1,250,651	126,830
Noncurrent assets				
Capital assets				
Land and other assets not being depreciated	464,447	-	464,447	-
Buildings, improvements, and equipment (net)	5,153,307	35,048	5,188,355	-
Total noncurrent assets	5,617,754	35,048	5,652,802	-
Total assets	6,479,254	424,199	6,903,453	126,830
LIABILITIES				
Current liabilities				
Accounts payable	56,541	2,798	59,339	38,789
Accrued expenses	34,176	4,883	39,059	10,200
Due to other funds	613	179	792	376,455
Deposits	25,353	-	25,353	-
Unearned revenue	47,420	-	47,420	308
Claims payable	-	-	-	320,106
Accrued compensated absences	14,220	2,672	16,892	-
Total current liabilities	178,323	10,532	188,855	745,858
Noncurrent liabilities				
Accrued compensated absences	24,599	4,619	29,218	-
Total noncurrent liabilities	24,599	4,619	29,218	-
Total liabilities	202,922	15,151	218,073	745,858
NET POSITION				
Net investment in capital assets	5,617,754	35,048	5,652,802	-
Unrestricted	658,578	374,000	1,032,578	(619,028)
Total net position	\$ 6,276,332	\$ 409,048	\$ 6,685,380	\$ (619,028)

The accompanying notes are an integral part of this statement.

COUNTY OF VICTORIA, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - STATUTORY BASIS
 PROPRIETARY FUNDS
 For the year ended December 31, 2020

	<u>Business-type Activities</u>			<u>Governmental Activities- Internal Service Fund</u>
	<u>Airport</u>	<u>Commissary</u>	<u>Total</u>	
OPERATING REVENUES				
Charges for services	\$ 1,114,967	\$ 255,532	\$ 1,370,499	\$ 4,112,350
Rents	968,016	-	968,016	-
Miscellaneous	<u>77,572</u>	<u>-</u>	<u>77,572</u>	<u>-</u>
Total operating revenues	<u>2,160,555</u>	<u>255,532</u>	<u>2,416,087</u>	<u>4,112,350</u>
OPERATING EXPENSES				
Airport operations	2,106,442	-	2,106,442	-
Commissary operations	-	158,663	158,663	-
Health services	-	-	-	4,818,945
Depreciation	<u>729,340</u>	<u>6,720</u>	<u>736,060</u>	<u>-</u>
Total operating expenses	<u>2,835,782</u>	<u>165,383</u>	<u>3,001,165</u>	<u>4,818,945</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	(675,227)	90,149	(585,078)	(706,595)
NONOPERATING REVENUES (EXPENSES)				
Investment income - interest	2,581	1,559	4,140	521
Gain (loss) on disposition of assets	(5,448)	-	(5,448)	-
Noncapital grants and contributions	<u>184,324</u>	<u>-</u>	<u>184,324</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>181,457</u>	<u>1,559</u>	<u>183,016</u>	<u>521</u>
Income (loss) before transfers	(493,770)	91,708	(402,062)	(706,074)
Transfers				
Transfers in	<u>481,169</u>	<u>-</u>	<u>481,169</u>	<u>1,151,000</u>
Total transfers	<u>481,169</u>	<u>-</u>	<u>481,169</u>	<u>1,151,000</u>
Change in net position	(12,601)	91,708	79,107	444,926
Total net position at beginning of year	<u>6,288,933</u>	<u>317,340</u>	<u>6,606,273</u>	<u>(1,063,954)</u>
Total net position at end of year	<u>\$ 6,276,332</u>	<u>\$ 409,048</u>	<u>\$ 6,685,380</u>	<u>\$ (619,028)</u>

The accompanying notes are an integral part of this statement.

COUNTY OF VICTORIA, TEXAS
STATEMENT OF CASH FLOWS - STATUTORY BASIS
PROPRIETARY FUNDS
For the year ended December 31, 2020

	<u>Business-type Activities</u>			Governmental Activities- Internal Service Fund
	<u>Airport</u>	<u>Commissary</u>	<u>Total</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,132,475	\$ 235,569	\$ 2,368,044	\$ 4,222,474
Cash paid to suppliers for goods and services	(1,215,599)	(13,106)	(1,228,705)	(4,602,474)
Cash paid to employees for services	(971,067)	(142,456)	(1,113,523)	(291,714)
Net cash provided (used) by operating activities	<u>(54,191)</u>	<u>80,007</u>	<u>25,816</u>	<u>(671,714)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Noncapital grants and contributions	186,701	-	186,701	-
Borrowing (repayments) to other funds	(73)	6	(67)	(482,113)
Transfers in (out) from other funds	481,169	-	481,169	1,151,000
Net cash provided (used) by noncapital financing activities	<u>667,797</u>	<u>6</u>	<u>667,803</u>	<u>668,887</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(264,199)	-	(264,199)	-
Net cash provided (used) by capital and related financing activities	<u>(264,199)</u>	<u>-</u>	<u>(264,199)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	2,581	1,559	4,140	521
Net cash provided (used) by investing activities	<u>2,581</u>	<u>1,559</u>	<u>4,140</u>	<u>521</u>
Net increase (decrease) in cash and cash equivalents	351,988	81,572	433,560	(2,306)
Cash and cash equivalents at beginning of year	427,546	277,795	705,341	2,827
Cash and cash equivalents at end of year	<u>\$ 779,534</u>	<u>\$ 359,367</u>	<u>\$ 1,138,901</u>	<u>\$ 521</u>

The accompanying notes are an integral part of this statement.

	<u>Business-type Activities</u>			Governmental Activities- Internal Service Fund
	<u>Airport</u>	<u>Commissary</u>	<u>Total</u>	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (675,227)	\$ 90,149	\$ (585,078)	\$ (706,595)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	729,340	6,720	736,060	-
Changes in assets and liabilities				
(Increase) decrease in accounts receivable	(4,476)	(19,963)	(24,439)	110,813
(Increase) decrease in inventory	25,140	-	25,140	-
(Increase) decrease in prepaid items	(26,978)	-	(26,978)	-
(Increase) decrease in deposits	34,556	-	34,556	-
Increase (decrease) in accounts payable	(122,614)	1,261	(121,353)	8,019
Increase (decrease) in accrued expenses	6,378	1,232	7,610	2,470
Increase (decrease) in deposits	(17,128)	-	(17,128)	-
Increase (decrease) in unearned revenue	(6,476)	-	(6,476)	(689)
Increase (decrease) in compensated absences	3,294	608	3,902	-
Increase (decrease) in claims payable	-	-	-	(85,732)
Total adjustments	<u>621,036</u>	<u>(10,142)</u>	<u>610,894</u>	<u>34,881</u>
Net cash provided (used) by operating activities	<u>\$ (54,191)</u>	<u>\$ 80,007</u>	<u>\$ 25,816</u>	<u>\$ (671,714)</u>

COUNTY OF VICTORIA, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2020

	Private Purpose Trust	Custodial
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 122,317	\$ 8,129,384
Receivables (net)		
Other	-	65,728
Deposits	3,654	-
Seized assets	<u>-</u>	<u>28,325</u>
Total assets	<u>125,971</u>	<u>8,223,437</u>
LIABILITIES		
Liabilities		
Accounts payable	14,042	416,268
Due to other funds	108,728	-
Due to other governments	<u>-</u>	<u>5,481,654</u>
Total liabilities	<u>122,770</u>	<u>5,897,922</u>
NET POSITION		
Unrestricted	<u>\$ 3,201</u>	<u>\$ 2,325,515</u>

The accompanying notes are an integral part of this statement.

COUNTY OF VICTORIA, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the year ended December 31, 2020

	Private Purpose Trust	Custodial
	<u> </u>	<u> </u>
ADDITIONS		
Miscellaneous		
Participants' contributions	\$ 260,627	\$ -
Minor trust account deposits	-	1,057,065
Confiscation and restitution receipts	-	609,710
Inmate deposits	-	706,019
Tax collections	-	208,674,010
Investment income	452	13,543
	<u>261,079</u>	<u>211,060,347</u>
Total additions		
DEDUCTIONS		
General government		
Participants' withdrawals	260,627	-
Minor trust account disbursements	-	905,481
Confiscation and restitution disbursements	-	391,200
Inmate withdrawals	-	703,299
Tax distributions	-	208,676,143
	<u>260,627</u>	<u>210,676,123</u>
Total deductions		
Changes in net position	452	384,224
Net position - beginning, as restated	<u>2,749</u>	<u>1,941,291</u>
Net position - ending	<u>\$ 3,201</u>	<u>\$ 2,325,515</u>

The accompanying notes are an integral part of this statement.

COUNTY OF VICTORIA, TEXAS

STATEMENT OF NET POSITION

COMPONENT UNITS

December 31, 2020

	Victoria County Navigation District	Citizens Medical Center	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 9,518,598	\$ 68,383,589	\$ 77,902,187
Receivables (net)	1,672,612	16,381,397	18,054,009
Due from other governments	16,292	9,768,939	9,785,231
Supplies inventory	-	2,072,456	2,072,456
Estimated amounts due from third-party payers	-	178,076	178,076
Prepaid items and other	-	7,306,160	7,306,160
Total current assets	<u>11,207,502</u>	<u>104,090,617</u>	<u>115,298,119</u>
Noncurrent assets			
Capital assets			
Land and other assets not being depreciated	16,899,307	12,537,704	29,437,011
Buildings, improvements, and equipment (net)	24,210,337	65,360,576	89,570,913
Restricted cash	-	9,841,655	9,841,655
Other assets	-	268,660	268,660
Net pension asset	-	8,827,103	8,827,103
Total noncurrent assets	<u>41,109,644</u>	<u>96,835,698</u>	<u>137,945,342</u>
Total assets	<u>52,317,146</u>	<u>200,926,315</u>	<u>253,243,461</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pension	-	2,020,424	2,020,424
Total deferred outflows of resources	<u>-</u>	<u>2,020,424</u>	<u>2,020,424</u>
LIABILITIES			
Current liabilities			
Accounts payable	106,638	8,636,796	8,743,434
Accrued expenditures/expenses	-	11,898,925	11,898,925
Accrued interest payable	27,715	-	27,715
Unearned revenue	-	27,903,233	27,903,233
Current portion of long-term obligations	1,427,808	904,984	2,332,792
Total current liabilities	<u>1,562,161</u>	<u>49,343,938</u>	<u>50,906,099</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations	17,493,664	13,975,164	31,468,828
Total noncurrent liabilities	<u>17,493,664</u>	<u>13,975,164</u>	<u>31,468,828</u>
Total liabilities	<u>19,055,825</u>	<u>63,319,102</u>	<u>82,374,927</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to property taxes	2,308,394	-	2,308,394
Deferred inflow related to pensions	-	6,222,175	6,222,175
Deferred inflow related to fees	15,562	-	15,562
Total deferred inflows of resources	<u>2,323,956</u>	<u>6,222,175</u>	<u>8,546,131</u>
NET POSITION			
Net investment in capital assets	22,867,437	73,428,967	96,296,404
Restricted for pension	-	8,827,103	8,827,103
Unrestricted	8,069,928	51,149,392	59,219,320
Total net position	<u>\$ 30,937,365</u>	<u>\$ 133,405,462</u>	<u>\$ 164,342,827</u>

The accompanying notes are an integral part of this statement.

COUNTY OF VICTORIA, TEXAS
STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2020

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Component Units				
Victoria County Navigation District	\$ 4,484,601	\$ 2,663,477	\$ 229,785	\$ -
Citizens Medical Center	<u>227,901,031</u>	<u>228,106,777</u>	<u>-</u>	<u>307,802</u>
Total component units	<u>\$ 232,385,632</u>	<u>\$ 230,770,254</u>	<u>\$ 229,785</u>	<u>\$ 307,802</u>

General revenues:
Taxes:
Property taxes, levied for general purposes
Unrestricted investment earnings
Miscellaneous
Total general revenues
Change in net position
Net position - beginning
Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue
and Changes
in Net Position

Component Units		
Victoria County Navigation District	Citizens Medical Center	Total
\$ (1,591,339)	\$ -	\$ (1,591,339)
<u>-</u>	<u>513,548</u>	<u>513,548</u>
<u>(1,591,339)</u>	<u>513,548</u>	<u>(1,077,791)</u>
2,332,465	-	2,332,465
55,037	690,926	745,963
<u>40,645</u>	<u>1,119,699</u>	<u>1,160,344</u>
<u>2,428,147</u>	<u>1,810,625</u>	<u>4,238,772</u>
836,808	2,324,173	3,160,981
<u>30,100,557</u>	<u>131,081,289</u>	<u>161,181,846</u>
<u>\$ 30,937,365</u>	<u>\$ 133,405,462</u>	<u>\$ 164,342,827</u>

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Victoria, Texas (the "County") is a political subdivision of the State of Texas (the "State"). The County is governed by the Commissioners' Court, composed of four (4) County Commissioners and the County Judge, all of whom are elected officials.

The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles, to the extent that its rules do not conflict with State financial laws and the State Constitution. The codification of GASB Statements and Interpretations and any amendments thereto define the Governmental Accounting and Financial Reporting Standards that constitute generally accepted accounting principles (GAAP) for governmental units. GASB recognizes that the establishment of accounting standards for states and local governments, which were created by states, is a power retained by the states.

Prior to 2008, the County prepared financial statements in accordance with GAAP because it did not conflict with State financial laws and the State Constitution. However, the County has concluded that complying with GASB Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), would result in publishing financial statements that are materially misleading. This statement was superseded by GASB 75 for fiscal year 2018. It would also be inconsistent with State financial laws and misrepresent the nature, scope, and duration of the financial activities of the County.

Beginning in 2008, the County prepared its financial statements using the statutory basis of accounting provided by the State in Chapter 2264, Texas Government Code (Chapter 2264), Financial Accounting and Reporting (the "Statutory Basis"). This Statutory Basis is a comprehensive basis of accounting other than GAAP that is consistent with State financial laws and the State Constitution. The statutory accounting practices as prescribed in Chapter 2264 amend or supersede portions of GASB pronouncements.

The only departure from GAAP as a result of applying the Statutory Basis of accounting is in the accounting for and reporting of OPEB. GASB 75 requires state and local governments to establish standards for the measurement, recognition, and display of other postemployment benefits expense/expenditures, related liabilities, and note disclosures in the financial statements. The Statutory Basis differs from GAAP in that GAAP requires a government to report an OPEB liability even when the government has not promised or contracted to fund future benefits and when there is no legally enforceable liability. In other words, GASB 75 does not distinguish between a government that has a legally enforceable liability and a government that does not; nor does it distinguish between a government that has promised benefits and a government that has not. In addition, GASB stated in paragraph 77 of GASB 45, "...the Board affirmed its general presumptions, and that of other standards setters, that an employer that has established a *pattern of providing* postemployment benefits has accepted *responsibility to provide* those benefits". Such presumptions may result in materially misleading financial statements and may be contrary to State law and the actions of the government's governing body.

The Statutory Basis of accounting provides an accounting basis for the County to report any legally enforceable OPEB liability it may have incurred based on the County's "Substantive Plan". A Substantive Plan is defined in Chapter 2264 as a plan providing OPEB approved by the governing body of the plan provider according to the laws and Constitution of the State. The Statutory Basis is consistent with the definition and characteristics of a liability defined in GASB Concepts Statement No. 4, *Elements of Financial Statements* as a "present obligation to sacrifice resources that the government has little or no discretion to avoid". No promises of continuing retirement healthcare benefits beyond 2020 have been made to employees by the Commissioners' Court. The County has included communications both in information provided to employees and in the annual financial statements that specifically state that the decision to provide these benefits is made on an annual basis.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In summary, the County's presentation of OPEB in its financial statements using the Statutory Basis in Chapter 2264: (1) measures the cost of benefits according to their adoption by the government body of the County; (2) provides an accurate assessment of OPEB liabilities and the extent of their funding for the time period for which the benefits were adopted; and (3) provides information useful in assessing potential demands on the County's future cash flows.

Other significant accounting policies followed by the County are described below.

A. Reporting Entity

As required by GAAP, the County's financial statements present the County and its component units, entities for which the County is considered financially accountable. A component unit is included in the County's reporting entity if either of the following are applicable: (1) the County appoints a voting majority of the component unit's governing body and the County is able to impose its will on the component unit or there is potential for the component unit to provide specific financial benefits to or impose specific financial burdens on the County; (2) the component unit is fiscally dependent on the County and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. The County is required to consider other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

The component units discussed in this note are included in the County's financial statements because the Commissioners' Court appoints a voting majority of the organization's governing body and the County's ability to impose its will on the organizations.

Component Units

The component units' column in the financial statements includes the financial data of the County's two component units. They are reported as discretely presented component units in a separate column to emphasize that they are legally separate from the County.

Victoria County Navigation District - Established to oversee and regulate the maintenance and operations of the Victoria Barge Canal. The District is governed by a Board of Commissioners, each member of which is appointed by the Commissioners' Court of the County. The Commissioners' Court of Victoria also reviews and approves its annual budget. This entity is considered a Governmental Fund Type for the County's reporting purposes and uses the same fiscal year as the County.

Citizens Medical Center - A 317-bed acute care hospital owned by the County and established to provide medical services to the residents of the County and surrounding areas. The Medical Center is governed by a board of directors, each member of which is appointed by the Commissioners' Court of the County. This Court also reviews and approves the annual operating budget of the Medical Center. Citizens Medical Center operates on a fiscal year ending June 30 of each year. The amounts reported for the Medical Center in the financial statements are as of June 30, 2020. The Medical Center is reported as a Proprietary Fund Type in the accompanying financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

A. Reporting Entity - (Continued)

Complete financial statements for each of the above noted component units may be obtained by contacting their respective administrative offices at the following addresses:

Victoria County Navigation District
1934 FM 1432
Victoria, Texas 77905

Citizens Medical Center
2701 Hospital Drive
Victoria, Texas 77901

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component units.

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers property taxes as available if they are collected within 60 days after year-end. A 120 day availability period is used for recognition of all other Governmental Fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, except for interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, fines, licenses, charges for services, interest income and intergovernmental revenues. Sales taxes collected and held by the state and other third parties at year-end on behalf of the County are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the County.

The 2020 tax levy is dedicated to pay for expenditures of the 2021 budget. The entire 2020 tax levy has either been recorded as unearned revenue or unavailable revenue as of December 31, 2020.

The County reports the following major governmental fund:

The General Fund is the County'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 County reports the following major proprietary fund:

Enterprise Funds are used to account for operations: 1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Airport Fund, an enterprise fund, accounts for the operations of and improvements to the County Airport.

Additionally, the County reports the following funds:

The Internal Service Fund accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. The County maintains one Internal Service Fund: Employee Health Insurance Fund.

The Commissary Fund, an enterprise fund, accounts for the operations of commissary stores within correctional facilities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Continued)

The Private Purpose Trust Fund, or the Flexible Benefits Plan, is used to account for amounts withheld from employee paychecks before FICA and withholding taxes are computed. All resources of the fund, including any earnings on invested resources, may be used to benefit parties outside the County. All the above is according to the plan document. The fund is excluded from the government-wide financial statements.

The Custodial Funds account for resources held by the County as an agent for various governments and individuals. These resources include ad valorem taxes collected and to be distributed to other local governments, pass-through grants, various fines and fees to be distributed to other governments, etc. The funds are excluded from the government-wide financial statements.

The Special Revenue Funds account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

The Debt Service Fund accounts for and report financial resources that are restricted, committed or assigned to expenditure for general government debt principal and interest.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 County's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Budgets and Budgetary Accounting

The County Judge is, by statute, the budget officer of the County. After being furnished budget guidelines by the County Judge and Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures. Department officials appear before the County Judge and the County Auditor for departmental budget review. A proposed budget is prepared by the County Auditor, then submitted to the Commissioners' Court. 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 estimated cash balance at January 1 of the budgeted year.

Budgets are adopted for the General Fund, Road and Bridge Special Revenue Funds and the Debt Service Fund by the first regular session of the Commissioners' Court in September. All budgets adopted by the County are on the cash basis of accounting rather than in conformity with GAAP. Under the budgetary basis, revenues are recognized as collected and expenditures when paid.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring expenditures to keep them 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 (the level on which expenditures may not exceed appropriations) for each legally adopted annual operating budget is on a line-item basis. Any amendments above the line-item level must have the approval of the Commissioners' Court before implementation. The line-item level of control is defined by the basic categories of salaries, fringe benefits, operating expenditures, other services and charges, capital outlay, and debt service.

Budget revenue amendments made during the year in the County's governmental funds netted an increase of \$1,507,987. Budget expenditure amendments in these funds netted an increase of \$4,640,125.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the County as an extension of formal budgetary integration. Encumbrances outstanding at year-end are not reported as reservations of fund balances. All encumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

E. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the County are reported at fair value.

The County may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas. Investments authorized under this Act include, but are not limited to, the following: Obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; certificates of deposit issued by a state or financial institution domiciled in the State of Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or otherwise secured; and certain repurchase agreements.

The Commissioners' Court has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995. The investments of the County are in compliance with the Commissioners' Court's investment policies.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. 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 "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

G. Inventory and Prepaid Items

Inventories of supplies held by the Airport Fund, an enterprise fund, are valued at the lower of cost (first-in, first-out) or market. Estimated cost is used when actual cost figures are not available.

Certain payments to vendors reflect costs applicable to future accounting periods. These payments are reported as deferred expenditures (governmental funds) or prepaid expenses (proprietary funds) in the fund financial statements and as deferred expenditures/expenses in the government-wide statements.

H. 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 statement of net position. The County defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The County reports infrastructure assets on a system basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported regardless of their amount. In the case of the initial capitalization of general infrastructure assets, the County chose to include all such items acquired on or after January 1, 2003. The County reported infrastructure assets acquired prior to January 1, 2003, beginning in year ending December 31, 2007.

As the County constructs or acquires capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is capitalized when acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred during the period of construction until completion of the project with interest earned on invested proceeds over the same period.

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

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements other than buildings	10-50
Infrastructure	20-40
Machinery and equipment	5-15
Office equipment and fixtures	5-10

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Compensated Absences

Paid time off or PTO benefits are accrued by County employees according to guidelines set in the County's personnel policy. This policy states that PTO begins to accrue on the first day of employment. However, a new hire (regular 40 hour employee) may not begin to use their accrued PTO until they have completed six months of continuous service (with the exception of Public Safety employees, PTO is available after the first bi-weekly accrual). Each employee will thereafter accrue PTO according to the number of years of continuous service. Upon termination of employment, if the employee has completed one year of service, he or she will be paid for accrued but unused PTO. The payment of unused PTO may not exceed 80 hours. All PTO is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-term Obligations

In the government-wide financial statements, and in 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

K. Deferred Outflows/Inflows of Resources

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

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension/OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Differences between actuarial assumptions used and actual experience for determination of pension or OPEB liability – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension or OPEB liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Deferred Outflows/Inflows of Resources - (Continued)

In addition to liabilities, the statement of financial position and/or balance sheet 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. This year, the County has the following items that qualify for reporting in this category.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension or OPEB experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension or OPEB liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

L. Pensions and OPEB

For purposes of measuring the net pension liability, OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEBS, and pension and OPEB expense, information about the fiduciary net position of the Texas County & District Retirement System (TCDRS) and additions to/deductions from TCERS's fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the County's pension liability is obtained from TCERS through a report prepared for the County by TCERS consulting actuary, Milliman, Inc., in compliance with GASB No. 68.

M. Fund Equity

Fund balances of Governmental Funds classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Commissioners Court through a resolution or by other formal action. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments can be made by the Commissioners Court or by a Court designee (e.g., a department head).

N. Net Position/Fund Balance Flow Assumption

For the classification of government-wide and proprietary fund financial statements, it is the County's policy to consider restricted net position before unrestricted net position. For governmental fund balances, the County considers an expenditure to be made from the most restrictive first when more than one classification is available. However, the County has reserved the right to deviate from this general strategy.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

O. Minimum Fund Balance Policy

It is the desire of the County to maintain adequate General Fund fund balance to provide sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Commissioners Court has adopted a financial standard to maintain an unassigned General Fund fund balance of 25% of the total budgeted expenditures.

The Commissioners Court has also adopted a financial standard to maintain a restricted Debt Service Fund fund balance of 10% - 25% of the following year's debt service requirements, to be used for debt service expenditures.

P. Use of Estimates

The preparation of the government-wide and fund financial statements in conformity with generally accepted accounting principles requires the County to make estimates and assessments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Q. Upcoming GASB Implementations

The County plans to implement GASB Statement No. 87 (GASB 87), *Leases*, in fiscal year ended December 31, 2022. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Equity

As of December 31, 2020, the following funds had deficit equity balances:

<u>Fund</u>	<u>Fund Balance/ Net Position</u>
Nonmajor Governmental Fund	
Juvenile Probation	\$ 245
Internal Service Fund	
Employee Health Insurance	619,028

Steps will be taken to eliminate these deficits in the upcoming fiscal year.

NOTE 3: DEPOSITS AND INVESTMENTS

The following is a reconciliation of deposit and investment balances as of December 31, 2020:

<u>Deposits and Investments</u>	
Bank Deposits	\$ 26,384,338
Negotiable Certificates of Deposits	10,490,000
LOGIC Investment Pool	2,277,156
Cash on Hand	<u>2,832,696</u>
Total	<u>\$ 41,984,190</u>

Deposits

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. All deposits of the County that exceeded the federal depository insurance coverage level of \$250,000 per account were covered by collateral held by the Federal Reserve Bank in the County's name under a collateral agreement with Prosperity Bank. The market value of the collateral held at the Federal Reserve Bank in the County's name at year-end was \$104,149,809. At December 31, 2020, the respective bank balances totaled \$51,696,683.

Investments

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, LOGIC uses amortized cost to value portfolio assets. The pool operates in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the regulatory oversight for the pool is the State of Texas. Investments in the pool are classified as cash and cash equivalents for reporting purposes.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)Investments - (Continued)

As of December 31, 2020, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>
Negotiable Certificates of Deposits	\$ 10,490,000	\$ -	\$ 10,490,000	\$ -	\$ -
LOGIC Investment Pool	<u>2,277,156</u>	-	-	-	<u>2,277,156</u>
Total	<u>\$ 12,767,156</u>	<u>\$ -</u>	<u>\$ 10,490,000</u>	<u>\$ -</u>	<u>\$ 2,277,156</u>

Interest Rate Risk

In accordance with the County's investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio for investments to less than five years from the time of purchase. Specifically, investments of operating funds must have stated final maturities of three years or less and investments in capital project funds must have stated final maturities that do not exceed the expected completion date of the project for which the bonds were sold.

As of December 31, 2020, the County's investments had the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Negotiable Certificates of Deposits	\$ 10,490,000	\$ -	\$ 10,490,000	\$ -	\$ -
LOGIC Investment Pool	<u>2,277,156</u>	<u>2,277,156</u>	-	-	-
Total	<u>\$ 12,767,156</u>	<u>\$ 2,277,156</u>	<u>\$ 10,490,000</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)Investments - (Continued)*Credit Risk*

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. It is the County's policy to limit its investments to those with ratings of not less than A or its equivalent.

At December 31, 2020, the County's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Negotiable Certificates of Deposits	\$ 10,490,000	\$ -	\$ -	\$ -	\$ 10,490,000
LOGIC Investment Pool	<u>2,277,156</u>	<u>2,277,156</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 12,767,156</u>	<u>\$ 2,277,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,490,000</u>

Concentration of Credit Risk

The County's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity or specific user. At year-end, the County was not exposed to concentration of credit risk.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy requires that securities be held in the name of the County or held on behalf of the County and that all securities are purchased using the delivery versus payment method. As of December 31, 2020, and for the year then ended, the County was not exposed to any custodial credit risk.

Please see Notes 20 and 21 for discussions relative to the cash deposits of the County's two component units.

NOTE 4: RECEIVABLES

Receivables at December 31, 2020, for the County's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Airport</u>	<u>Commissary</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Gross receivables					
Ad valorem taxes	\$ 15,755,973	\$ -	\$ -	\$ 4,022,365	\$ 19,778,338
Sales taxes	1,662,991	-	-	-	1,662,991
Fines	14,008,644	-	-	-	14,008,644
Other	<u>25,242</u>	<u>29,703</u>	<u>29,784</u>	<u>230,739</u>	<u>315,468</u>
Total gross receivables	31,452,850	29,703	29,784	4,253,104	35,765,441
Less: Allowances	<u>11,880,486</u>	<u>-</u>	<u>-</u>	<u>363,497</u>	<u>12,243,983</u>
Total net receivables	<u>\$ 19,572,364</u>	<u>\$ 29,703</u>	<u>\$ 29,784</u>	<u>\$ 3,889,607</u>	<u>\$ 23,521,458</u>

The only receivables not expected to be collected within one year are \$195,825 of fines receivable reported in the General Fund.

The County's governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund			
Ad valorem taxes receivable	\$ 24,209,876	\$ -	\$ 24,209,876
Fines receivable	3,400,499	-	3,400,499
Other	-	18,093	18,093
Nonmajor Funds			
Ad valorem taxes receivable	6,129,190	-	6,129,190
Other	<u>51,320</u>	<u>21,872</u>	<u>73,192</u>
	<u>\$ 33,790,885</u>	<u>\$ 39,965</u>	<u>\$ 33,830,850</u>

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by the following January 31, which comprises the collection dates for the current tax roll. The County of Victoria Tax Assessor-Collector bills and collects its own property taxes.

The County is permitted by State Statute to levy taxes up to \$0.80 per \$100 of assessed valuation. The combined tax rate for the budgetary year ended December 31, 2020, was \$0.3959 per \$100, which means the County has a tax margin of \$0.4041 per \$100.

NOTE 5: DUE FROM OTHER GOVERNMENTS

Various funds of the County reported amounts due from other governments as of the end of the current year. These amounts are comprised of the following at December 31, 2020:

	<u>General</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Contract reimbursements	\$ 261,531	\$ 164,982	\$ 426,513
Federal and state grants	956,847	1,712,175	2,669,022
Alcohol and bingo taxes	78,988	-	78,988
	<u>\$ 1,297,366</u>	<u>\$ 1,877,157</u>	<u>\$ 3,174,523</u>

NOTE 6: CAPITAL ASSETS

The County's capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 2,681,055	\$ -	\$ -	\$ 2,681,055
Construction in progress	552,198	1,603,990	604,059	1,552,129
Total capital assets not being depreciated	<u>3,233,253</u>	<u>1,603,990</u>	<u>604,059</u>	<u>4,233,184</u>
Capital assets, being depreciated				
Machinery and equipment	20,549,684	1,522,345	1,007,735	21,064,294
Buildings	22,432,768	10,509	-	22,443,277
Improvements	25,238,855	749,762	-	25,988,617
Infrastructure	120,857,888	-	-	120,857,888
Total capital assets being depreciated	<u>189,079,195</u>	<u>2,282,616</u>	<u>1,007,735</u>	<u>190,354,076</u>
Less accumulated depreciation for				
Machinery and equipment	15,505,510	1,465,091	868,132	16,102,469
Buildings	12,652,255	380,979	-	13,033,234
Improvements	17,008,357	833,188	-	17,841,545
Infrastructure	114,795,783	188,574	-	114,984,357
Total accumulated depreciation	<u>159,961,905</u>	<u>2,867,832</u>	<u>868,132</u>	<u>161,961,605</u>
Total capital assets being depreciated, net	<u>29,117,290</u>	<u>(585,216)</u>	<u>139,603</u>	<u>28,392,471</u>
Governmental activities capital assets, net	<u>\$ 32,350,543</u>	<u>\$ 1,018,774</u>	<u>\$ 743,662</u>	<u>\$ 32,625,655</u>

NOTE 6: CAPITAL ASSETS - (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated				
Construction in progress	\$ 273,492	\$ 190,955	\$ -	\$ 464,447
Total capital assets not being depreciated	<u>273,492</u>	<u>190,955</u>	<u>-</u>	<u>464,447</u>
Capital assets, being depreciated				
Machinery and equipment	1,133,692	83,044	54,140	1,162,596
Buildings	1,111,046	-	-	1,111,046
Improvements	17,334,622	-	-	17,334,622
Total capital assets being depreciated	<u>19,579,360</u>	<u>83,044</u>	<u>54,140</u>	<u>19,608,264</u>
Less accumulated depreciation for				
Machinery and equipment	718,063	81,211	48,692	750,582
Buildings	1,111,046	-	-	1,111,046
Improvements	11,893,632	664,649	-	12,558,281
Total accumulated depreciation	<u>13,722,741</u>	<u>745,860</u>	<u>48,692</u>	<u>14,419,909</u>
Total capital assets being depreciated, net	<u>5,856,619</u>	<u>(662,816)</u>	<u>5,448</u>	<u>5,188,355</u>
Business-type activities capital assets, net	<u>\$ 6,130,111</u>	<u>\$ (471,861)</u>	<u>\$ 5,448</u>	<u>\$ 5,652,802</u>

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

Governmental activities	
General government	\$ 873,926
Public safety	1,245,237
Highways and streets	639,883
Culture and recreation	33,471
Public health	<u>75,315</u>
Total depreciation expense - governmental activities	<u>\$ 2,867,832</u>
Business-type activities	
Airport	\$ 729,340
Commissary	<u>6,720</u>
Total depreciation expense - business-type activities	<u>\$ 736,060</u>

During fiscal year 2020, machinery and equipment with total acquisition values of \$9,800 were transferred from governmental funds to business-type funds. These assets were fully depreciated at the time of transfer.

NOTE 7: LESSOR AGREEMENTS

The Airport Fund, a major enterprise fund, leases land and buildings to various unrelated third parties. Approximately 25% of the Airport Fund's capital assets are used to operate the Airport activities. The total cost of the buildings is \$1,111,046 and is fully depreciated as of December 31, 2020. The total cost of the improvements to the land and buildings is \$17,334,622 and the carrying value is \$4,776,341. Accumulated depreciation on all assets in the Airport Fund is \$14,355,835. Following is an analysis of minimum future rentals due the Airport Fund under noncancelable lease agreements as of December 31, 2020:

<u>Year Ending</u> <u>December 31</u>	
2021	\$ 581,787
2022	453,659
2023	463,806
2024	448,843
2025	<u>400,350</u>
	2,348,445
Thereafter	<u>2,161,068</u>
	<u>\$ 4,509,513</u>

NOTE 8: DEFINED BENEFIT PENSION PLAN

Plan Description

The County provides retirement and disability benefits for all of its full-time employees through a nontraditional, defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nearly 800 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report on a calendar year basis. The report is available online at www.tcdrs.org or upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

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

Membership

At the December 31, 2019 valuation and measurement date, the following is the number of members in the plan:

Inactive employees (or their beneficiaries) currently receiving benefits	399
Inactive employees entitled to but not yet receiving benefits	506
Active employees	<u>593</u>
Total	<u>1,498</u>

Funding Policy

The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 15.06% for the accounting year in 2020. The deposit rate payable by the employee members is the rate of 7.00% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

The deposit rate payable by the employer for calendar year 2020 is the rate of 15.06% as adopted by the governing body of the employer. The employee members deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)**Net Pension Liability**

The County's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
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	2.75%
Salary increases	Varies by age and service. 4.9% average over career including inflation.
Investment rate of return	8.10% (Gross of administrative expenses)
Cost of living adjustments	Cost of living adjustments for Victoria 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	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.
Turnover	The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement is 0% for the two years immediately prior to retirement eligibility. Rates are reduced at ages near retirement as it is anticipated that a member would be less likely to take a withdrawal if the partial lump-sum payment option was available. New employees are assumed to replace any terminated members and have similar entry ages.

NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)

Net Pension Liability - (Continued)

Actuarial Assumptions - (Continued)

Mortality

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

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

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

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

NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)**Net Pension Liability - (Continued)***Actuarial Assumptions - (Continued)**Discount Rate*

The discount rate used to measure the total pension liability was 8.10%, unchanged from prior measurement. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	(a)	(b)	(a) - (b)
Balance at 12/31/2018	\$ 156,869,295	\$ 132,113,247	\$ 24,756,048
Changes for the year:			
Service cost	3,627,860	-	3,627,860
Interest on total pension liability ⁽¹⁾	12,653,682	-	12,653,682
Effect on plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	357,417	-	357,417
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(452,784)	(452,784)	-
Benefit payments	(8,274,844)	(8,274,844)	-
Administrative expenses	-	(115,069)	115,069
Member contributions	-	2,030,101	(2,030,101)
Net investment income	-	21,698,296	(21,698,296)
Employer contributions	-	4,071,804	(4,071,804)
Other ⁽³⁾	-	(68,862)	68,862
Net changes	<u>7,911,331</u>	<u>18,888,642</u>	<u>(10,977,311)</u>
Balance at 12/31/2019	<u>\$ 164,780,626</u>	<u>\$ 151,001,889</u>	<u>\$ 13,778,737</u>

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

⁽²⁾ No plan values changed.

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

NOTE 8: DEFINED BENEFIT PENSION PLAN - (Continued)**Net Pension Liability - (Continued)***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

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

	1.0% Decrease in Discount Rate (7.10%)	Current Discount Rate (8.10%)	1.0% Increase in Discount Rate (9.10%)
Total pension liability	\$ 185,927,505	\$ 164,780,625	\$ 147,033,575
Fiduciary net position	151,001,888	151,001,888	151,001,888
Net pension liability / (asset)	\$ 34,925,617	\$ 13,778,737	\$ (3,968,313)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS report.

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

For the year ended December 31, 2020, the County recognized pension expense of \$4,655,365. At December 31, 2020, the County reported the following deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 268,063	\$ 856,034
Changes of assumptions	421,633	-
Net difference between projected and actual earnings	-	3,731,184
Contributions subsequent to the measurement date	4,610,580	-
Total	\$ 5,300,276	\$ 4,587,218

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

Year ended December 31:	Pension Expense Amount
2020	\$ (1,087,116)
2021	(1,173,386)
2022	584,720
2023	(2,221,738)
2024	-
Thereafter	-
Total	\$ (3,897,520)

NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB)

Plan Description and Benefits Provided

The County participates in the retiree Group Term Life program for the TCDRS. 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 GTL program are included in the OPEB plan. 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. The OPEB benefit is a fixed \$5,000 lump-sum benefit and no future increases are assumed in the \$5,000 benefit amount. The 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 January 1 each year.

Membership

At the December 31, 2019 valuation and measurement date, the following is the number of members in the plan:

Inactive employees currently receiving benefits	340
Inactive employees entitled to but not yet receiving benefits	134
Active employees	<u>593</u>
Total	<u>1,067</u>

Contributions

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. For GASB 75 purposes, the OPEB plan is not a cost sharing plan as the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions. The contributions are held in the GTL fund and the 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.

The County's contribution rates for the program are as follows:

Plan/Calendar Year	Total GTL Contribution (Rate)	Retiree Portion of GTL Contribution (Rate)
2017	0.15%	0.09%
2018	0.15%	0.09%
2019	0.14%	0.11%
2020	0.15%	0.12%

NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB) - ContinuedTotal OPEB Liability

The County's total OPEB liability and the OPEB expense is recognized on the County's financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability.

Actuarial Assumptions

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 75.

Valuation timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age 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	Does not apply
Inflation	Does not apply
Salary increases	Does not apply
Investment rate of return (Discount rate)	2.74%; 20 year bond GO Index published by bondbuyer.com as of December 26, 2019
Cost of living adjustment	Does not apply
Disability	Based on TCDRS experience
Mortality	For service retirees and beneficiaries, 130% and 110% of the RP-2014 Healthy Annuitant Mortality Table for males and females, respectively, both projected with 110% of the MP-2014 Ultimate scale after 2014. For depositing members, 90% of the RP-2014 Active Employee Mortality Table, projected with 110% of the MP-2014 Ultimate scale after 2014. For disabled retirees, 130% and 115% of the RP-2014 Disabled Annuitant Mortality Table for males and females, respectively, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Retirement	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.

NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB) - Continued

Total OPEB Liability - (Continued)

Actuarial Assumptions - (Continued)

Other Termination of
Employment

The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement vary by length of service, entry-age group and gender. No termination after eligibility for retirement is assumed.

Discount Rate

The discount rate used to measure the total OPEB liability at December 31, 2019 was 2.74%, a decrease from the rate of 4.10% at December 31, 2018. The OPEB plan has been determined to be an unfunded OPEB plan; therefore, only the municipal bond rate applies.

Changes in Total OPEB Liability

	<u>Changes in Total OPEB Liability</u>
Balance at 12/31/2018	\$ 1,223,884
Changes for the year:	
Service cost	32,230
Interest on total OPEB liability ⁽¹⁾	50,853
Changes of benefit terms ⁽²⁾	-
Effect of economic/demographic experience	10,445
Effect of assumptions changes or inputs ⁽³⁾	378,320
Benefit payments	(31,902)
Other	-
Balance at 12/31/2019	<u>\$ 1,663,830</u>

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

⁽²⁾ No plan values changed.

⁽³⁾ Reflects change in discount rate.

NOTE 9: OTHER POSTEMPLOYMENT BENEFIT PLAN - LIFE (OPEB) - Continued

Total OPEB Liability - (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB Liability of the County, calculated using the discount rate of 2.74%, as well as what the County's Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.74%) or 1 percentage point higher (3.74%) than the current rate:

	1.0% Decrease in Discount Rate (1.74%)	Current Discount Rate (2.74%)	1.0% Increase in Discount Rate (3.74%)
County's Total OPEB Liability:	\$2,050,475	\$1,663,830	\$1,372,483

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

For the year ended December 31, 2019, the County recognized OPEB expense of \$132,021.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,289	\$ 4,517
Changes of assumptions	352,182	107,201
Contributions made subsequent to the measurement date	36,196	-
Total	\$ 397,667	\$ 111,718

Deferred outflows and inflows of resources to be recognized in future OPEB expense (excluding County contributions subsequent to the measurement date) are as follows:

Year ended December 31:	OPEB Expense Amount
2020	\$ 48,938
2021	48,938
2022	48,939
2023	38,143
2024	64,795
Thereafter	-
Total	\$ 249,753

NOTE 10: RETIREE HEALTH BENEFIT PLAN (OPEB)

In addition to providing pension benefits, the County provides its retirees with post-employment health care benefits. In order for a County employee to be eligible for this benefit, their age combined with their years of service must equal seventy-five (75), or they must have attained the age of sixty (60) and with eight (8) years of service, or they must have twenty (20) or more years of service with Victoria County and can retire at any age with full benefits.

The County pays 45.16% of the premium cost for each retiree under the age of 65 provided they worked for Victoria County for eight (8) or more years. If the retiree worked less than eight (8) years for Victoria County the County will not pay any of the premium cost. The County does not contribute to the premium cost for dependents who may be covered under the retiree's (under 65) health insurance plan.

The County pays 50% of the premium cost for medical coverage only for each retiree over the age of 65. The County does not contribute to the premium cost for dependents for retirees over the age of 65.

Other post-employment benefits are expensed and funded on a pay-as-you-go basis. The County recognizes the cost of providing these benefits as a payroll expense/expenditure in an operating fund with corresponding revenue in the Employee Health Insurance Fund. Payments for health insurance are shown as an expense in the Employee Health Insurance Fund. The cost of providing these benefits for 128 and 101 retirees and active employees for the years 2020 and 2019, respectively, is not separated. Total payments to the Employee Health Insurance Fund by retirees were \$226,376 in 2020 and \$192,888 in 2019.

NOTE 11: EMPLOYEES' HEALTH INSURANCE FUND

The County maintains a self-insurance internal service fund designed to pay comprehensive health benefits incurred by its participants. The fund assumes all risk up to \$125,000 of claims per participant annually; after this a reinsurance policy pays any remaining claims for the remainder of the year. Premiums are charged to the individual funds based on a predetermined cost per employee and dependent. These amounts are recorded as operating revenue in the internal service fund and as operating expenditures/expenses in the respective funds. Any claims that have been incurred, but not reported, as of the balance sheet date are shown as current liabilities in the internal service fund and have been charged as an operating expense for that period. This amount was determined by the County's health plan administrator.

As of December 31, 2020, the fund had estimated liabilities for outstanding claims of \$320,106. There was an unrestricted net position of (\$619,028) as of December 31, 2020, an increase of \$444,926 from 2019.

NOTE 11: EMPLOYEES' HEALTH INSURANCE FUND - (Continued)

Below is a reconciliation of claims liabilities reported in the Employee's Health Insurance Fund for the years noted:

<u>Year</u>	<u>Payable Jan 1</u>	<u>Incurred</u>	<u>Paid</u>	<u>Payable Dec 31</u>
2009	\$ 237,750	\$ 2,765,719	\$ 2,851,515	\$ 151,954
2010	151,954	3,197,262	3,160,848	188,368
2011	188,368	1,734,895	1,756,765	166,498
2012	166,498	2,423,413	2,388,999	200,912
2013	200,912	2,343,056	2,365,617	178,351
2014	178,351	2,346,944	2,374,667	150,628
2015	150,628	2,180,671	2,123,249	208,050
2016	208,050	2,734,593	2,694,141	248,502
2017	248,502	3,309,724	3,372,446	185,780
2018	185,780	3,681,389	3,302,952	564,217
2019	564,217	2,993,182	3,151,561	405,838
2020	405,838	3,428,325	3,514,057	320,106

The above schedule reflects only those claims for which the County was liable. Information on claims paid by the insurance carrier under the reinsurance policy was not available. Settled claims resulting from insured risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 12: DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Except in specified circumstances, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

During 1998, the County transferred plan assets to an independent trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 13: 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. The County purchased commercial insurance to cover risks associated with potential claims in 2020. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NOTE 14: LONG-TERM DEBT**A. Changes In Long-term Liabilities**

Long-term liability activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds and certificates payable					
Certificates of obligation	\$ 15,800,000	\$ -	\$ 695,000	\$ 15,105,000	\$ 580,000
General obligation bonds	4,835,000	-	-	4,835,000	410,000
Less: Deferred amounts					
Issuance premiums	<u>950,247</u>	<u>-</u>	<u>69,958</u>	<u>880,289</u>	<u>-</u>
Net bonds and certificates payable	<u>21,585,247</u>	<u>-</u>	<u>764,958</u>	<u>20,820,289</u>	<u>990,000</u>
Direct borrowings					
Capital leases payable	<u>-</u>	<u>111,203</u>	<u>23,913</u>	<u>87,290</u>	<u>23,913</u>
Interlocal commitment	<u>1,362,200</u>	<u>-</u>	<u>259,786</u>	<u>1,102,414</u>	<u>265,965</u>
Compensated absences	<u>1,868,743</u>	<u>3,520,117</u>	<u>3,492,172</u>	<u>1,896,688</u>	<u>874,726</u>
Net pension liability	<u>24,756,048</u>	<u>-</u>	<u>10,977,311</u>	<u>13,778,737</u>	<u>-</u>
OPEB liability	<u>1,223,884</u>	<u>439,946</u>	<u>-</u>	<u>1,663,830</u>	<u>-</u>
Total governmental activity long-term liabilities	<u>\$ 50,796,122</u>	<u>\$ 4,071,266</u>	<u>\$ 15,518,140</u>	<u>\$ 39,349,248</u>	<u>\$ 2,154,604</u>
Business-type activities					
Compensated absences	<u>\$ 42,208</u>	<u>\$ 72,768</u>	<u>\$ 68,866</u>	<u>\$ 46,110</u>	<u>\$ 16,892</u>
Total business-type activity long-term liabilities	<u>\$ 42,208</u>	<u>\$ 72,768</u>	<u>\$ 68,866</u>	<u>\$ 46,110</u>	<u>\$ 16,892</u>

For the governmental activities, compensated absences, OPEB liability, and net pension liability are generally liquidated by the General Fund.

NOTE 14: LONG-TERM DEBT - (Continued)**B. General Obligation Certificates and Bonds**

Long-term liabilities at December 31, 2020, are comprised of the following issues:

\$6,340,000 2014 Certificates of Obligation due in annual installments ranging from \$280,000 to \$465,000 through 2034; interest varying between 2.00% and 4.00%.	\$ 5,210,000
\$4,920,000 2017 Limited Tax Refunding Bonds due in annual installments ranging from \$85,000 to \$570,000 through 2030; interest varying between 2.00% and 4.00%.	4,835,000
\$9,895,000 2019 Certificates of Obligation (Citizens Medical Center) due in annual installments ranging from \$280,000 to \$690,000 through 2039; interest varying between 2.00% and 4.00%.	<u>9,895,000</u>
Total general obligation debt	<u>\$ 19,940,000</u>

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2021	\$ 990,000	\$ 594,159	\$ 1,584,159
2022	1,020,000	561,909	1,581,909
2023	1,055,000	527,834	1,582,834
2024	1,085,000	494,234	1,579,234
2025	1,120,000	458,834	1,578,834
2026-2030	7,200,000	1,583,493	8,783,493
2031-2035	4,800,000	601,185	5,401,185
2036-2039	<u>2,670,000</u>	<u>127,643</u>	<u>2,797,643</u>
	<u>\$ 19,940,000</u>	<u>\$ 4,949,291</u>	<u>\$ 24,889,291</u>

In December 2019, the County issued \$9,895,000 Certificates of Obligation with interest varying between 2.00% and 4.00% for the direct benefit of the Citizens Medical Center (the "Medical Center"), a discretely presented component unit. The funds were transferred by the County to the Medical Center in December 2019 to be used for the purposes of constructing, improving and equipping the Medical Center, including the hospital's emergency department and paying fiscal and engineering fees in connection with such projects. An agreement between the County and the Medical Center was signed by both parties in December 2019 whereby the Medical Center will transfer funds to the County for payment of the Certificates or any refunding bonds issued. The transfer from the Medical Center to the County would be paid over twenty years beginning in 2020 and continuing through 2039 and shall occur at least thirty days prior to the next upcoming principal and/or interest payment dates. The agreement between the two parties will terminate upon the complete satisfaction in payment of the annual payments by the Medical Center to the County.

The funds transferred by the County to the Medical Center, net of payments received, have been reported as due from component unit on the government-wide financial statements at December 31, 2020. The amount received from the Medical Center in 2020, \$165,827, is reported as General Fund miscellaneous revenues on the fund statements for the year ended December 31, 2020.

NOTE 14: LONG-TERM DEBT - (Continued)

C. Capital Leases

Capital leases payable (direct borrowings) at December 31, 2020, are comprised of the following leases:

Lease purchase agreement on a tractor used by Precinct #4. The original amount of the lease, entered into in 2020, was \$111,203. The lease is payable in five annual installments of \$23,913 and bears interest at a rate of 3.70%.	<u>\$ 87,290</u>
Total capital leases	<u>\$ 87,290</u>

The assets acquired through the capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and equipment	<u>\$ 111,203</u>
	111,203
Less: Accumulated depreciation	<u>(6,178)</u>
	<u>\$ 105,025</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>
2021	\$ 23,913
2022	23,913
2023	23,913
2024	23,913
2025	<u>-</u>
Total minimum lease payments	95,652
Less: Amount representing interest	<u>(8,362)</u>
Present value of minimum lease payments	<u>\$ 87,290</u>

NOTE 14: LONG-TERM DEBT - (Continued)

D. Interlocal Commitment

In February 2010, the County agreed to pay funds (\$3.3 million) to the City of Victoria, Texas (the "City") to assist with the financing of the State Highway Loop 463 Improvement Project ("Project"). According to the agreement, the City is responsible to oversee the construction of the Project with assistance from the Texas Department of Transportation (TxDOT) and to finance the costs of the Project with indebtedness to be issued by the City. In April 2011, the City issued the 2011 Pass-Through Toll Revenue and Limited Tax Bonds in the amount of \$9,740,000 with interest varying between 2.00 and 4.00% for the purpose of paying their obligation arising under the agreement. The payments by the County to the City would be paid over eleven years, \$300,000 per annum, beginning in 2014 and continuing through 2024. The payments are to be made on or before February 1 of each year at an interest rate of approximately 3.00%. The cost of the Project was estimated to be \$22,980,000 and if the costs for the Project come in less than the estimated amount by more than 20.113685814%, the County's total obligation of \$3,300,000 would be reduced by 50% of the savings. The remaining costs of the Project will be contributed by TxDOT. In 2016, the County received an overpass threshold letter from the City reducing the County's remaining payments by \$85,995 in total or \$7,818 per annum. The County's annual payment to the City was adjusted to \$292,182 and will be paid through February 1, 2024.

The County has reported the interlocal commitment as a long-term obligation on the government-wide financial statements at and as of December 31, 2020. The County intends to service the commitment by the levy of the debt service property tax rate.

Annual requirements on this long-term interlocal commitment are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2021	\$ 265,965	\$ 26,217	\$ 292,182
2022	272,290	19,892	292,182
2023	278,765	13,417	292,182
2024	285,394	6,788	292,182
	<u>\$ 1,102,414</u>	<u>\$ 66,314</u>	<u>\$ 1,168,728</u>

NOTE 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Interfund Receivables and Payables

At times during the fiscal year the various funds of the County were involved in transactions that created interfund receivable and payable balances. These transactions related to such things as the purchase of goods by one fund on behalf of another and the receipt of revenue in one fund that belongs to or is designated for another fund.

Interfund receivable and payable balances as of December 31, 2020, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 1,492,070
	Airport	613
	Commissary	179
	Internal Service	376,455
	Private Purpose Trust	108,728
Nonmajor Governmental	General	155,461
	Nonmajor Governmental	<u>333,203</u>
Total		<u>\$ 2,466,709</u>

B. Interfund Transfers

Each year various funds of the County transfer funds to other funds. The most significant of these are the planned transfers from the County's General Fund to the Health Department Fund, a Special Revenue Fund, and the transfer from the County's General Fund to the Employee Health Insurance Fund, the Internal Service Fund. These transfers are intended to provide the necessary resources to meet the operating obligations of the receiving fund. During the current fiscal year, transfers between funds consisted of the following:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Airport</u>	<u>Internal Service</u>	
General	\$ -	\$ 1,447,313	\$ 481,169	\$ 1,151,000	\$ 3,079,482
Nonmajor Governmental	<u>17,000</u>	<u>518,327</u>	<u>-</u>	<u>-</u>	<u>535,327</u>
	<u>\$ 17,000</u>	<u>\$ 1,965,640</u>	<u>\$ 481,169</u>	<u>\$ 1,151,000</u>	<u>\$ 3,614,809</u>

NOTE 16: COMMITMENTS AND CONTINGENCIES

The County is exposed to the risk of contingent liabilities in the ordinary course of its operations. Specifically, such risks arise as a result of the County's participation in various state and federal grant programs and as a result of threatened and pending litigation. Disallowed costs could result if County expenditures made under its grants programs are found to be improper in that they violate state or federal regulations. Such disallowed costs would have to be paid back to the granting agency from the County's General Fund. The County is not aware of any costs that have been disallowed in the current year and does not anticipate that any will be.

As of December 31, 2020, the County was involved in various matters of litigation. It is the opinion of the County's legal counsel that any exposure faced by the County as a result of these matters was minimal. Furthermore, any losses incurred would in all probability be covered by liability insurance carried by the County.

Based on the above information, the accompanying financial statements do not reflect any accrual for contingent liabilities as of the end of the current fiscal year.

NOTE 17: FUND BALANCES

The following is a detail of the governmental fund balances as of December 31, 2020:

	<u>Restricted</u>	<u>Unassigned</u>	<u>Total</u>
General			
Unassigned	\$ -	\$ 16,060,315	\$ 16,060,315
Nonmajor Governmental			
Unassigned	-	(245)	(245)
Road and bridge	2,488,430	-	2,488,430
County/District Clerks	438,676	-	438,676
Public safety	1,876,333	-	1,876,333
Public health	213,347	-	213,347
Courthouse security	145,518	-	145,518
Retirement of long-term debt	530,730	-	530,730
Various government costs	916,795	-	916,795
	<u>\$ 6,609,829</u>	<u>\$ 16,060,070</u>	<u>\$ 22,669,899</u>

NOTE 18: RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

In fiscal year 2020, the County implemented GASB Statement No. 84 (GASB 84), *Fiduciary Activities*. The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the criteria for identifying fiduciary activities generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. GASB 84 also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The effect on the County implementing GASB 84 was the establishment of Custodial Funds which were previously reported as Agency Funds and the reporting of a beginning net position balance of \$1,941,291 for these funds. Also several previously reported Agency Funds were reclassified as Special Revenue Funds but this had no effect on beginning net position.

NOTE 19: TAX ABATEMENTS

The County enters into property tax abatement agreements with local businesses under the State of Texas Property Redevelopment and Tax Abatement Act. Under the Act, localities may grant property tax abatements of up to 100% of a business' tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County. The Act provides guidelines and criteria that are then adopted for two-year periods. In order to be eligible to receive tax phase-in, over a period of four to ten years, the planned new facility or planned expansion to modernization of an existing facility must meet the following qualifications:

- a. be reasonably expected to increase the appraised value of the property in the amount of not less than five hundred thousand (\$500,000) dollars after construction is completed.
- b. for new construction projects expected to create less than ten new jobs, pay employees in new jobs an aggregate base weekly wage equal to ten times the average weekly wage across all sectors for Victoria County for the most recent calendar quarter reported by the Texas Workforce Commission as of the date of the application.
- c. companies seeking to qualify for tax phase-in on the basis of job retention shall document that without the creation of a reinvestment zone and/or tax phase-in; the company will either reduce or cease operations. The taxes are abated through a reduction of assessed value. The amount of the tax abatement is determined by applying a specific percentage of taxes owed to each year in the abatement period. Provisions for recapturing abated taxes include discontinuation of products or services for a period of one year during the phase-in period, at which time the agreement shall terminate and the taxes shall be paid within 60 days of termination. The agreement can also be terminated if the company violates any of the terms and conditions of its phase-in agreement, or has delinquent unabated ad valorem taxes owed.

For the fiscal year ended December 31, 2020, the County abated property taxes totaling \$428,091 under this program, including the following tax abatement agreements that each exceed 10% of the total amount abated:

100% tax abatement to a company for locating in the County and constructing a new facility for the purpose of assembling heavy construction equipment. The abatement amounted to \$418,412.

The County has not made any commitments as part of the agreements other than to reduce taxes. The County is not subject to any abatement agreements entered into by other governmental entities. The County has chosen to disclose information about some of its tax abatement agreements individually. It established a quantitative threshold of 10% of the total dollar amount of taxes abated during the year.

NOTE 20: VICTORIA COUNTY NAVIGATION DISTRICT

As described in Note 1, the Victoria County Navigation District (the “District”) is a component unit of the County. It is reported in a separate column to emphasize that it is legally separate for accounting purposes from the County. Following are note disclosures relating to this component unit.

A. Organization

The District was created by a vote of the electorate of Victoria County, Texas, at an election held on February 4, 1947, under the provisions of Article 8263(h) V.A.T.S. (now codified into Chapter 62, Texas Water Code). The Board of Navigation and the Canal Commissioners (the “Directors”) is the level of government which has oversight responsibility and control over all activities related to the District’s activities in the County.

The Directors are appointed by the Commissioners’ Court of the County and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters including taxing authority.

B. Summary of Significant Accounting Policies

The accounting and reporting policies of the District conform to GAAP, as applicable to governmental units. For inclusion in this report, the District’s operations are reported in a single Governmental Fund Type.

C. Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations

For the year ended December 31, 2020, the District complied with budgetary restrictions at all function levels except the following. The following table details these variances:

<u>Fund/Function</u>	<u>Expenditure Variance</u>
General Fund	
Other services and charges	\$ 57,831

These over expenditures were funded by available fund balance in the General Fund.

D. Deposits and Investments

The District’s funds are deposited and invested under the terms of the Victoria County’s depository contract. The depository bank, Prosperity Bank, deposits for safekeeping and trust with Victoria County’s agent bank, approved pledged securities in an amount sufficient to protect the District’s funds on a day-to-day basis during the period of the contract. The pledge-approved securities are waived only to the extent of the depository bank’s dollar amount of FDIC insurance.

Interest Rate Risk

In accordance with the District’s investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase.

Concentration of Credit Risk

The District’s investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the District was not exposed to concentration of credit risk.

NOTE 20: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)

D. Deposits and Investments - (Continued)

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. During the fiscal year and at year-end, all deposits held in the depository bank were fully collateralized and therefore the District was not exposed to custodial credit risk.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2020 the District had no investments.

E. Receivables

Receivables at December 31, 2020, consist of the following:

	<u>General Fund</u>
Gross receivables:	
Accounts	\$ 229,456
Ad valorem taxes	<u>1,519,111</u>
Total gross receivables	1,748,567
Less: Allowances	<u>75,955</u>
Total net receivables	<u>\$ 1,672,612</u>

The District's governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund			
Ad valorem taxes receivable	\$ 2,453,405	\$ -	\$ 2,453,405
Lease revenue	<u>-</u>	<u>15,562</u>	<u>15,562</u>
	<u>\$ 2,453,405</u>	<u>\$ 15,562</u>	<u>\$ 2,468,967</u>

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Taxes are delinquent by February 1 following the October 1 levy date. A statutory lien becomes effective on all property with unpaid taxes as of January 1 of the year following the assessment.

NOTE 20: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)**F. Capital Assets**

The District's capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 16,269,637	\$ 202,472	\$ -	\$ 16,472,109
Construction in progress	116,645	310,553	-	427,198
Total capital assets, not being depreciated	<u>16,386,282</u>	<u>513,025</u>	<u>-</u>	<u>16,899,307</u>
Capital assets, being depreciated				
Improvements	39,495,090	3,650	-	39,498,740
M.P.R.R. Main Line Bridge	4,029,273	-	-	4,029,273
Equipment	436,989	6,388	-	443,377
Total capital assets, being depreciated	<u>43,961,352</u>	<u>10,038</u>	<u>-</u>	<u>43,971,390</u>
Less accumulated depreciation for				
Improvements	15,996,052	1,702,087	-	17,698,139
M.P.R.R. Main Line Bridge	1,785,740	88,195	-	1,873,935
Equipment	137,272	51,707	-	188,979
Total accumulated depreciation	<u>17,919,064</u>	<u>1,841,989</u>	<u>-</u>	<u>19,761,053</u>
Total capital assets being depreciated, net	<u>26,042,288</u>	<u>(1,831,951)</u>	<u>-</u>	<u>24,210,337</u>
Governmental activities capital assets, net	<u>\$ 42,428,570</u>	<u>\$ (1,318,926)</u>	<u>\$ -</u>	<u>\$ 41,109,644</u>

Depreciation expense of \$1,841,989 was charged to the general government function/program in 2020.

G. Lessor Agreements

The District owns various properties which are available for lease, primarily land, docks, and wharves. The property available for lease includes land with total cost of \$16,472,110, as well as docks and wharves with total cost of \$11,822,386 and carrying value of \$7,801,891. Minimum future lease payments to be received under noncancelable lease agreements as of December 31, 2020 are as follows:

<u>Year Ending December 31</u>	
2021	\$ 739,562
2022	617,448
2023	603,736
2024	415,268
2025	85,458
	<u>2,461,472</u>
Thereafter	<u>314,559</u>
	<u>\$ 2,776,031</u>

NOTE 20: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)

H. Long-term Debt

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds	\$ 18,845,000	\$ -	\$ 1,315,000	\$ 17,530,000	\$ 1,355,000
Notes payable - direct borrowings	<u>1,462,170</u>	<u>-</u>	<u>70,698</u>	<u>1,391,472</u>	<u>72,808</u>
Total governmental activity long-term liabilities	<u>\$ 20,307,170</u>	<u>\$ -</u>	<u>\$ 1,385,698</u>	<u>\$ 18,921,472</u>	<u>\$ 1,427,808</u>

General Obligation Bonds

Bonds payable at December 31, 2020, are comprised of the following issues:

2012 Revenue Refunding Bonds due in annual installments of various amounts beginning in 2013 through June 1, 2028; interest rate of 3.05%.	\$ 3,015,000
2012A Port Improvement Revenue Bonds due in annual installments of various amounts beginning in 2013 through June 1, 2032; interest rate of 2.99%.	7,365,000
2015 Port Improvement Revenue Bonds due in annual installments of various amounts beginning in 2016 through June 1, 2030; interest rate of 2.98%.	<u>7,150,000</u>
Total	<u>\$ 17,530,000</u>

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

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,355,000	\$ 504,914	\$ 1,859,914
2022	1,390,000	463,733	1,853,733
2023	1,435,000	421,353	1,856,353
2024	1,475,000	377,696	1,852,696
2025	1,520,000	332,765	1,852,765
2026 - 2030	8,355,000	938,317	9,293,317
2031 - 2032	<u>2,000,000</u>	<u>60,248</u>	<u>2,060,248</u>
Total	<u>\$ 17,530,000</u>	<u>\$ 3,099,026</u>	<u>\$ 20,629,026</u>

NOTE 20: VICTORIA COUNTY NAVIGATION DISTRICT - (Continued)

H. Long-term Debt - (Continued)

Notes Payable

Notes payable at December 31, 2020, are comprised of the following direct borrowing:

Smith property note due in monthly installments of various amounts beginning in 2016 through June 15, 2036; interest rate of 2.75%.	<u>\$ 1,391,472</u>
Total	<u>\$ 1,391,472</u>

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

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 72,808	\$ 37,869	\$ 110,677
2022	74,864	35,813	110,677
2023	76,978	33,699	110,677
2024	79,062	31,615	110,677
2025	81,385	29,292	110,677
2026 - 2030	442,660	110,728	553,388
2031 - 2035	508,827	44,560	553,387
2036	54,888	449	55,337
Total	<u>\$ 1,391,472</u>	<u>\$ 324,025</u>	<u>\$ 1,715,497</u>

I. Risk Management

The District 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. The District purchased commercial insurance to cover risks associated with potential claims during fiscal year 2020. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

J. Retirement Plan

The District sponsors a defined contribution pension plan established under Section 457(b) of the Internal Revenue Code that covers all of its employees. The plan is administered by Prosperity Bank Trust Department. Employees are able to select their contribution as a percentage of their eligible earnings, which amounted to approximately \$26,562 for the year ended December 31, 2020. The District matches employee contributions up to 7%. Total contributions made by the District for the year totaled \$25,274

NOTE 21: CITIZENS MEDICAL CENTER

As described in Note 1, Citizens Medical Center is a component unit of the County. It is reported in a separate column to emphasize that it is legally separate for accounting purposes from the County. Following are note disclosures relating to this component unit:

A. Organization

Citizens Medical Center (the "Medical Center") is a 317-bed acute care hospital that is a component unit of the County. The Medical Center is operated by a Board of Managers (the Board) that is appointed by the County Commissioners' Court. Its primary mission is to provide health care services to the citizens of the County. The Medical Center primarily earns revenues by providing inpatient, outpatient, skilled nursing, home health, and emergency care services to patients in Victoria County and surrounding areas.

The Medical Center controls the operations of nine freestanding nursing homes located in the Medical Center's service area at June 30, 2020 and 2019.

B. Summary of Significant Accounting Policies

The financial statements of the Medical Center have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated or voluntary nonexchange transactions. Government-mandated or voluntary nonexchange transactions that are not program specific, if any, and investment income are included in nonoperating revenues and expenses. The Medical Center first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk Management

The Medical Center is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than general and professional liability, employee health claims and workers' compensation. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The Medical Center is self-insured for a portion of its exposure to risk of loss from general and professional liability, employee health claims, and workers' compensation. Annual estimated provisions are accrued for the self-insured portion of these risks and include an estimate of the ultimate costs for both reported claims and claims incurred, but not yet reported.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

B. Summary of Significant Accounting Policies - (Continued)

Interest Income

Interest income for the years ended June 30, 2020 and 2019 consisted of interest earned on bank deposits and interest earned on a note receivable issued in connection with the sale of a clinical lab in 2016.

Patient Accounts Receivable

The Medical Center reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients, and others. The Medical Center provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

Supplies

Supply inventories are stated at the lower of cost or market. Costs are determined using the first-in, first-out (FIFO) method.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations are amortized over the shorter of the lease term or their respective estimated useful lives.

The following estimated useful lives are being used by the Medical Center:

Land improvements	5 to 25 years
Buildings, building improvements, and fixed equipment	3 to 40 years
Major movable equipment	3 to 25 years

Capital Asset Impairment

The Medical Center evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected accumulated depreciation is increased by the amount of the impairment loss. No impairment loss was recognized during the years ended June 30, 2020 and 2019.

Compensated Absences

Medical Center policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date, plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

B. Summary of Significant Accounting Policies - (Continued)

Deferred Outflows of Resources

The Medical Center reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its balance sheet.

Defined Benefit Pension Plan

The Medical Center has an agent multiple-employer defined benefit pension plan through the Texas Hospital Association (the Plan). For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

The Medical Center reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its balance sheet.

Net Position

Net position of the Medical Center is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted for pension represents assets restricted for providing contributions to the agent multiple-employer defined benefit pension plan which provides pensions in accordance with the benefit terms of the plan. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

At June 30, 2020 and 2019, \$222,491 and \$419,069, respectively, of unrestricted net position has been designated by the Medical Center's Board for self-insured health care. Designated assets remain under the control of the Board, which may, at its discretion, later use these assets for other purposes.

Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis for the period the related services are rendered, and such estimated amounts are revised in future periods, as adjustments become known.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

B. Summary of Significant Accounting Policies - (Continued)

Income Taxes

As an essential government function of the County, the Medical Center is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, the Medical Center is subject to federal income tax on any unrelated business taxable income.

C. Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. These payment arrangements include the following:

Medicare

Inpatient acute care and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, acuity and other factors. The Medical Center is reimbursed for certain services at tentative rates with final settlements determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare administrative contractor. The Medicare administrative contractor has audited the Medical Center's costs reports through June 30, 2017.

Medicaid

Inpatient services are paid under a prospective payment system. Outpatient services rendered to Medicaid program beneficiaries are primarily paid based on a cost reimbursement methodology. The Medical Center is reimbursed for certain services at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by Medicaid.

Skilled Nursing

Revenue from Medicare skilled nursing patients are generally paid based on prospectively established per diem rates that are based on patient's acuity. Medicaid and private pay rates are also paid based on per diem rates.

Approximately 58% and 51% of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for each of the years ended June 30, 2020 and 2019, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

C. Net Patient Service Revenue - (Continued)

Supplemental Medicaid Funding

In response to the growing number of uninsured patients and the rising cost of health care, the Texas Legislature established a Texas Medicaid Program (DSH Program) that was designed to assist those facilities serving the majority of indigent patients by providing funds supporting increased access to health care within the community. This program allows the Texas Department of Human Services to levy assessments from certain hospitals, use the assessed funds to obtain federal matching funds, and then redistribute the total funds to those facilities serving a disproportionate share of indigent patients in the state of Texas. Beginning in 2019, the Medical Center began to receive DSH funding.

On December 12, 2011, the United States Department of Health and Human Services Commission (HHSC) approved a new Medicaid Section 1115(a) demonstration entitled "Texas Health Transformation Quality Improvement Program" (Waiver). The Waiver expanded existing Medicaid managed care programs and established two funding pools that assist providers with uncompensated care costs (UC Pool) and promotes health system transformation (DSRIP Pool). The revenue from the two funding pools is recognized as earned throughout the demonstration year. The Waiver was originally effective from December 21, 2011 to September 30, 2016 and extended through December 2017 as HHSC and the Centers for Medicare and Medicaid Services (CMS) negotiated a longer term extension. On December 21, 2017, HHSC received an approved extension from CMS for the period of January 1, 2018 through September 30, 2022. Among other changes, the approved plan requires a change in the methodology used to allocate UC funds and a phase out of the DSRIP program over the five year period. The impact of these changes has not yet been determined but could have an adverse impact on the Medical Center's operating results.

For the years ended June 30, 2020 and 2019, the Medical Center recognized revenue from these programs of approximately \$12,058,000 and \$13,199,000, respectively, which is included as net patient service revenue in the accompanying statements of revenues, expenses and changes in net position. Amounts receivable under these programs were approximately \$3,910,175 and \$1,649,000 at June 30, 2020 and 2019, respectively, which is included as due from other governments in the balance sheets. At June 30, 2020 and 2019, the Medical Center had recorded approximately \$911,000 and \$807,000, respectively, of DSH revenue for services to be provided in 2021 and 2020, respectively. At June 30, 2020, the Medical Center had recorded approximately \$1,072,000 of UC revenue for services to be provided in 2021. These amounts are reported as revenue received in advance within accrued expenses in the accompanying balance sheets and will be recognized as revenue during the period in which services are provided.

The funding from the DSH Program and the UC Pool has historically been limited by a federally determined Hospital Specific Limit (HSL) calculation and is subject to recoupment based on subsequent audit results. There has been litigation in U.S. District and circuit appellate courts regarding the legislative intent of certain aspects of the HSL calculation. On August 13, 2019, the D.C. Circuit Court of Appeals issued an opinion in the case of *Children's Hospital Association of Texas vs. Azar* that held that the HSL could be reduced by payments received from other third-party payers related to Medicaid eligible patients. This would result in a recoupment of DSH Program and UC Pool funds the Medical Center has received for 2020 and 2019. There are similar cases being considered in other appellate courts and there has been no clarification on the effective date of the application of this rule. As a result of this uncertainty, the Medical Center has not recorded a liability for potential funding recoupment. However, the Medical Center has estimated a potential liability of approximately \$2,821,000 should the final resolution result in the HSL reduction described above with retroactive application.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

C. Net Patient Service Revenue - (Continued)

Supplemental Medicaid Funding - (Continued)

The Medical Center participated in a collaboration with Memorial Herman Health System (MHHS) during the year ended June 30, 2016. On October 1, 2016, MHHS assigned the agreement to Fort Bend Clinical Services, Inc. (FBCS). The agreement allows the parties to improve access to healthcare for indigent persons residing in the Victoria community. As part of the collaboration, MHHS and FBCS supported organizations that provide physician services in the Victoria area. The value of services provided to the indigent in the Victoria community was approximately \$688,000 and \$2,756,000 during the years ended June 30, 2020 and 2019, respectively. The Medical Center recorded expenses of approximately \$326,000 and \$1,805,000 during the years ending June 30, 2020 and 2019, respectively. These expenses are reflected as a component of purchased services and professional fees expense in the statements of revenues, expense and changes in net position. This arrangement was terminated effective September 30, 2019.

During 2018, the Medical Center began to participate in the Uniform Hospital Rate Increase Program (UHRIP). Under UHRIP, HHSC may direct managed care organizations in a service delivery area to provide a uniform percentage rate increase to all hospitals within a particular class of hospitals. The program increases revenue from services provided to the Medicaid managed care beneficiaries. The state's share of UHRIP funding is funded through intergovernmental transfers from certain hospitals, including the Medical Center. At June 30, 2020 and 2019, the Medical Center recorded approximately \$505,000 and \$527,000, respectively of prepaid intergovernmental transfers that has been recognized in prepaid items and other in the balance sheets.

The Medical Center began participating in the Quality Improvement Payment Program (QIPP) on September 1, 2017. The program is designed to assist nursing facilities serving indigent patients by providing funding to support increased access to health care within the community. It is also designed to allow participating providers to receive additional reimbursement if they either reach a national benchmark level or they make quarterly improvements in up to four predetermined quality measures.

Revenue recognized under the QIPP program (net of any intergovernmental transfer payments) was approximately \$11,495,000 and \$8,964,000 for the years ended June 30, 2020 and 2019, respectively, and is included in nursing home net patient service revenue in the statements of revenues, expenses, and changes in net position. At June 30, 2020 and 2019, the Medical Center recorded estimated receivables under this program of approximately \$5,859,000 and \$5,686,000, respectively, which are included as due from other governments in the balance sheets. At June 30, 2020 and 2019, the estimated receivable included \$3,371,000 and \$3,852,000 of prepaid intergovernmental transfers, which the Medical Center is required to contribute in advance of receiving any gross proceeds.

The programs described above are subject to review and scrutiny by both the Texas Legislature and the CMS and the programs could be modified or terminated based on new legislation or regulation in future periods. Additionally, the funding the Medical Center has received is subject to audit and is not representative of funding to be received in future years.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

D. Patient Accounts Receivable

The Medical Center grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at June 30, 2020, consisted of these amounts:

Hospital		
Patients and their insurance carriers		\$ 20,158,096
Medicare		2,526,939
Medicaid		<u>458,386</u>
		<u>23,143,421</u>
Nursing Homes		
Patients and their insurance carriers		213,103
Medicare		3,427,383
Medicaid		<u>2,282,198</u>
		<u>5,922,684</u>
		29,066,105
Less allowance for uncollectible amounts		<u>12,684,708</u>
Total		<u>\$ 16,381,397</u>

E. Capital Assets

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

	Balance June 30, 2019	Additions/ Transfers	Disposals	Balance June 30, 2020
Land and land improvements	\$ 11,385,820	\$ 24,500	\$ -	\$ 11,410,320
Buildings, improvements, and fixed equipment	130,300,024	11,470,676	(14,725)	141,755,975
Major moveable equipment	89,314,085	2,122,399	(3,576,244)	87,860,240
Construction in progress	<u>3,526,282</u>	<u>(2,398,898)</u>	-	<u>1,127,384</u>
	<u>234,526,211</u>	<u>11,218,677</u>	<u>(3,590,969)</u>	<u>242,153,919</u>
Less accumulated depreciation:				
Land improvements	3,634,899	146,197	-	3,781,096
Buildings, improvements, and fixed equipment	81,693,167	4,346,415	(14,725)	86,024,857
Major moveable equipment	<u>74,365,250</u>	<u>3,551,419</u>	<u>(3,466,983)</u>	<u>74,449,686</u>
	<u>159,693,316</u>	<u>8,044,031</u>	<u>(3,481,708)</u>	<u>164,255,639</u>
Capital assets, net	<u>\$ 74,832,895</u>	<u>\$ 3,174,646</u>	<u>\$ (109,261)</u>	<u>\$ 77,898,280</u>

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**F. Deposits**

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Medical Center's deposit policy for custodial credit risk requires compliance with the provisions of the *Texas Public Funds Investment Act*.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; bonds of any city, county, school district or special road district of the State of Texas; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

At June 30, 2020 and 2019, the Medical Center had bank balances of \$78,225,244 and \$47,429,250, respectively. At June 30, 2020 and 2019, \$0 and \$169,069, respectively, was uninsured and uncollateralized. The remaining cash was insured or collateralized by assets held in other than the Medical Center's name based on the Medical Center's cash management arrangement with the County Treasurer. The County maintains custody of the Medical Center's operating cash accounts and is responsible for obtaining appropriate collateralization of such accounts.

G. Accounts Payable and Accrued Expenses

Accounts payable and accrued payroll and expenses included in current liabilities at June 30, 2020, consisted of the following:

Payable to suppliers and contractors	\$ 4,688,467
Payable to employees (including payroll taxes and benefits)	5,418,390
Payable under management fee arrangement	6,654,762
Revenue received in advance	2,124,102
Payable under self-insured programs	<u>1,650,000</u>
Total	<u>\$ 20,535,721</u>

H. Long-term Obligations

The following is a summary of long-term obligation transactions for the Medical Center for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-term Debt:					
Due to County	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 280,000
Capital lease obligations	<u>112,965</u>	<u>4,545,361</u>	<u>(347,358)</u>	<u>4,310,968</u>	<u>624,984</u>
Total long-term obligations	<u>\$ 112,965</u>	<u>\$ 14,545,361</u>	<u>\$ (347,358)</u>	<u>\$ 14,310,968</u>	<u>\$ 904,984</u>

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**H. Long-term Obligations - (Continued)**Due to County

In December 2019, the Medical Center entered into a Memorandum of Understanding (MOU) with the County, whereas the County issued Certificates of Obligation Bonds (the Bonds) for the purpose of paying all or a portion of certain construction projects (the Projects) of the Medical Center. As a result of issuing the Bonds, the County transferred \$10,000,000 to the Medical Center, which was deposited in a restricted cash account for the Projects. The MOU requires the Medical Center to transfer to the County an amount equal to the upcoming principal and/or interest requirements on the Bonds. Such transfers shall occur at least 30 days prior to the next upcoming principal and/or interest payment dates.

The Bonds mature annually through February 15, 2039, and bear interest at rates ranging from 2.10% to 4.0% annually. The Medical Center's debt service requirements under the MOU as of June 30, 2020 are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 280,000	\$ 248,371	\$ 528,371
2022	290,000	238,540	528,540
2023	300,000	226,792	526,792
2024	310,000	215,791	525,791
2025	320,000	206,380	526,380
2026-2039	<u>8,500,000</u>	<u>1,568,152</u>	<u>10,068,152</u>
	<u>\$ 10,000,000</u>	<u>\$ 2,704,026</u>	<u>\$ 12,704,026</u>

Capital Lease Obligations

The Medical Center is obligated under leases for equipment that are accounted for as capital leases. Assets under capital leases at June 30, 2020 and 2019, totaled approximately \$5,046,000 and \$1,020,000, respectively, net of accumulated depreciation of approximately \$214,000 and \$911,000, respectively.

The following is a schedule by year of future minimum lease payments under capital leases, including interest rates between 2.95% and 3.99%, together with present value of the future minimum lease payments:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 624,984	\$ 133,417	\$ 758,401
2022	816,866	108,199	925,065
2023	843,985	81,080	925,065
2024	872,015	53,050	925,065
2025	865,982	24,540	890,522
Thereafter	<u>287,136</u>	<u>1,964</u>	<u>289,100</u>
	<u>\$ 4,310,968</u>	<u>\$ 402,250</u>	<u>\$ 4,713,218</u>

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)**I. Self-insured Claims**

The Medical Center partially self-insures the cost for its general and professional liability, employee health care benefits costs, and workers' compensation claims. *The Texas Tort Claims Act* limits the Medical Center's general and professional liability to \$100,000 per claim and \$300,000 per occurrence. The Medical Center purchases annual stop-loss insurance coverage for all employee health care benefits and workers' compensation claims. Stop-loss coverage began at \$400,000 for workers compensation claims at both June 30, 2020 and 2019. Stop-loss coverage for employee health claims began at \$300,000 at both June 30, 2020 and 2019.

Losses from asserted and unasserted claims identified under the Medical Center's incident reporting system are accrued based on estimates that incorporate the Medical Center's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. It is reasonably possible that the Medical Center's estimate of losses will change by a material amount in the near term.

Activity in the Medical Center's self-insured claims liability accounts during 2020 and 2019 are summarized as follows:

	2020		
	<u>Employee Health Care Benefits</u>	<u>Worker's Compensation</u>	<u>General and Professional Liability</u>
Balance, beginning of year	\$ 1,580,000	\$ 259,959	\$ 300,000
Current year claims incurred and changes in estimates for claims incurred in prior years	11,369,157	378,618	-
Claim and expenses paid, net	<u>(11,299,157)</u>	<u>(369,397)</u>	<u>-</u>
Balance, end of year	<u>\$ 1,650,000</u>	<u>\$ 269,180</u>	<u>\$ 300,000</u>

	2019		
	<u>Employee Health Care Benefits</u>	<u>Worker's Compensation</u>	<u>General and Professional Liability</u>
Balance, beginning of year	\$ 3,000,000	\$ 523,518	\$ 300,000
Current year claims incurred and changes in estimates for claims incurred in prior years	12,246,508	97,312	-
Claim and expenses paid, net	<u>(13,666,508)</u>	<u>(360,871)</u>	<u>-</u>
Balance, end of year	<u>\$ 1,580,000</u>	<u>\$ 259,959</u>	<u>\$ 300,000</u>

The accrual for general and professional liability claims and workers' compensation claims are presented as other long-term liabilities on the balance sheets. The accrual for employee health care benefits as well as the current portion of workers' compensation is included in accrued expenses on the accompanying balance sheets.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

J. Nursing Home Operations

Effective March 1, 2014, the Medical Center entered a series of lease and management agreements with two nursing home operators that resulted in the Medical Center becoming the legal operator of twelve nursing homes. Effective February 28, 2015 and September 1, 2018, the management agreements for two and one, respectively of these freestanding nursing homes was terminated by the Medical Center. The lease agreements generally call for monthly payments ranging from approximately \$27,000 to \$195,000 per facility. Under the terms of these agreements, the Medical Center incurred approximately \$5,767,000 and \$7,803,000 of rental expense in 2020 and 2019, respectively, which is included in nursing facility expenses on the statement of revenues, expenses and changes in net position. Future minimum lease payments under these cancelable agreements at June 30, 2020, were approximately \$2,536,000 for 2021.

Under the management agreement, the managers provide all services necessary to operate the homes, including employees, supplies and other operating costs. The managers also provide all billing and collection services. All patient revenue from the facilities is paid to the Medical Center. From these collections, the Medical Center pays the managers for all facility costs and the management fees pursuant to the agreements. However, Medical Center payments to the manager are generally limited to the amount of net patient revenue received from the facilities. At its option, the Medical Center may pay additional amounts to the manager above the amounts collected for patient revenue.

K. Pension Plan

The Medical Center sponsors a public employee defined benefit pension plan for eligible employees within an agent multiple-employer retirement program sponsored for member hospitals by the Texas Hospital Association (THA). HealthSHARE, a wholly owned subsidiary of THA, is the plan administrator of the Plan. The Plan's assets are invested as a portion of the THA's master pension trust fund. Benefit provisions are contained in the plan document and were established and can be amended only with the authority of the Medical Center's Board. The Plan does not issue a stand-alone financial report. However, an annual actuarial valuation report is available from the Medical Center or HealthSHARE. That report may be obtained by writing HealthSHARE at 1108 Lavaca, Suite 700, Austin, Texas 78701.

Benefits Provided

The Plan provides retirement, disability and survivor benefits to plan members and their beneficiaries. Additionally, the Plan provides fully vested benefits to terminated employees who have at least five years of vesting service. Employees may retire (with reduced benefits) at age 60 with five years of vesting service. The monthly benefit at normal retirement (age 65 plus five years of Plan participation) for participants who entered the plan prior to March 1, 2018, payable in a lifetime annuity during the final five years of employment, ranges from 1.75% to 3.25% times the years of service times average monthly compensation, subject to certain benefit limits. The monthly benefit at normal retirement (65 plus five years of Plan participation) for participants who entered or re-entered the plan on or after March 1, 2018, payable in a lifetime annuity during the final five years of employment, ranges from 1.50% to 3.00% times the years of service times average monthly compensation, subject to certain benefit limits.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

K. Pension Plan - (Continued)

Benefits Provided - (Continued)

The terms of the Plan provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date provided the employee joined the plan prior to March 1, 2018. The annual adjustments are equal to the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2%. No cost-of-living adjustments are available for benefits earned by participants who entered or re-entered the plan on or after March 1, 2018.

The employees covered by the Plan at February 28, 2020 (measurement date) are:

	<u>2020</u>
Inactive employees or beneficiaries currently receiving benefits	165
Inactive employees entitled to but not yet receiving benefits	439
Active employees	<u>723</u>
	<u>1,327</u>

Contributions

The Medical Center's governing body has the authority to establish and amend the contribution requirements of the Medical Center and active employees.

The governing body establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Plan participants are required to contribute 4.0% to 5.5% of their compensation, depending on the benefits class to which they are assigned.

The Medical Center is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the years ended June 30, 2020 and 2019, employees contributed approximately \$2,179,000 and \$2,156,000, respectively, and the Medical Center contributed \$1,667,000 and \$1,927,000, respectively. Employee contributions expressed as a percentage of annual pay was 3.0% and 3.5% for June 30, 2020 and 2019, respectively.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)K. Pension Plan - (Continued)Net Pension Liability (Asset)

The Medical Center's net pension liability (asset) was measured as of February 28, 2020 and 2019, for the years ended June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability (asset) was determined by the roll forward procedure of the total pension liability in the actuarial valuation as of March 1, 2019 and March 1, 2018, respectively, with the results rolled forward to February 28, 2020 and 2019, for the years ended June 30, 2020 and 2019, respectively.

The total pension liability in the March 1, 2019 and 2018, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.3%
Salary increases	4.4%, average, including inflation
Ad hoc cost of living adjustments	Not included
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Mortality Table, with adjustments for mortality improvements based on Projection Scale MP-2018

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real estate return by the target asset allocation percentage and by adding expected inflation (2.3%). In addition, the final investment rate of return assumption reflected a reduction of 0.20% for adverse deviation. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities		
U.S. Equities		
Large cap	50%	6.0%
Small cap	15%	6.5%
International Equities	10%	5.5%
Fixed income	<u>25%</u>	1.7%
Total	<u><u>100%</u></u>	

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

K. Pension Plan - (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 7.25% at February 28, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Medical Center contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the total pension liability, plan fiduciary net position and the net pension (asset) for the year ended June 30, 2020 is as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at June 30, 2019	\$ 101,883,290	\$ 108,397,677	\$ (6,514,387)
Changes for the year:			
Service cost	3,977,392	-	3,977,392
Interest	7,176,528	-	7,176,528
Differences between expected and actual experience	(2,425,369)	-	(2,425,369)
Member contributions	-	2,259,919	(2,259,919)
Employer contributions	-	1,800,000	(1,800,000)
Net investment income	-	5,952,642	(5,952,642)
Benefit payments, including refunds of employee contributions	(3,690,341)	(3,690,341)	-
Administrative expenses	-	(464,976)	464,976
Assumption changes	(1,493,682)	-	(1,493,682)
Net changes	<u>3,544,528</u>	<u>5,857,244</u>	<u>(2,312,716)</u>
Balance at June 30, 2020	<u>\$ 105,427,818</u>	<u>\$ 114,254,921</u>	<u>\$ (8,827,103)</u>

The net pension liability (asset) of the Medical Center has been calculated using a discount rate of 7.00%. The following presents the net pension liability (asset) using a discount rate 1% higher and 1% lower than the current rate.

	1.0% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1.0% Increase in Discount Rate (8.00%)
Medical Center's net pension liability / (asset)	\$ 5,131,547	\$ (8,827,103)	\$ (20,302,937)

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)K. Pension Plan - (Continued)Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2020 and 2019, the Medical Center recognized pension expense of \$418,575 and \$1,734,006, respectively. At June 30, 2020, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 412,312	\$ 2,083,129
Changes of assumptions	450,329	4,139,046
Net difference between projected and actual earnings on plan investments	557,783	-
Contributions subsequent to the measurement date	600,000	-
Total	\$ 2,020,424	\$ 6,222,175

At June 30, 2020 and 2019, the Medical Center reported \$600,000 and \$733,332, respectively, as deferred outflows of resources related to pensions resulting from Medical Center contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability at February 28, 2020 and 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2020, related to pensions, will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2021	\$ (3,478,649)
2022	(2,182,831)
2023	533,356
2024	326,373
2025	-
Thereafter	-
Total	\$ (4,801,751)

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)K. Pension Plan - (Continued)Pension Plan Fiduciary Net Position

As of February 28, 2020 and 2019, the master pension trust fund was comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,164,228	\$ 2,131,170
Investments at fair value:		
Common stocks	63,608,528	67,394,714
Mutual funds	285,441,567	308,124,601
Common/collective trust funds	211,712,744	201,383,522
103-12 investment fund	<u>27,361,525</u>	<u>27,445,343</u>
Total investments at fair value	<u>588,124,364</u>	<u>604,348,180</u>
Total plan fiduciary net pension	<u>\$ 591,288,592</u>	<u>\$ 606,479,350</u>

The Plan's interest in the master pension trust fund of the measurement date of February 28, 2020 and 2019, was \$114,254,921 and \$108,397,677, respectively.

Investment Policy – Investment policy decisions are established and maintained by the Trustees of the THA Retirement Plan for Member Hospitals. The Trustees have several asset mix alternatives from which participating employers may choose in order to control risk. The Trustees employ and select investment managers with the advice of investment counsel which is completely independent of the investment managers.

The primary goal of a pension fund is to help pay the cost of the pension plan while providing adequate security to meet the benefits promised under the Plan. As a consequence, two important dimensions of a pension plan's investment program are expected return and expected risk.

The Plan trustees diversify plan investments among asset classes, recognizing that there is a relationship between the level of risk assumed in an investment program and the level of return that should be expected. Appropriate diversification better enables the Plan trustees to balance risk and return. The fund's diversification guidelines are set forth below.

<u>Asset Class/Style</u>	<u>Target Asset Mix</u>
Large cap U.S. equities	50%
Small cap U.S. equities	15%
International equities	<u>10%</u>
Total equities	<u>75%</u>
Intermediate fixed income	25%
Long duration fixed income	<u>0%</u>
Total fixed income	<u>25%</u>

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

K. Pension Plan - (Continued)

Pension Plan Fiduciary Net Position - (Continued)

The Trustees maintain a portfolio structure that may combine active and passive management in order to balance the objectives of enhanced return and cost control.

Passive equity and fixed income portfolios invest in a substantially similar manner as that of the underlying benchmark.

Active equity managers have the following requirements:

- The equity portion of the portfolio should not be less than 90% of the portfolio, measured at market value.
- Equity holdings in any one economic sector should not exceed the greater of 30% of the portfolio or 10 percentage points above the sector weight in the benchmark.

Equity holdings in any single company (including common stock and convertible securities) should not exceed 10% of the portfolio.

Active fixed income managers have the following requirements:

- The primary investments should be government, corporate and mortgage securities.
- Holdings in obligations of any single entity (with the exception of the U.S. government and/or its agencies) should not exceed 5% of the portfolio.

The common collective trust fund investment objective is to approximate as closely as practicable, before expenses, to the performance of the S&P 500 Index over the long term.

The 103-12 investment fund objective is to approximate as closely as practicable to the performance of the MSCI EAFE Index.

Investment Rate of Return – The annual money-weighted rate of return on pension plan investments, net of expenses, which expresses net investment performance adjusted for changing amounts actually invested each month was 3.15% for the 12 months ended March 1, 2019.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Plan's policy to limit its holdings in obligations of any single entity, excluding U.S. government and its agencies, to 5% of the portfolio.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the Plan's investments are held in trust accounts.

Concentration of Credit Risk – It is the Plan's policy to limit equity holdings in any one economic sector to the greater of 25% of the portfolio or 10% above the sector weight in the benchmark and limit equity holdings in any single company to 7% of the portfolio. Additionally, the Plan's policy limits holdings in fixed income obligations of any single entity, excluding U.S. government and its agencies, to 5% of the portfolio.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

K. Pension Plan - (Continued)

Pension Plan Fiduciary Net Position - (Continued)

The following table reflects the Plan's investments in single issuers that represent more than 5% of total investments:

	<u>2020</u>	<u>2019</u>
State Street TR Pass Bond Market Index Fund	13.3%	11.4%
PIMCO Total Return Fund	13.2%	11.4%
S + P 500 Flagship Fund	35.8%	33.2%
Vanguard Small Cap Index	13.9%	13.6%

Following is a description of the valuation methodologies and inputs used for pension plan assets measured at fair value on a recurring basis, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

The fair value of the master pension trust fund assets at February 28, 2020 and 2019, were as follows:

	Carrying Amount	<u>Fair Value Measurements Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
February 28, 2020:				
Investments by fair value level:				
Common stocks	\$ 63,608,528	\$ 63,608,528	\$ -	\$ -
Mutual funds	<u>285,441,567</u>	<u>285,441,567</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>349,050,095</u>	<u>\$ 349,050,095</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV) (A):				
Common/collective trust fund	211,712,744			
103-12 investment fund	<u>27,361,525</u>			
Total investments measured at NAV	<u>239,074,269</u>			
Total investments measured at fair value	<u>\$ 588,124,364</u>			

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

K. Pension Plan - (Continued)

Pension Plan Fiduciary Net Position - (Continued)

	Carrying Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
February 28, 2019:				
Investments by fair value level:				
Common stocks	\$ 67,394,714	\$ 67,394,714	\$ -	\$ -
Mutual funds	<u>308,124,601</u>	<u>308,124,601</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>375,519,315</u>	<u>\$ 375,519,315</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV) (A):				
Common/collective trust fund	201,383,522			
103-12 investment fund	<u>27,445,343</u>			
Total investments measured at NAV	<u>228,828,865</u>			
Total investments measured at fair value	<u>\$ 604,348,180</u>			

(A). Certain investments that are measured at fair using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts disclosed for total plan investments at fair value.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Plan did not hold any Level 2 or 3 securities at March 1, 2020 or 2019.

The valuation method of investments measured at the net asset value (NAV) per share (or its equivalent) are presented as above. There were no unfunded commitments or redemption restrictions for these funds.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

L. Insurance Recoveries and FEMA Funding

On August 26, 2017, the Medical Center began emergency preparations for a shelter in place for the landfall of Hurricane Harvey. Over the next two days, 134 patients were transported to other providers in Texas due to damage sustained on the property by the hurricane. The Medical Center lost power and water and was functioning on emergency power from generators for several days. Hurricane Harvey caused additional expenses of approximately \$3,100,000 in 2018, as well as property insurance claims of approximately \$5,449,000 due to facilities being damaged. This resulted in recoveries from insurance proceeds of approximately \$619,000 and \$1,457,000 in 2020 and 2019, respectively.

During 2020 and 2019, the Medical Center received approximately \$245,000 and \$2,734,000, respectively, from the Federal Emergency Management Agency (FEMA) due to structural damages incurred by Hurricane Harvey. FEMA funding is included in capital grants and gifts in the accompanying statement of revenues, expenses, and changes in net position.

M. COVID-19 Pandemic and CARES Funding Act

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) as a global pandemic. Patient volumes and the related revenues were significantly affected by COVID-19 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities.

While some of these policies have been eased and states have lifted moratoriums on non-emergent procedures, some restrictions remain in place, and some state and local governments are re-imposing certain restrictions due to increasing rates of COVID-19 cases.

Beginning in mid-March, the Medical Center deferred all nonessential medical and surgical procedures and suspended elective procedures, which resumed at different date during the final quarter of the year.

The Medical Center's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The Medical Center has taken precautionary steps to enhance its operational and financial flexibility, and react to the risks the COVID-19 pandemic presents to its business, including the following:

- Implementation of targeted cost reduction initiatives;
- Reduction of certain planned projects and capital expenditures

In addition, the Medical Center received approximately \$20,319,000 of accelerated Medicare payments and approximately \$7,585,000 in general and targeted Provider Relief Fund distributions, both as provided for under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act.

The extent of the COVID-19 pandemic's adverse effect on the Medical Center's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the Medical Center's control and ability to forecast. Such factors include, but are not limited to, the scope and duration of stay-at-home practices and business closures and restrictions, government-imposed or recommended suspensions of elective procedures, continued declines in patient volumes for an indeterminable length of time, increases in the number of uninsured and underinsured patients as a result of higher sustained rates of unemployment, incremental expenses required for supplies and personal protective equipment, and changes in professional and general liability exposure.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

M. COVID-19 Pandemic and CARES Funding Act - (Continued)

Because of these and other uncertainties, the Medical Center cannot estimate the length or severity of the effect of the pandemic on the Medical Center's business. Decreases in cash flows and results of operations may have an effect on the inputs and assumptions used in significant accounting estimates, including estimated bad debts and contractual adjustments related to uninsured and other patient accounts.

Provider Relief Fund

During the year ended June 30, 2020, the Medical Center received approximately \$7,585,000 of distributions from the CARES Act Provider Relief Fund. These distributions from the Provider Relief Fund are not subject to repayment, provided the Medical Center is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the Department of Health and Human Services.

Subsequent to year-end, the Medical Center received an additional \$1,796,500 in Provider Relief Fund distributions.

The Medical Center is accounting for such payments as conditional contributions. Payments are recognized as contribution revenue once the applicable terms and conditions required to retain the funds have been met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on the Medical Center's operating revenues and expenses through June 30, 2020, the Medical Center has recorded these payments as refundable advances in the accompanying balance sheets. Of the \$7,585,000 received by the Medical Center, approximately \$4,498,000 were targeted distributions related to the Medical Center's nursing homes. The Medical Center advanced these payments to its nursing home managers and recorded these payments as prepaid items in the accompanying balance sheets.

Subsequent to year-end, HHS issued Post Payment Notice of the Reporting Requirements on October 22, 2020. The guidance outlined a two-step approach to support the funds received and expands the definition of health care related expenses and also limits the amount of lost revenue claimed to any negative change in actual net patient care revenue from calendar year 2019 to 2020. The Medical Center is currently evaluating the new guidance. The impact on the financial statements has yet to be determined as of the date the financials were available to be issued.

The Medical Center will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on the Medical Center's revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. If the Medical Center is unable to attest to or comply with current or future terms and conditions the Medical Center's ability to retain some or all of the distributions received may be affected. The Provider Relief Funds are subject to government oversight, including potential audits.

Medicare Accelerated and Advanced Payment Program

During the year ended June 30, 2020, the Medical Center requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. These amounts are expected to be recaptured by CMS according to the payback provisions.

NOTE 21: CITIZENS MEDICAL CENTER - (Continued)

M. COVID-19 Pandemic and CARES Funding Act - (Continued)

Medicare Accelerated and Advanced Payment Program - (Continued)

Subsequent to year-end, the payback provisions were revised and extended the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period will be at 25% of the remittance advice payment followed by a six-month payback period at 50% of the remittance advice payment. After 29 months, CMS expects any amount not paid back through the withhold amounts to be paid back in a lump sum or interest will begin to accrue subsequent to the 29 months at a rate of 4%.

During the year ended June 30, 2020, the Medical Center received approximately \$20,319,000 from these accelerated Medicare payment requests. The unapplied amount of accelerated Medicare payment requests are recorded as unearned revenue in the accompanying balance sheets.

Required Supplementary Information

COUNTY OF VICTORIA, TEXAS*MAJOR GOVERNMENTAL FUND - GENERAL FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL - STATUTORY BASIS**For the year ended December 31, 2020*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Budget to Statutory Differences Over (Under)</u>	<u>Actual Amounts Statutory Basis</u>
REVENUES					
Taxes	\$ 32,605,276	\$ 32,605,276	\$ 31,937,198	\$ 42,035	\$ 31,895,163
Fees of office and user fees	2,014,600	2,014,600	1,787,140	20,221	1,766,919
Intergovernmental	3,925,950	4,175,950	3,423,124	(461,026)	3,884,150
Fines and forfeitures	1,170,100	1,170,100	782,069	68,711	713,358
Investment income					
Interest	500,100	500,100	394,554	364	394,190
Licenses and permits	62,000	62,000	56,198	270	55,928
Miscellaneous	<u>929,009</u>	<u>1,157,945</u>	<u>982,142</u>	<u>9,233</u>	<u>972,909</u>
Total revenues	<u>41,207,035</u>	<u>41,685,971</u>	<u>39,362,425</u>	<u>(320,192)</u>	<u>39,682,617</u>
EXPENDITURES					
Current					
General government	19,279,832	20,069,928	18,997,736	(23,417)	19,021,153
Public safety	19,565,079	20,188,656	19,166,081	(59,033)	19,225,114
Culture and recreation	<u>262,396</u>	<u>262,396</u>	<u>246,143</u>	<u>(1,496)</u>	<u>247,639</u>
Total expenditures	<u>39,107,307</u>	<u>40,520,980</u>	<u>38,409,960</u>	<u>(83,946)</u>	<u>38,493,906</u>
Excess (deficiency) of revenues over expenditures	<u>2,099,728</u>	<u>1,164,991</u>	<u>952,465</u>	<u>(236,246)</u>	<u>1,188,711</u>
OTHER FINANCING SOURCES (USES)					
Sale of assets	1,000	1,000	11,119	-	11,119
Transfers in	17,000	17,000	17,000	-	17,000
Transfers out	<u>(2,121,503)</u>	<u>(3,253,439)</u>	<u>(2,959,187)</u>	<u>120,295</u>	<u>(3,079,482)</u>
Total other financing sources (uses)	<u>(2,103,503)</u>	<u>(3,235,439)</u>	<u>(2,931,068)</u>	<u>120,295</u>	<u>(3,051,363)</u>
Change in fund balance	(3,775)	(2,070,448)	(1,978,603)	(115,951)	(1,862,652)
Fund balance, January 1	<u>17,044,562</u>	<u>17,044,562</u>	<u>17,044,562</u>	<u>(878,405)</u>	<u>17,922,967</u>
Fund balance, December 31	<u>\$ 17,040,787</u>	<u>\$ 14,974,114</u>	<u>\$ 15,065,959</u>	<u>\$ (994,356)</u>	<u>\$ 16,060,315</u>

Explanation of differences:

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

The accompanying notes to required supplementary information are an integral part of this schedule.

COUNTY OF VICTORIA, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - PENSION

Last ten years

	Measurement Year		
	2014	2015	2016
Total Pension Liability			
Service cost	\$ 3,577,472	\$ 3,776,298	\$ 4,065,893
Interest (on the total pension liability)	9,485,056	10,149,077	10,684,513
Effect of plan changes	-	(701,094)	-
Effect of assumption changes or inputs	-	1,386,660	-
Effect of economic/demographic (gains) or losses	621,328	(1,535,186)	(330,461)
Benefit payments, including refunds of employee contributions	<u>(5,762,494)</u>	<u>(6,083,068)</u>	<u>(6,466,997)</u>
Net Change in Total Pension Liability	7,921,362	6,992,687	7,952,948
Total Pension Liability - Beginning	<u>118,170,701</u>	<u>126,092,063</u>	<u>133,084,750</u>
Total Pension Liability - Ending (a)	<u>\$ 126,092,063</u>	<u>\$ 133,084,750</u>	<u>\$ 141,037,698</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 3,702,500	\$ 3,769,876	\$ 3,800,589
Contributions - Employee	1,893,248	1,936,039	1,988,347
Net investment income	7,248,240	(355,076)	8,359,703
Benefit payments, including refunds of employee contributions	(5,762,494)	(6,083,068)	(6,466,997)
Administrative expense	(84,874)	(81,559)	(90,807)
Other	<u>230,957</u>	<u>(68,399)</u>	<u>180,203</u>
Net Change in Plan Fiduciary Net Position	7,227,577	(882,187)	7,771,038
Plan Fiduciary Net Position - Beginning	<u>106,554,565</u>	<u>113,782,142</u>	<u>112,899,955</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 113,782,142</u>	<u>\$ 112,899,955</u>	<u>\$ 120,670,993</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 12,309,921</u>	<u>\$ 20,184,795</u>	<u>\$ 20,366,705</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.24%	84.83%	85.56%
Covered Payroll	\$ 27,046,396	\$ 27,657,704	\$ 28,404,964
Net Pension Liability as a Percentage of Covered Payroll	45.51%	72.98%	71.70%

NOTE: Information for the prior four years was not readily available. The County will compile the respective information over the next four years as provided by TCDRS on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

Measurement Year		
2017	2018	2019
\$ 4,039,378	\$ 3,806,114	\$ 3,627,860
11,470,437	12,163,758	12,653,682
-	-	-
1,054,081	-	-
(243,371)	(1,385,186)	357,417
<u>(7,071,153)</u>	<u>(8,002,461)</u>	<u>(8,727,628)</u>
9,249,372	6,582,225	7,911,331
<u>141,037,698</u>	<u>150,287,070</u>	<u>156,869,295</u>
<u>\$ 150,287,070</u>	<u>\$ 156,869,295</u>	<u>\$ 164,780,626</u>
\$ 3,914,502	\$ 3,847,415	\$ 4,071,804
2,051,460	1,951,589	2,030,101
17,595,977	(2,577,942)	21,698,296
(7,071,153)	(8,002,461)	(8,727,628)
(91,146)	(106,114)	(115,069)
<u>(15,671)</u>	<u>(54,202)</u>	<u>(68,862)</u>
16,383,969	(4,941,715)	18,888,642
<u>120,670,993</u>	<u>137,054,962</u>	<u>132,113,247</u>
<u>\$ 137,054,962</u>	<u>\$ 132,113,247</u>	<u>\$ 151,001,889</u>
<u>\$ 13,232,108</u>	<u>\$ 24,756,048</u>	<u>\$ 13,778,737</u>
91.20%	84.22%	91.64%
\$ 29,306,268	\$ 27,879,837	\$ 29,001,437
45.15%	88.80%	47.51%

COUNTY OF VICTORIA, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - PENSION
Last ten fiscal years

	Fiscal Year		
	2010	2011	2012
Actuarially Determined Contribution	\$ 1,788,400	\$ 1,727,348	\$ 2,346,096
Contribution in relation to the actuarially determined contribution	<u>(1,788,400)</u>	<u>(1,727,348)</u>	<u>(2,346,096)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$23,877,175	\$23,469,448	\$24,361,762
Contributions as a percentage of covered payroll	7.5%	7.4%	9.6%

The accompanying notes to required supplementary information are an integral part of this schedule.

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
\$ 2,983,888	\$ 3,702,500	\$ 3,769,876	\$ 3,800,589	\$ 3,914,502	\$ 3,847,415	\$ 4,071,804
<u>(2,983,888)</u>	<u>(3,702,500)</u>	<u>(3,769,876)</u>	<u>(3,800,589)</u>	<u>(3,914,502)</u>	<u>(3,847,415)</u>	<u>(4,071,804)</u>
<u>\$ -</u>						
\$25,330,071	\$27,046,396	\$27,657,704	\$27,657,704	\$29,306,568	\$27,879,837	\$29,001,437
11.8%	13.7%	13.6%	13.7%	13.4%	13.8%	14.0%

COUNTY OF VICTORIA, TEXAS*SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - LIFE**Last ten years*

	Measurement Year		
	2017	2018	2019
Total OPEB Liability			
Service cost	\$ 35,991	\$ 38,855	\$ 32,230
Interest (on the total OPEB liability)	46,335	46,441	50,853
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	(9,035)	877	10,445
Effect of assumption changes or inputs	73,830	(160,803)	378,320
Benefit payments	<u>(26,376)</u>	<u>(25,092)</u>	<u>(31,902)</u>
Net Change in Total OPEB Liability	120,745	(99,722)	439,946
Total OPEB Liability - Beginning	<u>1,202,861</u>	<u>1,323,606</u>	<u>1,223,884</u>
Total OPEB Liability - Ending (a)	<u>\$ 1,323,606</u>	<u>\$ 1,223,884</u>	<u>\$ 1,663,830</u>
Covered Payroll	\$ 29,306,268	\$ 27,879,837	\$ 29,001,437
Net OPEB Liability as a Percentage of Covered Payroll	4.52%	4.39%	5.74%

NOTE: Information for the prior seven years was not readily available. The County will compile the respective information over the next seven years as provided by TCDRS on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

COUNTY OF VICTORIA, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - LIFE
Last ten fiscal years

	Fiscal Year		
	2017	2018	2019
Actuarially Determined Contribution	\$ 26,376	\$ 25,092	\$ 31,902
Contribution in relation to the actuarially determined contribution	<u>(26,376)</u>	<u>(25,092)</u>	<u>(31,902)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$29,306,568	\$27,879,837	\$29,001,437
Contributions as a percentage of covered payroll	0.1%	0.1%	0.1%

NOTE: Information for the prior seven years was not readily available. The County will compile the respective information over the next seven years.

The accompanying notes to required supplementary information are an integral part of this schedule.

COUNTY OF VICTORIA, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The County annually adopts budgets that are prepared using the cash basis of accounting, which is not consistent with generally accepted accounting principles (GAAP). A reconciliation to the statutory basis is provided in the preceding statement. Refer to Note 1 of the notes to the financial statements for explanation of the statutory basis of accounting used to prepare the financial statements.

NOTE 2: TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - PENSION

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	11.1 years (based on contribution rate calculated in 12/31/19 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by age and service. 4.90% average over career including inflation.
Investment rate of return	8.00%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected
Changes in Plan Provisions Reflected In the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule 2016: No changes in plan provisions were reflected in the Schedule 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017 2018: No changes in plan provisions were reflected in the Schedule 2019: No changes in plan provisions were reflected in the Schedule

COUNTY OF VICTORIA, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

NOTE 3: TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM - LIFE

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

There were no changes in plan provisions or assumptions during the year.

Combining and Individual Fund Statements and Schedules

COUNTY OF VICTORIA, TEXAS
ALL NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - STATUTORY BASIS
December 31, 2020

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 8,199,265	\$ 1,375,610	\$ 9,574,875
Receivables (net)	2,524,083	1,239,215	3,763,298
Due from other governments	1,877,157	-	1,877,157
Due from other funds	488,664	-	488,664
Total assets	\$ 13,089,169	\$ 2,614,825	\$ 15,703,994
LIABILITIES			
Accounts payable	\$ 514,841	\$ -	\$ 514,841
Accrued expenditures	319,875	-	319,875
Due to other funds	1,825,273	-	1,825,273
Due to other governments	184,075	-	184,075
Deposits	47,964	-	47,964
Unearned revenue	21,872	-	21,872
Total liabilities	2,913,900	-	2,913,900
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue			
Property taxes	4,045,095	2,084,095	6,129,190
Other	51,320	-	51,320
Total deferred inflows of resources	4,096,415	2,084,095	6,180,510
FUND BALANCES			
Restricted	6,079,099	530,730	6,609,829
Unassigned	(245)	-	(245)
Total fund balances	6,078,854	530,730	6,609,584
Total liabilities, deferred inflows and fund balances	\$ 13,089,169	\$ 2,614,825	\$ 15,703,994

COUNTY OF VICTORIA, TEXAS**ALL NONMAJOR GOVERNMENTAL FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
STATUTORY BASIS**

For the year ended December 31, 2020

	Total Nonmajor Special <u>Revenue Funds</u>	Total Nonmajor Debt <u>Service Fund</u>	Total Nonmajor Governmental <u>Funds</u>
REVENUES			
Taxes	\$ 4,369,228	\$ 1,504,777	\$ 5,874,005
Fees of office and user fees	2,403,330	-	2,403,330
Intergovernmental	7,883,736	-	7,883,736
Fines and forfeitures	195,201	-	195,201
Investment income	44,937	5,298	50,235
Contributions	1,111,581	-	1,111,581
Miscellaneous	1,306,123	-	1,306,123
Total revenues	<u>17,314,136</u>	<u>1,510,075</u>	<u>18,824,211</u>
EXPENDITURES			
Current			
General government	2,811,638	-	2,811,638
Public safety	2,380,283	-	2,380,283
Highways and streets	6,359,200	-	6,359,200
Public health	4,808,668	-	4,808,668
Capital outlay	1,330,510	-	1,330,510
Debt service			
Principal retirement	-	954,786	954,786
Interest and fiscal charges	-	566,061	566,061
Total expenditures	<u>17,690,299</u>	<u>1,520,847</u>	<u>19,211,146</u>
Excess (deficiency) of revenues over expenditures	<u>(376,163)</u>	<u>(10,772)</u>	<u>(386,935)</u>
OTHER FINANCING SOURCES (USES)			
Capital lease	111,203	-	111,203
Transfers in	1,965,640	-	1,965,640
Transfers out	(535,327)	-	(535,327)
Total other financing sources (uses)	<u>1,541,516</u>	<u>-</u>	<u>1,541,516</u>
Change in fund balances	1,165,353	(10,772)	1,154,581
Fund balances at beginning of year	<u>4,913,501</u>	<u>541,502</u>	<u>5,455,003</u>
Fund balances at end of year	<u>\$ 6,078,854</u>	<u>\$ 530,730</u>	<u>\$ 6,609,584</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, private purpose trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The County's Special Revenue Funds consists of Road and Bridge and other funds.

ROAD AND BRIDGE FUNDS

The Road and Bridge Funds are constitutional funds established to account for current funds used for the purpose of constructing and maintaining roads and bridges. The principal sources of revenues for these funds are ad valorem taxes and intergovernmental revenues.

The County is divided into four precincts, each of which is administered by one of the four County Commissioners. Each precinct has a separate budget for construction and maintenance of roads and bridges in the precinct. The Road and Bridge Funds consists of the following:

Road and Bridge Precinct Funds - Account for costs associated with the construction and maintenance of roads and bridges in the four Commissioners' precincts. Revenues are derived primarily from ad valorem taxes, vehicle registration fees, and interest earnings.

OTHER SPECIAL REVENUE FUNDS

The Other Special Revenue Funds consists of various funds that account for particular functions and activities as described below:

Emergency Management Fund - Accounts for the funds received from the City of Victoria and the State of Texas for Emergency Management operations.

LEPC Fund - Accounts for funds received from local businesses and organizations for financial support of the Local Emergency Planning Committees.

Justice of the Peace Special Fund - Records the disposition of cash bonds and miscellaneous overpayments. These funds are disbursed according to court orders.

County Jury Fund - Accounts for funds allocated under Section 134.101, 134.102, or 134.103 to the county or municipal jury fund maintained by the county treasurer. As required by Section 134.151 the money that is deposited in the County Jury Fund may be used by a county only to fund juror reimbursement and finance jury services.

Records Management Fund - Accounts for monies received by the County under Local Government Code Section 118.011. Expenditures of the fund are made to manage and preserve documents filed in the office of the County Clerk. Revenues come from filing charges assessed by the County Clerk.

Courthouse Security Fund - Accounts for funds received from various sources designated to be used to enhance security in the County Courthouse.

Justice Court Building Security Fund - Accounts for funds received that are designated to be used to enhance security in buildings that house justice court other than the County Courthouse.

District Clerk Records Management Fund - Accounts for monies received by the County from filing charges assessed by the District Clerk under Local Government Code Section 51.317. Expenditures of the fund are made to manage and preserve documents filed in the office of the District Clerk.

NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

OTHER SPECIAL REVENUE FUNDS - (Continued)

County Clerk of the Court Fund - Accounts for funds allocated under Section 134.101 or 134.102 to the county or municipal jury fund maintained by the county treasurer. As required by Section 134.151 the money that is deposited in the County Jury Fund may be used only to defray costs of services provided by a county or district clerk.

District Clerk of the Court Fund - Accounts for funds allocated under Section 134.101 or 134.102 to the clerk of the court account fund maintained by the county treasurer. As required by Section 134.151 the money that is deposited in the District Clerk of the Court may be used only to defray costs of services provided by a county or district clerk.

Community Development Block Grant (CDBG) Fund - This grant is for recovery from Hurricane Harvey. The funds are used to conduct disaster recovery buyouts and acquisitions of real property impacted by Hurricane Harvey in Victoria County and administered by Grant Works.

Patriot Park Donations Fund - Accounts for funds received from various entities which have been donated for specific purposes for the Patriot Park.

Sheriff Special Fund - Records out-of-county cash bonds and various fines and fees collected by the Sheriff's department. These funds are remitted to the State and other entities as appropriate.

Clerk's Special Fund - Accounts for the collection and disbursement of excess fees collected by both the County and District Clerks.

FEMA Public Assistance DR-4485 Coronavirus Relief Fund - The Texas of Division of Emergency Management (TDEM) has provided funding for COVID-19 activities specifically emergency protective measures.

Gulf of Mexico Energy Security Act Fund - Accounts for funds received from the U.S. Department of Interior for rentals, royalties, bonus and other sums derived from certain Outer Continental Shelf leases in the Gulf of Mexico. These revenues are reserved for projects and activities for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses.

Hurricane Harvey Fund - Accounts for funds received from the Federal Emergency Management Agency and insurance reimbursements. Funds are used to repair hurricane-damaged properties and as reimbursement for eligible hurricane expenses.

CTIF Grant Fund - This grant will fund infrastructure projects located in areas that have been affected by increased oil and gas production. This is funded by Texas Department of Transportation (TxDOT).

Capital Credits Fund - Accounts for funds received from the Texas Comptroller of Public Accounts from an allocation of unclaimed capital credits received from electric cooperatives which can be used for community and economic development.

Juvenile Probation Fund - Records monies received by the County from the Texas Juvenile Probation Commission as well as transfers from the General Fund of the County. These monies are spent to provide various services related to the operation of the County Juvenile Probation Department.

Drug Courts Program Fund - Accounts for the revenues/expenditures related to operations of the state mandated programs for monitoring and rehabilitating violators of state drug laws.

NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

OTHER SPECIAL REVENUE FUNDS - (Continued)

County Specialty Court Fund - Accounts for funds allocated under Section 134.101 or 134.102 to the county specialty court. This account fund is maintained by the county treasurer. As required by Section 134.151 the money deposited may be used only to fund specialty court programs established under Subtitle K, Title 2, Government Code.

Local Truancy Preventions Fund – Accounts for funds allocated under Section 134.103 to the local truancy prevention and diversion fund maintained by the County Treasurer, which may be used to finance the salary, benefits, training travel expenses, office supplies, and other necessary expenses relating to the position of a juvenile case manager employed by Article 45.056 Code of Criminal Procedure.

Justice Technology Fund - Accounts for funds received from a defendant convicted of a misdemeanor offense in a Justice Court, pursuant to Article 102.0173, Code of Criminal Procedures. These funds are administered by or under the direction of the Commissioners' Court and are used to finance the technological enhancements of the Justice Courts.

Family Protection Fee Fund - Accounts for funds received from individuals filing suit for dissolution of a marriage. These funds are administered by or under the direction of the Commissioners' Court and are to be distributed to non-profit organizations in Victoria County.

County/District Technology Fund - Accounts for funds received from a defendant convicted of a criminal offense in a County or District Court, pursuant to Article 102.0169, Code of Criminal Procedures. These funds are administered by or under the direction of the Commissioners' Court and are used to finance the technological enhancements of the County and District Courts.

Child Abuse Prevention Fund – Accounts for fines for certain child sexual assault and related convictions. This fine is put into the Child Abuse Prevention fund. The money allocated here may be used only to fund child abuse prevention programs in the county the court is located. This fund shall be administered by or under the direction of the commissioner's court.

CDA Processing Fee Fund - Accounts for fees earned by the office of the Criminal District Attorney from the collection of "hot" checks returned to County merchants. Expenditures of the fund include normal operating costs of the District Attorney's Office.

CDA Bond Forfeiture Commissions Fund - Accounts for funds received from the Criminal District Attorney retaining a commission on bond forfeiture collection pursuant to Government Code 41.005.

CDA State Judiciary Fund - Accounts for funds received from the State Comptroller's Office to provide financial assistance to district attorneys for office expenses, supplies, and personnel.

Pre-Trial Intervention Fund - Accounts for fees for first time offenders or non-violent crimes which are used for expenses related to the defendants participation in the pre-trial intervention program, refurbish courthouse facilities, train staff and purchase office supplies that are related to this program.

CDA Victims Assistance Grant Fund - Accounts for the funds received from the U.S. Department of Justice and administered by the Office for Victims of Crime. The purpose of the grant is to stimulate State participation and support for victim service programs and promote victim cooperation with law enforcement, in addition to the direct benefit to crime victims with Federal assistance monies.

Sheriff Victims Assistance Grant Fund - Accounts for the funds received from the Office of the Attorney General to provide funding for a full-time Crime Victim Liaison to work in the Sheriff's Department and the Victoria Police Department.

NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

OTHER SPECIAL REVENUE FUNDS - (Continued)

State Criminal Alien Assistance Program (SCAAP) Fund - Accounts for funds received from the Office of Justice Program, Bureau of Justice Assistance. This grant will provide funding for the purchase of Technology- Tracking devices and electronic monitoring, specifically pipe scanners and downloading stations used by VCSO Jailers.

Texas Vine Grant Fund - Accounts for funds received from the Office of the Attorney General. The purpose of the Vine (Victim Information and Notification Everyday) Grant is to provide basic information on jailed suspects/offenders and their scheduled court events to crime victims and other concerned citizens.

Coronavirus Emergency Supplemental Funding (CESF) Fund - The Office of the Governor has provided funding for the CV-Coronavirus Emergency Supplemental Funding (CESF). Funding will be utilized to prevent, prepare for and respond to the coronavirus. Grant Funding will provide for VCSO Courthouse Coronavirus related security enhancements and Highly Infectious disease prevention equipment and supplies for the Victoria County Jail, Juvenile Justice Center, Fire Marshal, Adult Probation and District Attorney's office.

Operation Stonegarden Grant Fund - Accounts for funds received from the Department of Homeland Security to enhance cooperation and coordination between federal and local law enforcement agencies in a joint mission to secure the United States borders.

Golden Crescent Regional Planning Commission (GCRPC) 9-1-1 Allocation Fund - Accounts for funds received from the Golden Crescent Regional Planning Commission. This agreement will establish and maintain 9-1-1 emergency telephone service in State Planning Region 17, and the Commission on State Emergency Communications has approved the plan.

Byrne Justice Assistance Grant (JAG) Program Fund - Accounts for funds received from the City of Victoria for the purchase of equipment and training of personnel for the Victoria County Sheriff's Office.

High Intensity Drug Trafficking Area Grant Fund - Accounts for funds received from the Office of National Drug Control Policy to support initiatives designed to implement the strategy proposed by the Executive Board of the Houston HIDTA and approved by the Office of the National Drug Control Policy.

TXCDBG WCID #2 PLACEDO Fund - Texas Department of Agriculture has provided funding the Texas Community Development Block Grant. The grant will carry out water system improvements in the Placedo area in collaboration with Victoria County Water Control and Improvement District No. 2 (District). The project would provide district wide benefits through improvements at the District Water Plant.

TXCDBG Hurricane Harvey Disaster Recovery Program Fund - The General Land Office (GLO) has provided funding for the Texas Community Development Block Grant. Hurricane Harvey overwhelmed the drainage system of Victoria County. This inundated the street and drainage systems and threatened public health. This grant will be used to make infrastructure improvements to facilitate proper storm water conveyance and reduce the impact of future flooding.

State Fees Fund - Accounts for statutory additions to various fines collected by the County. These fees are transferred to the State and the General Fund of the County on a periodic basis.

NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

OTHER SPECIAL REVENUE FUNDS - (Continued)

Provision of Mental Health Peace Officers PESC Funding Fund - Memorandum of Understanding (MOU) between Victoria County, Texas and Gulf Bend Center for the Provision of Mental Health Peace Officers under the Psychiatric Emergency Services Program (PESC) funding through Texas Health and Human Services Commission. It is for reimbursement (not to exceed \$11,000.00) for the transportation of individuals with mental illness to the appropriate location where the individuals can receive necessary services.

Mental Health Peace Officer Fund - Accounts for funds received from Gulf Bend Center to employ a mental health deputy assigned in the mental health task force.

BISD School Resource Officer Fund - Accounts for funds received from Bloomington Independent School District (BISD) to employ a juvenile probation officer that is housed and working on BISD campuses.

Sheriff's Special Purpose Fund - Accounts for the use of drug related monies awarded to the Sheriff's Department via court proceedings.

Sheriff's Donation Fund - Accounts for funds received from various entities which have been donated for specific purposes for the Victoria County Sheriff.

CDA Contraband Forfeiture Fund - Accounts for the use of drug related monies awarded to the Criminal District Attorney via court proceedings post October 17, 1989.

CDA DOJ Equitable Share Fund - Accounts for funds received from the U.S. Department of Justice. The purpose of this program is for law enforcement to deter crime by depriving criminals of the profits and proceeds of their illegal activities and to weaken criminal enterprises by removing the instrumentalities of crime.

Sheriff's Federal Forfeiture Fund - Accounts for funds received from the U.S. Departments of Treasury and Justice. The purpose of this program is for law enforcement to deter crime by depriving criminals of the profits and proceeds of their illegal activities and to weaken criminal enterprises by removing the instrumentalities of crime.

National School Lunch Program Fund - Accounts for funds received from the U.S. Department of Agriculture. This grant will provide funding for the purchase of food for children and increase food security.

VISD School Resource Officer Fund - Accounts for funds received from Victoria Independent School District (VISD) to employ school resource officers that are housed and working on VISD campuses.

Election Administrator's Special Fund - Records the various fees received designated to be used by the County Election Administrator in coordinating various County elections.

2020 Help America Vote Act (HAVA) Elections Security Fund - The purpose of this award is to improve the administration of elections for Federal office, including to enhance election technology and make election security improvements to the systems, equipment and processes used in federal election. Funds will be used for the purchase of card scanners, printers and software which will increase the efficiency and security of the local voting process in the county.

NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

OTHER SPECIAL REVENUE FUNDS - (Continued)

2020 Help America Vote Act (HAVA) Cares Act Fund - The purpose of this award is to prevent, prepare for, and respond to coronavirus, domestically or internationally, for the 2020 Federal election cycle. Funding purpose areas include: staffing, security and training, communication, processing voters, social distancing, mouth coverings, hand sanitation and voting machine stylus.

Center for Tech – Civic Life (CTCL) Fund - This grant will be used exclusively for the public proposed of planning and operationalizing safe and secure election administration in Victoria County in 2020, specifically Vote-By-Mail/Absentee voting equipment and supplies.

Elections Chapter 19 Fund - Accounts for funds received from the Secretary of State to increase the number of registered voters in the state, maintain and report an accurate list of the number of registered voters, and/or increase the efficiency of the voter registration office through the use of technological equipment.

Tax Assessor-Collector Special Fund - Accounts for interest earnings on the Special Inventory Escrow Account. These funds are the sole property of the collector and are used to defray the cost of administration of the prepayment procedure established by Texas Property Tax Code Section 23.122.

Historical Commission Fund - Accounts for monies received through various promotional activities. These funds are expended for the purpose of preparing the historical heritage of the County of Victoria.

Child Welfare Board Fund - Accounts for funds that are designated to provide various child protective services to residents of the County.

Rebuild Texas Fund - Accounts for funds received from the OneStar Foundation and the Michael & Susan Dell Foundation for the Rebuild Texas Fund. The grant award will provide funding for relief and rebuilding efforts.

Law Library Fund - Accounts for expenditures related to the establishment and maintenance of a professional library for members of the Texas Bar Association. Revenues are derived from fees assessed on civil cases filed in County and District Courts.

Health Department Fund - Accounts for revenues and expenditures associated with services provided to the public by the nursing division, special services division, and the environmental services division located at the Victoria City/County Health Department.

Texas A&M University Health Science Contract Fund - Accounts for funds received from Coastal Bend Health Education Center. This grant will provide funding to support the community health worker position at the Victoria County Public Health Department.

Medicaid Administrative Claims Fund - Accounts for funds received from the Texas Health and Human Services to reimburse agencies for proper and efficient administration of the Texas Medicaid State Plan. The program is to ensure more effective and timely access of individuals to health care, the most appropriate utilization of Medicaid covered services, and to promote activities and behaviors that reduce the risk of poor health outcomes for the state's most vulnerable populations.

Texas Home Visiting Grant Fund - Accounts for funds received from the Texas Department of Family and Protective Services for providing a maternal, infant and early childhood home visiting program through the STARS Clinic.

NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

OTHER SPECIAL REVENUE FUNDS - (Continued)

Hogg Foundation Grant Fund - Accounts for funds received from Hogg Foundation for Mental Health. The grant award will provide funding for the Be Well Victoria program to support opportunities for resilience, mental health and overall well-being in our community.

Hurricane Public Health Co-op Agreement (COAG/LHD) Fund - Accounts for funds received from Hurricane Public Health Crisis Response. The grant award will provide funding for the immunizations cold chain needs, infection control and prevention, and traditional and novel vector control.

WIC Program Fund - Accounts for funds received from the Texas Department of State Health Services for Victoria County's participation in the WIC Card Program. These funds are used to determine eligibility of applicants through assessment of their income, residence and nutritional status and provide nutrition education and counseling to eligible participants.

Law Enforcement Officer Education (LEOSE) Fund - Accounts for funds received from the State of Texas. These funds are used for continuing education of persons licensed under Government Code Chapter 415 or to provide necessary training to full-time law enforcement support personnel.

COUNTY OF VICTORIA, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****COMBINING BALANCE SHEET - STATUTORY BASIS**

December 31, 2020

	Road and Bridge	Other Special Revenue	Total
ASSETS			
Cash and cash equivalents	\$ 3,958,967	\$ 4,240,298	\$ 8,199,265
Receivables (net)			
Ad valorem	2,419,653	-	2,419,653
Other	2,301	102,129	104,430
Due from other governments	-	1,877,157	1,877,157
Due from other funds	333,203	155,461	488,664
Total assets	<u>\$ 6,714,124</u>	<u>\$ 6,375,045</u>	<u>\$ 13,089,169</u>
LIABILITIES			
Accounts payable	\$ 80,868	\$ 433,973	\$ 514,841
Accrued expenditures	91,968	227,907	319,875
Due to other funds	7,763	1,817,510	1,825,273
Due to other governments	-	184,075	184,075
Deposits	-	47,964	47,964
Unearned revenue	-	21,872	21,872
Total liabilities	<u>180,599</u>	<u>2,733,301</u>	<u>2,913,900</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue -			
Property taxes	4,045,095	-	4,045,095
Other	-	51,320	51,320
Total deferred inflows of resources	<u>4,045,095</u>	<u>51,320</u>	<u>4,096,415</u>
FUND BALANCES			
Restricted	2,488,430	3,590,669	6,079,099
Unassigned	-	(245)	(245)
Total fund balances	<u>2,488,430</u>	<u>3,590,424</u>	<u>6,078,854</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 6,714,124</u>	<u>\$ 6,375,045</u>	<u>\$ 13,089,169</u>

COUNTY OF VICTORIA, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
STATUTORY BASIS**

For the year ended December 31, 2020

	<u>Road and Bridge</u>	<u>Other Special Revenue</u>	<u>Total</u>
REVENUES			
Taxes	\$ 4,369,228	\$ -	\$ 4,369,228
Fees of office and user fees	-	2,403,330	2,403,330
Intergovernmental	1,372,510	6,511,226	7,883,736
Fines and forfeitures	-	195,201	195,201
Investment income			
Interest	29,958	14,979	44,937
Contributions	-	1,111,581	1,111,581
Miscellaneous	<u>201,552</u>	<u>1,104,571</u>	<u>1,306,123</u>
Total revenues	<u>5,973,248</u>	<u>11,340,888</u>	<u>17,314,136</u>
EXPENDITURES			
Current			
General government	-	2,811,638	2,811,638
Public safety	-	2,380,283	2,380,283
Highways and streets	6,224,590	134,610	6,359,200
Public health	-	4,808,668	4,808,668
Capital outlay	<u>-</u>	<u>1,330,510</u>	<u>1,330,510</u>
Total expenditures	<u>6,224,590</u>	<u>11,465,709</u>	<u>17,690,299</u>
Excess (deficiency) of revenues over expenditures	<u>(251,342)</u>	<u>(124,821)</u>	<u>(376,163)</u>
OTHER FINANCING SOURCES (USES)			
Capital lease	111,203	-	111,203
Transfers in	489,237	1,476,403	1,965,640
Transfers out	<u>(5,946)</u>	<u>(529,381)</u>	<u>(535,327)</u>
Total other financing sources (uses)	<u>594,494</u>	<u>947,022</u>	<u>1,541,516</u>
Change in fund balance	343,152	822,201	1,165,353
Fund balance, January 1	<u>2,145,278</u>	<u>2,768,223</u>	<u>4,913,501</u>
Fund balance, December 31	<u>\$ 2,488,430</u>	<u>\$ 3,590,424</u>	<u>\$ 6,078,854</u>

COUNTY OF VICTORIA, TEXAS*NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**ROAD AND BRIDGE FUNDS**COMBINING BALANCE SHEET - STATUTORY BASIS**December 31, 2020*

	Road and Bridge Funds				Total
	Pct. 1	Pct. 2	Pct. 3	Pct. 4	
ASSETS					
Cash and cash equivalents	\$ 655,533	\$ 1,016,670	\$ 1,334,866	\$ 951,898	\$ 3,958,967
Receivables (net)					
Ad valorem	617,974	580,823	567,827	653,029	2,419,653
Due from other funds	76,414	32,237	224,552	-	333,203
Other	630	-	1,671	-	2,301
Total assets	<u>\$ 1,350,551</u>	<u>\$ 1,629,730</u>	<u>\$ 2,128,916</u>	<u>\$ 1,604,927</u>	<u>\$ 6,714,124</u>
LIABILITIES					
Accounts payable	\$ 15,629	\$ 8,102	\$ 44,203	\$ 12,934	\$ 80,868
Accrued expenditures	24,411	19,231	28,635	19,691	91,968
Due to other funds	2,073	1,648	2,437	1,605	7,763
Total liabilities	<u>42,113</u>	<u>28,981</u>	<u>75,275</u>	<u>34,230</u>	<u>180,599</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue -					
Property taxes	1,032,462	970,929	949,806	1,091,898	4,045,095
Total deferred inflows of resources	<u>1,032,462</u>	<u>970,929</u>	<u>949,806</u>	<u>1,091,898</u>	<u>4,045,095</u>
FUND BALANCE					
Restricted	275,976	629,820	1,103,835	478,799	2,488,430
Total liabilities, deferred inflows and fund balance	<u>\$ 1,350,551</u>	<u>\$ 1,629,730</u>	<u>\$ 2,128,916</u>	<u>\$ 1,604,927</u>	<u>\$ 6,714,124</u>

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

ROAD AND BRIDGE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
STATUTORY BASIS

For the year ended December 31, 2020

	Road and Bridge Funds				Total
	Pct. 1	Pct. 2	Pct. 3	Pct. 4	
REVENUES					
Taxes	\$ 1,114,153	\$ 1,048,500	\$ 1,026,885	\$ 1,179,690	\$ 4,369,228
Intergovernmental	357,794	338,267	323,020	353,429	1,372,510
Investment income					
Interest	5,309	6,762	11,600	6,287	29,958
Miscellaneous	48,737	208	69,640	82,967	201,552
Total revenues	<u>1,525,993</u>	<u>1,393,737</u>	<u>1,431,145</u>	<u>1,622,373</u>	<u>5,973,248</u>
EXPENDITURES					
Current					
Highways and streets	<u>1,654,267</u>	<u>1,147,959</u>	<u>1,952,765</u>	<u>1,469,599</u>	<u>6,224,590</u>
Excess (deficiency) of revenues over expenditures	<u>(128,274)</u>	<u>245,778</u>	<u>(521,620)</u>	<u>152,774</u>	<u>(251,342)</u>
OTHER FINANCING SOURCES (USES)					
Capital lease	-	-	-	111,203	111,203
Transfers in	220,231	36,447	225,081	7,478	489,237
Transfers out	-	(1,982)	(1,982)	(1,982)	(5,946)
Total other financing sources (uses)	<u>220,231</u>	<u>34,465</u>	<u>223,099</u>	<u>116,699</u>	<u>594,494</u>
Change in fund balance	91,957	280,243	(298,521)	269,473	343,152
Fund balance, January 1	<u>184,019</u>	<u>349,577</u>	<u>1,402,356</u>	<u>209,326</u>	<u>2,145,278</u>
Fund balance, December 31	<u>\$ 275,976</u>	<u>\$ 629,820</u>	<u>\$ 1,103,835</u>	<u>\$ 478,799</u>	<u>\$ 2,488,430</u>

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2020

	Emergency Mgmt.	LEPC Fund	Justice of the Peace Special	County Jury	Records Mgmt.	Courthouse Security
ASSETS						
Cash and cash equivalents	\$ -	\$ 11,769	\$ 258	\$ 509	\$ 397,632	\$ 103,887
Receivables (net)						
Other	-	-	-	5	266	88
Due from other governments	219,226	-	-	-	-	-
Due from other funds	47,029	-	-	-	-	-
Total assets	<u>\$ 266,255</u>	<u>\$ 11,769</u>	<u>\$ 258</u>	<u>\$ 514</u>	<u>\$ 397,898</u>	<u>\$ 103,975</u>
LIABILITIES						
Accounts payable	\$ 401	\$ -	\$ 258	\$ -	\$ 7	\$ -
Accrued expenditures	8,715	-	-	-	1,389	-
Due to other funds	254,810	-	-	-	3	-
Due to other governments	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>263,926</u>	<u>-</u>	<u>258</u>	<u>-</u>	<u>1,399</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	2,329	11,769	-	514	396,499	103,975
Unassigned	-	-	-	-	-	-
Total fund balances	<u>2,329</u>	<u>11,769</u>	<u>-</u>	<u>514</u>	<u>396,499</u>	<u>103,975</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 266,255</u>	<u>\$ 11,769</u>	<u>\$ 258</u>	<u>\$ 514</u>	<u>\$ 397,898</u>	<u>\$ 103,975</u>

<u>Justice Court Building Security</u>	<u>District Clerk Records Mgmt.</u>	<u>County Clerk of the Court</u>	<u>District Clerk of the Court</u>	<u>Patriot Park Donations</u>	<u>Sheriff Special</u>	<u>Clerk's Special</u>	<u>Coronavirus Relief</u>
\$ 41,542	\$ 2,031	\$ 13,351	\$ 1,061	\$ 3,002	\$ 76,421	\$ 22	\$ -
1	-	178	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	36,623
<u>\$ 41,543</u>	<u>\$ 2,031</u>	<u>\$ 13,529</u>	<u>\$ 1,061</u>	<u>\$ 3,002</u>	<u>\$ 76,421</u>	<u>\$ 22</u>	<u>\$ 36,623</u>
\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 28,457	\$ 22	\$ 7,977
-	248	-	-	-	-	-	-
-	1	-	-	-	-	-	28,646
-	-	-	-	-	-	-	-
-	-	-	-	-	47,964	-	-
-	-	-	-	-	-	-	-
-	250	-	-	-	76,421	22	36,623
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
41,543	1,781	13,529	1,061	3,002	-	-	-
-	-	-	-	-	-	-	-
<u>41,543</u>	<u>1,781</u>	<u>13,529</u>	<u>1,061</u>	<u>3,002</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 41,543</u>	<u>\$ 2,031</u>	<u>\$ 13,529</u>	<u>\$ 1,061</u>	<u>\$ 3,002</u>	<u>\$ 76,421</u>	<u>\$ 22</u>	<u>\$ 36,623</u>

(continued)

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2020

	Gulf of Mexico Energy Security Act	Hurricane Harvey	CTIF Grant	Capital Credits	Juvenile Probation	Drug Courts Program
ASSETS						
Cash and cash equivalents	\$ 470,632	\$ 18,217	\$ -	\$ 200,071	\$ 49,316	\$ 6,015
Receivables (net)						
Other	-	-	70,487	-	-	-
Due from other governments	-	268,160	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 470,632</u>	<u>\$ 286,377</u>	<u>\$ 70,487</u>	<u>\$ 200,071</u>	<u>\$ 49,316</u>	<u>\$ 6,015</u>
LIABILITIES						
Accounts payable	\$ 22,768	\$ -	\$ -	\$ -	\$ 9,480	\$ 2,748
Accrued expenditures	-	-	-	2,056	39,836	-
Due to other funds	220,027	42,689	70,487	-	245	-
Due to other governments	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Unearned revenue	-	21,872	-	-	-	-
Total liabilities	<u>242,795</u>	<u>64,561</u>	<u>70,487</u>	<u>2,056</u>	<u>49,561</u>	<u>2,748</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	51,320	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>51,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	227,837	170,496	-	198,015	-	3,267
Unassigned	-	-	-	-	(245)	-
Total fund balances	<u>227,837</u>	<u>170,496</u>	<u>-</u>	<u>198,015</u>	<u>(245)</u>	<u>3,267</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 470,632</u>	<u>\$ 286,377</u>	<u>\$ 70,487</u>	<u>\$ 200,071</u>	<u>\$ 49,316</u>	<u>\$ 6,015</u>

<u>County Specialty Court</u>	<u>Local Truancy Preventions</u>	<u>Justice Technology</u>	<u>Family Protection Fee</u>	<u>County/ District Technology</u>	<u>Child Abuse Prevention</u>	<u>CDA Processing Fee</u>	<u>CDA Bond Forfeiture Commissions</u>
\$ 7,338	\$ 7,458	\$ 17,823	\$ 321	\$ 25,788	\$ 109	\$ 2,748	\$ 34,496
89	5	4	35	18	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 7,427</u>	<u>\$ 7,463</u>	<u>\$ 17,827</u>	<u>\$ 356</u>	<u>\$ 25,806</u>	<u>\$ 109</u>	<u>\$ 2,748</u>	<u>\$ 34,496</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -
-	-	-	-	-	-	1,071	-
-	-	-	-	-	-	3	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,079	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,427	7,463	17,827	356	25,806	109	1,669	34,496
-	-	-	-	-	-	-	-
<u>7,427</u>	<u>7,463</u>	<u>17,827</u>	<u>356</u>	<u>25,806</u>	<u>109</u>	<u>1,669</u>	<u>34,496</u>
<u>\$ 7,427</u>	<u>\$ 7,463</u>	<u>\$ 17,827</u>	<u>\$ 356</u>	<u>\$ 25,806</u>	<u>\$ 109</u>	<u>\$ 2,748</u>	<u>\$ 34,496</u>

(continued)

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2020

	CDA State Judiciary	Pre-Trial Intervention	CDA Victims Assistance Grant	Sheriff Victims Assistance Grant	Texas Vine Grant	Coronavirus Emergency Supplemental Funding
ASSETS						
Cash and cash equivalents	\$ 3,005	\$ 43,464	\$ -	\$ -	\$ -	\$ -
Receivables (net)						
Other	-	-	-	-	-	-
Due from other governments	-	-	21,073	23,488	1,548	9,211
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 3,005</u>	<u>\$ 43,464</u>	<u>\$ 21,073</u>	<u>\$ 23,488</u>	<u>\$ 1,548</u>	<u>\$ 9,211</u>
LIABILITIES						
Accounts payable	\$ 2,089	\$ 4	\$ 11	\$ 10	\$ 1,548	\$ 5,740
Accrued expenditures	-	736	2,296	1,871	-	-
Due to other funds	-	-	18,766	19,752	-	3,471
Due to other governments	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>2,089</u>	<u>740</u>	<u>21,073</u>	<u>21,633</u>	<u>1,548</u>	<u>9,211</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	916	42,724	-	1,855	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>916</u>	<u>42,724</u>	<u>-</u>	<u>1,855</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,005</u>	<u>\$ 43,464</u>	<u>\$ 21,073</u>	<u>\$ 23,488</u>	<u>\$ 1,548</u>	<u>\$ 9,211</u>

Operation Stonegarden Grant	GCRPC 9-1-1 Allocation	Byrne JAG Program	Drug Trafficking Grant	TxCDBG WCID #2	TxCDBG Hurricane Harvey	State Fees	PESC Mental Health
\$ -	\$ 97,640	\$ -	\$ -	\$ 9,475	\$ -	\$ 180,931	\$ -
-	-	-	-	-	-	3,144	-
198,195	-	23,071	30,216	4,275	178,261	-	318
-	-	-	-	-	-	-	-
<u>\$ 198,195</u>	<u>\$ 97,640</u>	<u>\$ 23,071</u>	<u>\$ 30,216</u>	<u>\$ 13,750</u>	<u>\$ 178,261</u>	<u>\$ 184,075</u>	<u>\$ 318</u>
\$ 3,622	\$ -	\$ 9,555	\$ 4,051	\$ -	\$ 36,360	\$ -	\$ -
19,439	-	-	1,914	-	-	-	-
175,134	-	13,516	24,251	-	141,901	-	318
-	-	-	-	-	-	184,075	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>198,195</u>	<u>-</u>	<u>23,071</u>	<u>30,216</u>	<u>-</u>	<u>178,261</u>	<u>184,075</u>	<u>318</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	97,640	-	-	13,750	-	-	-
-	-	-	-	-	-	-	-
-	<u>97,640</u>	<u>-</u>	<u>-</u>	<u>13,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 198,195</u>	<u>\$ 97,640</u>	<u>\$ 23,071</u>	<u>\$ 30,216</u>	<u>\$ 13,750</u>	<u>\$ 178,261</u>	<u>\$ 184,075</u>	<u>\$ 318</u>

(continued)

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2020

	Mental Health Peace Officer	BISD School Resource Officer	Sheriff's Special Purpose	Sheriff's Donation	CDA Contraband Forfeiture	CDA DOJ Equitable Share
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 410,612	\$ 261	\$ 872,273	\$ 1,103
Receivables (net)						
Other	-	-	-	-	-	-
Due from other governments	68,632	8,594	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 68,632</u>	<u>\$ 8,594</u>	<u>\$ 410,612</u>	<u>\$ 261</u>	<u>\$ 872,273</u>	<u>\$ 1,103</u>
LIABILITIES						
Accounts payable	\$ 378	\$ 12	\$ 32	\$ -	\$ 2,218	\$ -
Accrued expenditures	10,515	2,662	5,953	-	-	-
Due to other funds	57,739	5,920	186	-	2	-
Due to other governments	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>68,632</u>	<u>8,594</u>	<u>6,171</u>	<u>-</u>	<u>2,220</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	-	-	404,441	261	870,053	1,103
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>404,441</u>	<u>261</u>	<u>870,053</u>	<u>1,103</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 68,632</u>	<u>\$ 8,594</u>	<u>\$ 410,612</u>	<u>\$ 261</u>	<u>\$ 872,273</u>	<u>\$ 1,103</u>

<u>Sheriff's Federal Forfeiture</u>	<u>National School Lunch Program</u>	<u>VISD School Resource Officer</u>	<u>Election Admin. Special</u>	<u>HAVA Election Security</u>	<u>HAVA Cares Act</u>	<u>Elections Chapter 19</u>	<u>Tax Assessor- Collector Special</u>
\$ 443,001	\$ -	\$ -	\$ -	\$ 30,038	\$ 11,400	\$ -	\$ 20,657
-	-	-	10,613	-	-	-	-
-	18,257	156,388	-	-	-	2,569	-
-	-	-	71,809	-	-	-	-
<u>\$ 443,001</u>	<u>\$ 18,257</u>	<u>\$ 156,388</u>	<u>\$ 82,422</u>	<u>\$ 30,038</u>	<u>\$ 11,400</u>	<u>\$ 2,569</u>	<u>\$ 20,657</u>
\$ -	\$ 8,067	\$ 145	\$ 20	\$ 10,332	\$ 11,400	\$ 1,638	\$ -
-	2,856	28,322	596	-	-	-	-
-	7,334	127,921	61,419	-	-	931	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	18,257	156,388	62,035	10,332	11,400	2,569	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
443,001	-	-	20,387	19,706	-	-	20,657
-	-	-	-	-	-	-	-
<u>443,001</u>	<u>-</u>	<u>-</u>	<u>20,387</u>	<u>19,706</u>	<u>-</u>	<u>-</u>	<u>20,657</u>
<u>\$ 443,001</u>	<u>\$ 18,257</u>	<u>\$ 156,388</u>	<u>\$ 82,422</u>	<u>\$ 30,038</u>	<u>\$ 11,400</u>	<u>\$ 2,569</u>	<u>\$ 20,657</u>

(continued)

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET - STATUTORY BASIS

December 31, 2020

	Historical Commission	Child Welfare Board	Rebuild Texas	Law Library	Health Department
ASSETS					
Cash and cash equivalents	\$ 19,773	\$ 12,175	\$ 172,982	\$ 51,843	\$ 159,026
Receivables (net)					
Other	-	-	-	210	503
Due from other governments	-	-	-	-	467,937
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 19,773</u>	<u>\$ 12,175</u>	<u>\$ 172,982</u>	<u>\$ 52,053</u>	<u>\$ 627,466</u>
LIABILITIES					
Accounts payable	\$ -	\$ 213	\$ 126,505	\$ 4,088	\$ 106,007
Accrued expenditures	-	-	-	-	72,799
Due to other funds	-	-	-	-	412,561
Due to other governments	-	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>213</u>	<u>126,505</u>	<u>4,088</u>	<u>591,367</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	19,773	11,962	46,477	47,965	36,099
Unassigned	-	-	-	-	-
Total fund balances	<u>19,773</u>	<u>11,962</u>	<u>46,477</u>	<u>47,965</u>	<u>36,099</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 19,773</u>	<u>\$ 12,175</u>	<u>\$ 172,982</u>	<u>\$ 52,053</u>	<u>\$ 627,466</u>

TX A&M University Health Science Contract	Medicaid Administrative Claims	Texas Home Visiting Grant	Hogg Foundation Grant	Hurricane Public Health Co-op Agreement	WIC Program	LEOSE	Total
\$ 5,628	\$ 46,025	\$ -	\$ 113,288	\$ -	\$ -	\$ 43,881	\$ 4,240,298
-	16,483	-	-	-	-	-	102,129
-	-	100,603	-	8,889	68,246	-	1,877,157
-	-	-	-	-	-	-	155,461
<u>\$ 5,628</u>	<u>\$ 62,508</u>	<u>\$ 100,603</u>	<u>\$ 113,288</u>	<u>\$ 8,889</u>	<u>\$ 68,246</u>	<u>\$ 43,881</u>	<u>\$ 6,375,045</u>
\$ -	\$ 112	\$ 21,437	\$ 189	\$ -	\$ 6,066	\$ -	\$ 433,973
-	418	4,267	3,427	-	16,521	-	227,907
-	-	74,899	30	8,889	45,659	-	1,817,510
-	-	-	-	-	-	-	184,075
-	-	-	-	-	-	-	47,964
-	-	-	-	-	-	-	21,872
-	530	100,603	3,646	8,889	68,246	-	2,733,301
-	-	-	-	-	-	-	51,320
-	-	-	-	-	-	-	51,320
5,628	61,978	-	109,642	-	-	43,881	3,590,669
-	-	-	-	-	-	-	(245)
<u>5,628</u>	<u>61,978</u>	<u>-</u>	<u>109,642</u>	<u>-</u>	<u>-</u>	<u>43,881</u>	<u>3,590,424</u>
<u>\$ 5,628</u>	<u>\$ 62,508</u>	<u>\$ 100,603</u>	<u>\$ 113,288</u>	<u>\$ 8,889</u>	<u>\$ 68,246</u>	<u>\$ 43,881</u>	<u>\$ 6,375,045</u>

(concluded)

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - STATUTORY BASIS

For the year ended December 31, 2020

	Emergency Mgmt.	LEPC Fund	County Jury	Records Mgmt.	Courthouse Security
REVENUES					
Fees of office and user fees	\$ -	\$ -	\$ 514	\$ 170,349	\$ 36,530
Intergovernmental	35,357	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	-	1,340	-
Contributions	94,903	2,500	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>130,260</u>	<u>2,500</u>	<u>514</u>	<u>171,689</u>	<u>36,530</u>
EXPENDITURES					
Current					
General government	-	-	-	62,222	16,989
Public safety	302,166	1,610	-	-	-
Highways and streets	-	-	-	-	-
Public health	-	-	-	-	-
Capital outlay	<u>8,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>310,798</u>	<u>1,610</u>	<u>-</u>	<u>62,222</u>	<u>16,989</u>
Excess (deficiency) of revenues over expenditures	<u>(180,538)</u>	<u>890</u>	<u>514</u>	<u>109,467</u>	<u>19,541</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	180,538	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>180,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	-	890	514	109,467	19,541
Fund balance, January 1	<u>2,329</u>	<u>10,879</u>	<u>-</u>	<u>287,032</u>	<u>84,434</u>
Fund balance, December 31	<u>\$ 2,329</u>	<u>\$ 11,769</u>	<u>\$ 514</u>	<u>\$ 396,499</u>	<u>\$ 103,975</u>

<u>Justice Court Building Security</u>	<u>District Clerk Records Mgmt.</u>	<u>County Clerk of the Court</u>	<u>District Clerk of the Court</u>	<u>Community Development Block Grant</u>	<u>Patriot Park Donations</u>	<u>Coronavirus Relief</u>
\$ 2,805	\$ 5,705	\$ 13,529	\$ 1,061	\$ -	\$ -	\$ -
-	-	-	-	38,170	-	408,174
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	200	-
-	-	-	-	-	-	-
<u>2,805</u>	<u>5,705</u>	<u>13,529</u>	<u>1,061</u>	<u>38,170</u>	<u>200</u>	<u>408,174</u>
1,542	8,691	-	-	38,170	-	444,797
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,542</u>	<u>8,691</u>	<u>-</u>	<u>-</u>	<u>38,170</u>	<u>-</u>	<u>444,797</u>
<u>1,263</u>	<u>(2,986)</u>	<u>13,529</u>	<u>1,061</u>	<u>-</u>	<u>200</u>	<u>(36,623)</u>
-	-	-	-	-	-	36,623
-	-	-	-	-	-	-
-	-	-	-	-	-	36,623
1,263	(2,986)	13,529	1,061	-	200	-
<u>40,280</u>	<u>4,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,802</u>	<u>-</u>
<u>\$ 41,543</u>	<u>\$ 1,781</u>	<u>\$ 13,529</u>	<u>\$ 1,061</u>	<u>\$ -</u>	<u>\$ 3,002</u>	<u>\$ -</u>

(continued)

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
STATUTORY BASIS

For the year ended December 31, 2020

	Gulf of Mexico Energy Security Act	Hurricane Harvey	CTIF Grant	Capital Credits	Juvenile Probation
REVENUES					
Fees of office and user fees	\$ -	\$ -	\$ -	\$ -	\$ 472
Intergovernmental	515,446	284,943	70,487	69,395	1,102,417
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	-	-	27
Contributions	-	-	-	-	-
Miscellaneous	-	738,528	-	-	-
Total revenues	<u>515,446</u>	<u>1,023,471</u>	<u>70,487</u>	<u>69,395</u>	<u>1,102,916</u>
EXPENDITURES					
Current					
General government	-	174,151	-	111,968	1,437,788
Public safety	-	-	-	-	-
Highways and streets	134,610	-	-	-	-
Public health	-	-	-	-	-
Capital outlay	<u>22,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>157,378</u>	<u>174,151</u>	<u>-</u>	<u>111,968</u>	<u>1,437,788</u>
Excess (deficiency) of revenues over expenditures	<u>358,068</u>	<u>849,320</u>	<u>70,487</u>	<u>(42,573)</u>	<u>(334,872)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	334,627
Transfers out	<u>(323,116)</u>	<u>(89,687)</u>	<u>(70,487)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(323,116)</u>	<u>(89,687)</u>	<u>(70,487)</u>	<u>-</u>	<u>334,627</u>
Change in fund balance	34,952	759,633	-	(42,573)	(245)
Fund balance, January 1	<u>192,885</u>	<u>(589,137)</u>	<u>-</u>	<u>240,588</u>	<u>-</u>
Fund balance, December 31	<u>\$ 227,837</u>	<u>\$ 170,496</u>	<u>\$ -</u>	<u>\$ 198,015</u>	<u>\$ (245)</u>

<u>Drug Courts Program</u>	<u>County Specialty Court</u>	<u>Local Truancy Preventions</u>	<u>Justice Technology</u>	<u>Family Protection Fee</u>	<u>County/ District Technology</u>	<u>Child Abuse Prevention</u>
\$ 4,015	\$ 7,427	\$ 7,463	\$ 9,852	\$ 5,130	\$ 16,898	\$ 109
-	-	-	-	-	-	-
91	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,106</u>	<u>7,427</u>	<u>7,463</u>	<u>9,852</u>	<u>5,130</u>	<u>16,898</u>	<u>109</u>
16,824	-	-	-	5,209	4,662	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>16,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,209</u>	<u>4,662</u>	<u>-</u>
<u>(12,718)</u>	<u>7,427</u>	<u>7,463</u>	<u>9,852</u>	<u>(79)</u>	<u>12,236</u>	<u>109</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(12,718)</u>	<u>7,427</u>	<u>7,463</u>	<u>9,852</u>	<u>(79)</u>	<u>12,236</u>	<u>109</u>
<u>15,985</u>	<u>-</u>	<u>-</u>	<u>7,975</u>	<u>435</u>	<u>13,570</u>	<u>-</u>
<u>\$ 3,267</u>	<u>\$ 7,427</u>	<u>\$ 7,463</u>	<u>\$ 17,827</u>	<u>\$ 356</u>	<u>\$ 25,806</u>	<u>\$ 109</u>

(continued)

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
STATUTORY BASIS

For the year ended December 31, 2020

	CDA Processing Fee	CDA Bond Forfeiture Commissions	CDA State Judiciary	Pre-Trial Intervention	CDA Victims Assistance Grant
REVENUES					
Fees of office and user fees	\$ 5,769	\$ 9,184	\$ -	\$ -	\$ -
Intergovernmental	-	-	24,552	46,690	43,633
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	56	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>5,825</u>	<u>9,184</u>	<u>24,552</u>	<u>46,690</u>	<u>43,633</u>
EXPENDITURES					
Current					
General government	27,169	-	23,636	20,966	66,928
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Public health	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>27,169</u>	<u>-</u>	<u>23,636</u>	<u>20,966</u>	<u>66,928</u>
Excess (deficiency) of revenues over expenditures	<u>(21,344)</u>	<u>9,184</u>	<u>916</u>	<u>25,724</u>	<u>(23,295)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	20,659	-	-	-	23,295
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>20,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,295</u>
Change in fund balance	(685)	9,184	916	25,724	-
Fund balance, January 1	<u>2,354</u>	<u>25,312</u>	<u>-</u>	<u>17,000</u>	<u>-</u>
Fund balance, December 31	<u>\$ 1,669</u>	<u>\$ 34,496</u>	<u>\$ 916</u>	<u>\$ 42,724</u>	<u>\$ -</u>

Sheriff Victims Assistance Grant	SCAAP Program	Texas Vine Grant	Coronavirus Emergency Supplemental Funding	Operation Stonegarden Grant	GCRPC 9-1-1 Allocation	Byrne JAG Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44,998	27,005	13,948	9,211	440,410	25,000	55,925
-	-	-	-	-	-	-
-	-	-	-	-	460	-
-	-	-	-	-	-	-
-	-	-	-	14,692	-	-
<u>44,998</u>	<u>27,005</u>	<u>13,948</u>	<u>9,211</u>	<u>455,102</u>	<u>25,460</u>	<u>55,925</u>
-	-	-	9,211	-	-	-
52,309	17,433	13,948	-	393,979	449	55,925
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	10,837	-	-	61,123	-	-
<u>52,309</u>	<u>28,270</u>	<u>13,948</u>	<u>9,211</u>	<u>455,102</u>	<u>449</u>	<u>55,925</u>
<u>(7,311)</u>	<u>(1,265)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,011</u>	<u>-</u>
7,311	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(1,265)	-	-	-	25,011	-
<u>1,855</u>	<u>1,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,629</u>	<u>-</u>
<u>\$ 1,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,640</u>	<u>\$ -</u>

(continued)

COUNTY OF VICTORIA, TEXAS*NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**OTHER SPECIAL REVENUE FUNDS**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - STATUTORY BASIS**For the year ended December 31, 2020*

	Drug Trafficking Grant	TxCDBG WCID #2	TxCDBG Hurricane Harvey	PESC Mental Health	Mental Health Peace Officer
REVENUES					
Fees of office and user fees	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	115,711	45,388	178,261	318	-
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	331,551
Total revenues	<u>115,711</u>	<u>45,388</u>	<u>178,261</u>	<u>318</u>	<u>331,551</u>
EXPENDITURES					
Current					
General government	-	31,638	32,821	-	-
Public safety	106,012	-	-	-	331,551
Highways and streets	-	-	-	-	-
Public health	-	-	-	318	-
Capital outlay	9,699	-	145,440	-	-
Total expenditures	<u>115,711</u>	<u>31,638</u>	<u>178,261</u>	<u>318</u>	<u>331,551</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>13,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	-	13,750	-	-	-
Fund balance, January 1	-	-	-	-	-
Fund balance, December 31	<u>\$ -</u>	<u>\$ 13,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>BISD School Resource Officer</u>	<u>Sheriff's Special Purpose</u>	<u>Sheriff's Donation</u>	<u>CDA Contraband Forfeiture</u>	<u>CDA DOJ Equitable Share</u>	<u>Sheriff's Federal Forfeiture</u>	<u>National School Lunch Program</u>
\$ 74,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	110,599
-	124,822	-	70,379	-	-	-
-	2,569	2	4,630	6	3,269	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>74,488</u>	<u>127,391</u>	<u>2</u>	<u>75,009</u>	<u>6</u>	<u>3,269</u>	<u>110,599</u>
-	-	-	9,589	-	-	-
74,488	179,330	-	-	-	32,571	-
-	-	-	-	-	-	-
-	-	-	-	-	-	187,358
-	-	-	-	-	101,412	-
<u>74,488</u>	<u>179,330</u>	<u>-</u>	<u>9,589</u>	<u>-</u>	<u>133,983</u>	<u>187,358</u>
-	(51,939)	2	65,420	6	(130,714)	(76,759)
-	-	-	-	-	-	76,759
-	-	-	(20,659)	-	-	-
-	-	-	(20,659)	-	-	76,759
-	(51,939)	2	44,761	6	(130,714)	-
-	456,380	259	825,292	1,097	573,715	-
<u>\$ -</u>	<u>\$ 404,441</u>	<u>\$ 261</u>	<u>\$ 870,053</u>	<u>\$ 1,103</u>	<u>\$ 443,001</u>	<u>\$ -</u>

(continued)

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
STATUTORY BASIS

For the year ended December 31, 2020

	VISD School Resource Officer	Election Admin. Special	HAVA Election Security	HAVA Cares Act	Center for Tech - Civic Life
REVENUES					
Fees of office and user fees	\$ 857,133	\$ 60,295	\$ -	\$ -	\$ -
Intergovernmental	-	-	40,172	42,269	-
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	113	9	23	-
Contributions	-	-	-	-	79,731
Miscellaneous	-	-	-	-	-
Total revenues	<u>857,133</u>	<u>60,408</u>	<u>40,181</u>	<u>42,292</u>	<u>79,731</u>
EXPENDITURES					
Current					
General government	-	51,854	20,475	50,724	79,731
Public safety	798,683	-	-	-	-
Highways and streets	-	-	-	-	-
Public health	-	-	-	-	-
Capital outlay	<u>58,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>857,133</u>	<u>51,854</u>	<u>20,475</u>	<u>50,724</u>	<u>79,731</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>8,554</u>	<u>19,706</u>	<u>(8,432)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	8,432	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,432</u>	<u>-</u>
Change in fund balance	-	8,554	19,706	-	-
Fund balance, January 1	<u>-</u>	<u>11,833</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, December 31	<u>\$ -</u>	<u>\$ 20,387</u>	<u>\$ 19,706</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Elections Chapter 19</u>	<u>Tax Assessor- Collector Special</u>	<u>Historical Commission</u>	<u>Child Welfare Board</u>	<u>Rebuild Texas</u>	<u>Law Library</u>	<u>Health Department</u>
\$ 18,496	\$ -	\$ -	\$ 730	\$ -	\$ 46,389	\$ 1,048,987
-	-	-	-	-	-	1,539,140
-	-	-	-	-	-	-
-	2,133	116	-	-	-	135
-	-	-	-	804,833	-	-
-	968	-	-	-	-	18,832
<u>18,496</u>	<u>3,101</u>	<u>116</u>	<u>730</u>	<u>804,833</u>	<u>46,389</u>	<u>2,607,094</u>
10,064	8,274	940	5,066	-	39,539	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	3,356,895
-	-	-	-	903,791	-	8,358
<u>10,064</u>	<u>8,274</u>	<u>940</u>	<u>5,066</u>	<u>903,791</u>	<u>39,539</u>	<u>3,365,253</u>
<u>8,432</u>	<u>(5,173)</u>	<u>(824)</u>	<u>(4,336)</u>	<u>(98,958)</u>	<u>6,850</u>	<u>(758,159)</u>
-	-	-	-	30,000	-	758,159
<u>(8,432)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,000)</u>	<u>-</u>
<u>(8,432)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>(17,000)</u>	<u>758,159</u>
-	(5,173)	(824)	(4,336)	(68,958)	(10,150)	-
-	25,830	20,597	16,298	115,435	58,115	36,099
<u>\$ -</u>	<u>\$ 20,657</u>	<u>\$ 19,773</u>	<u>\$ 11,962</u>	<u>\$ 46,477</u>	<u>\$ 47,965</u>	<u>\$ 36,099</u>

(continued)

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - STATUTORY BASIS

For the year ended December 31, 2020

	TX A&M University Health Science Contract	Medicaid Administrative Claims	Texas Home Visiting Grant	Hogg Foundation Grant	Hurricane Public Health Co-op Agreement
REVENUES					
Fees of office and user fees	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	33,783	455,237	-	31,442
Fines and forfeitures	-	-	-	-	-
Investment income					
Interest	-	-	-	-	-
Contributions	-	-	-	129,414	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>33,783</u>	<u>455,237</u>	<u>129,414</u>	<u>31,442</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Public health	6	18,973	455,237	111,758	31,442
Capital outlay	-	-	-	-	-
Total expenditures	<u>6</u>	<u>18,973</u>	<u>455,237</u>	<u>111,758</u>	<u>31,442</u>
Excess (deficiency) of revenues over expenditures	<u>(6)</u>	<u>14,810</u>	<u>-</u>	<u>17,656</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(6)	14,810	-	17,656	-
Fund balance, January 1	<u>5,634</u>	<u>47,168</u>	<u>-</u>	<u>91,986</u>	<u>-</u>
Fund balance, December 31	<u>\$ 5,628</u>	<u>\$ 61,978</u>	<u>\$ -</u>	<u>\$ 109,642</u>	<u>\$ -</u>

<u>WIC Program</u>	<u>LEOSE</u>	<u>Total</u>
\$ -	\$ -	\$ 2,403,330
646,681	16,464	6,511,226
-	-	195,201
-	-	14,979
-	-	1,111,581
-	-	1,104,571
<u>646,681</u>	<u>16,464</u>	<u>11,340,888</u>
-	-	2,811,638
-	19,829	2,380,283
-	-	134,610
646,681	-	4,808,668
-	-	1,330,510
<u>646,681</u>	<u>19,829</u>	<u>11,465,709</u>
-	(3,365)	(124,821)
-	-	1,476,403
-	-	(529,381)
-	-	947,022
-	(3,365)	822,201
-	47,246	2,768,223
<u>\$ -</u>	<u>\$ 43,881</u>	<u>\$ 3,590,424</u>

(concluded)

GENERAL FUND

The General Fund is a constitutional fund and is utilized to account for all County revenues and expenditures except those which are required to be classed in other constitutional funds and such other funds that are presented separately to facilitate proper accountability.

COUNTY OF VICTORIA, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
REVENUES				
Taxes				
Ad valorem				
Current	\$ 21,478,276	\$ 21,478,276	\$ 21,394,904	\$ (83,372)
Delinquent	400,000	400,000	386,370	(13,630)
Penalty and interest	177,000	177,000	197,070	20,070
Sales and use	10,550,000	10,550,000	9,958,854	(591,146)
Total taxes	<u>32,605,276</u>	<u>32,605,276</u>	<u>31,937,198</u>	<u>(668,078)</u>
Fees of office and user fees				
Sheriff's department	340,000	340,000	208,821	(131,179)
Prisoner maintenance	500	500	-	(500)
Estray fees	100	100	2,372	2,272
County treasurer	3,000	3,000	1,891	(1,109)
Election administrator	1,000	1,000	30	(970)
County clerk	385,000	385,000	392,586	7,586
Probate personnel education fees	1,000	1,000	1,465	465
Guardianship fee	5,500	5,500	5,920	420
County courts at law	4,000	4,000	3,711	(289)
Tax assessor-collector	610,000	610,000	574,146	(35,854)
Criminal district attorney	10,000	10,000	9,029	(971)
District clerk	190,000	190,000	139,453	(50,547)
Justices of the peace	79,000	79,000	63,305	(15,695)
JP Truancy Cost FC 65.107	-	-	350	350
Deferred adjudication	35,000	35,000	23,515	(11,485)
Constables	110,000	110,000	84,402	(25,598)
Pre-trial supervisory fees	10,000	10,000	7,984	(2,016)
Pre-trial bonding fees	220,000	220,000	252,565	32,565
Interlock device fees	10,000	10,000	15,559	5,559
Pre-trial drug test fees	500	500	36	(464)
Total fees of office and user fees	<u>2,014,600</u>	<u>2,014,600</u>	<u>1,787,140</u>	<u>(227,460)</u>
Intergovernmental				
Payment in lieu of taxes	500	500	-	(500)
Alcohol beverage tax	265,000	265,000	198,097	(66,903)
County courts at law	168,000	168,000	168,000	-
Bingo gross receipts tax	65,000	65,000	108,117	43,117
Tobacco settlement	65,000	65,000	58,657	(6,343)
Indigent defense grant	76,750	76,750	86,628	9,878
Jury fee reimbursement/SB1704	50,000	50,000	16,807	(33,193)
DA Longevity Reimb/GC 41	2,200	2,200	2,215	15
Juvenile detention contracts	2,375,000	2,375,000	1,983,695	(391,305)
State juvenile detention funds	178,000	178,000	194,789	16,789
Jail inmate bedspace	610,000	610,000	293,150	(316,850)
Jail inmate contract other	20,000	20,000	7,761	(12,239)

(continued)

COUNTY OF VICTORIA, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
REVENUES (continued)				
Intergovernmental (continued)				
Jail inmate extradition	\$ 12,500	\$ 12,500	\$ 14,710	\$ 2,210
General inmate medical	38,000	38,000	40,312	2,312
UTMB refunds	-	250,000	250,186	186
Total intergovernmental	<u>3,925,950</u>	<u>4,175,950</u>	<u>3,423,124</u>	<u>(752,826)</u>
Fines and forfeitures				
District court fines	250,000	250,000	193,733	(56,267)
County court at law fines	332,000	332,000	231,797	(100,203)
Justice of the peace fines	503,000	503,000	289,518	(213,482)
Forfeitures	85,100	85,100	67,021	(18,079)
Total fines and forfeitures	<u>1,170,100</u>	<u>1,170,100</u>	<u>782,069</u>	<u>(388,031)</u>
Interest	<u>500,100</u>	<u>500,100</u>	<u>394,554</u>	<u>(105,546)</u>
Licenses and permits				
Marriage licenses	20,000	20,000	16,755	(3,245)
Beer and whiskey licenses	42,000	42,000	38,443	(3,557)
Miscellaneous	-	-	1,000	1,000
Total licenses and permits	<u>62,000</u>	<u>62,000</u>	<u>56,198</u>	<u>(5,802)</u>
Miscellaneous				
Records management preservation	28,000	28,000	14,617	(13,383)
Criminal justice planning commission	100	100	-	(100)
Crime stopper fee	50	50	5	(45)
Consolidated state criminal fee	-	-	8,820	8,820
Victims of crime collection	100	100	1	(99)
JCPTF commission	100	100	-	(100)
Juvenile probation diversion collections	100	100	-	(100)
Operators/chauffeurs license	100	100	-	(100)
Legal service for indigents fees	1,200	1,200	1,096	(104)
Defensive driving course fee	4,500	4,500	2,545	(1,955)
Visual record by electronic device	1,200	1,200	1,999	799
Court reporter fees	29,000	29,000	24,442	(4,558)
Arrest warrant fees	45,000	45,000	25,460	(19,540)
Other fees	105,500	127,500	88,919	(38,581)
Personal recognizant fees	1,500	1,500	386	(1,114)
CJAD contract services	6,600	6,600	5,316	(1,284)
Rents and royalties	305,209	305,209	299,778	(5,431)
Telephone commissions	184,000	184,000	149,404	(34,596)
Election machines rental	60,000	60,000	-	(60,000)
Reimbursements and refunds	60,600	226,426	208,778	(17,648)
Restitutions	200	200	24	(176)
Miscellaneous	95,950	137,060	150,552	13,492
Total miscellaneous	<u>929,009</u>	<u>1,157,945</u>	<u>982,142</u>	<u>(175,803)</u>
Total revenues	<u>41,207,035</u>	<u>41,685,971</u>	<u>39,362,425</u>	<u>(2,323,546)</u>

(continued)

COUNTY OF VICTORIA, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
EXPENDITURES				
Current				
General government				
County judge				
Salaries	\$ 169,214	\$ 168,719	\$ 149,790	\$ 18,929
Fringe benefits	44,022	44,022	39,105	4,917
Operating expenditures	9,200	9,200	6,155	3,045
Total county judge	<u>222,436</u>	<u>221,941</u>	<u>195,050</u>	<u>26,891</u>
Commissioners' court				
Salaries	86,755	85,055	69,855	15,200
Fringe benefits	29,466	29,466	23,398	6,068
Operating expenditures	30,400	33,900	30,340	3,560
Other services and charges	7,500	5,866	5,865	1
Total commissioners' court	<u>154,121</u>	<u>154,287</u>	<u>129,458</u>	<u>24,829</u>
Records management				
Salaries	84,119	84,119	84,118	1
Fringe benefits	28,117	28,117	27,789	328
Operating expenditures	2,750	2,750	1,089	1,661
Total records management	<u>114,986</u>	<u>114,986</u>	<u>112,996</u>	<u>1,990</u>
County clerk				
Salaries	556,112	556,112	545,383	10,729
Fringe benefits	174,692	174,692	170,690	4,002
Operating expenditures	31,250	31,250	11,688	19,562
Total county clerk	<u>762,054</u>	<u>762,054</u>	<u>727,761</u>	<u>34,293</u>
Pre-trial services				
Salaries	97,922	97,922	93,115	4,807
Fringe benefits	32,033	32,033	30,313	1,720
Operating expenditures	3,070	3,070	452	2,618
Total pre-trial services	<u>133,025</u>	<u>133,025</u>	<u>123,880</u>	<u>9,145</u>
Veterans' service officer				
Salaries	52,132	52,132	50,085	2,047
Fringe benefits	11,982	11,982	11,511	471
Operating expenditures	4,170	10,020	8,093	1,927
Total veterans' service officer	<u>68,284</u>	<u>74,134</u>	<u>69,689</u>	<u>4,445</u>
Non-departmental				
Operating expenditures	1,455,900	1,246,673	1,189,598	57,075
Other services and charges	1,417,864	1,359,341	1,188,762	170,579
Capital outlay	50,000	1,015,548	976,690	38,858
Total non-departmental	<u>2,923,764</u>	<u>3,621,562</u>	<u>3,355,050</u>	<u>266,512</u>

(continued)

COUNTY OF VICTORIA, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
EXPENDITURES (continued)				
Current (continued)				
General government (continued)				
County court at law				
Salaries	\$ 551,442	\$ 551,442	\$ 545,441	\$ 6,001
Fringe benefits	150,171	150,915	143,517	7,398
Operating expenditures	10,632	10,632	4,273	6,359
Other services and charges	103,000	133,000	127,355	5,645
Total county court at law	<u>815,245</u>	<u>845,989</u>	<u>820,586</u>	<u>25,403</u>
County court at law # 2				
Other services and charges	95,000	120,978	120,573	405
Total county court at law # 2	<u>95,000</u>	<u>120,978</u>	<u>120,573</u>	<u>405</u>
District court				
Salaries	335,144	335,144	333,794	1,350
Fringe benefits	152,937	152,937	151,248	1,689
Operating expenditures	16,114	16,314	10,436	5,878
Other services and charges	896,450	854,712	724,149	130,563
Total district court	<u>1,400,645</u>	<u>1,359,107</u>	<u>1,219,627</u>	<u>139,480</u>
District clerk				
Salaries	560,710	560,710	552,761	7,949
Fringe benefits	189,668	189,668	182,360	7,308
Operating expenditures	47,749	50,309	47,945	2,364
Capital outlay	-	9,450	9,449	1
Total district clerk	<u>798,127</u>	<u>810,137</u>	<u>792,515</u>	<u>17,622</u>
Justice of the peace # 1				
Salaries	162,383	163,308	162,741	567
Fringe benefits	55,629	55,629	53,592	2,037
Operating expenditures	5,335	4,410	3,006	1,404
Total justice of the peace # 1	<u>223,347</u>	<u>223,347</u>	<u>219,339</u>	<u>4,008</u>
Justice of the peace # 2				
Salaries	130,510	130,510	130,509	1
Fringe benefits	43,169	43,169	42,312	857
Operating expenditures	4,035	5,235	3,751	1,484
Total justice of the peace # 2	<u>177,714</u>	<u>178,914</u>	<u>176,572</u>	<u>2,342</u>
Justice of the peace # 3				
Salaries	209,874	209,874	209,873	1
Fringe benefits	67,287	67,287	65,129	2,158
Operating expenditures	4,660	5,160	4,750	410
Total justice of the peace # 3	<u>281,821</u>	<u>282,321</u>	<u>279,752</u>	<u>2,569</u>
Justice of the peace # 4				
Salaries	149,226	149,226	145,810	3,416
Fringe benefits	48,957	48,957	47,022	1,935
Operating expenditures	5,340	5,340	4,809	531
Total justice of the peace # 4	<u>203,523</u>	<u>203,523</u>	<u>197,641</u>	<u>5,882</u>

(continued)

COUNTY OF VICTORIA, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
EXPENDITURES (continued)				
Current (continued)				
General government (continued)				
Criminal district attorney				
Salaries	\$ 1,326,267	\$ 1,325,270	\$ 1,307,220	\$ 18,050
Fringe benefits	381,673	381,673	368,347	13,326
Operating expenditures	34,982	35,979	35,710	269
Total criminal district attorney	<u>1,742,922</u>	<u>1,742,922</u>	<u>1,711,277</u>	<u>31,645</u>
Election administrator				
Salaries	191,314	207,801	167,621	40,180
Fringe benefits	47,943	48,648	46,267	2,381
Operating expenditures	81,048	74,738	70,357	4,381
Other services and charges	36,921	63,909	34,905	29,004
Total election administrator	<u>357,226</u>	<u>395,096</u>	<u>319,150</u>	<u>75,946</u>
County auditor				
Salaries	395,231	395,231	383,605	11,626
Fringe benefits	128,194	128,194	121,772	6,422
Operating expenditures	12,595	12,595	9,787	2,808
Total county auditor	<u>536,020</u>	<u>536,020</u>	<u>515,164</u>	<u>20,856</u>
County treasurer				
Salaries	257,797	252,397	237,423	14,974
Fringe benefits	82,692	82,692	72,829	9,863
Operating expenditures	33,084	36,084	27,859	8,225
Capital outlay	-	2,400	2,340	60
Total county treasurer	<u>373,573</u>	<u>373,573</u>	<u>340,451</u>	<u>33,122</u>
Tax assessor-collector				
Salaries	629,346	629,346	603,227	26,119
Fringe benefits	200,488	200,488	186,929	13,559
Operating expenditures	15,400	15,400	10,168	5,232
Total tax assessor-collector	<u>845,234</u>	<u>845,234</u>	<u>800,324</u>	<u>44,910</u>
Administrative services				
Salaries	235,120	235,120	231,513	3,607
Fringe benefits	62,816	63,560	62,419	1,141
Operating expenditures	11,200	11,450	10,061	1,389
Capital outlay	-	1,333	1,332	1
Total administrative services	<u>309,136</u>	<u>311,463</u>	<u>305,325</u>	<u>6,138</u>
Information technology				
Salaries	431,472	408,872	400,180	8,692
Fringe benefits	132,873	132,873	118,555	14,318
Operating expenditures	487,300	480,300	479,547	753
Other services and charges	210,000	234,600	232,092	2,508
Capital outlay	65,000	70,000	69,728	272
Total information technology	<u>1,326,645</u>	<u>1,326,645</u>	<u>1,300,102</u>	<u>26,543</u>

(continued)

COUNTY OF VICTORIA, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
EXPENDITURES (continued)				
Current (continued)				
General government (continued)				
Human resources				
Salaries	\$ 103,398	\$ 103,398	\$ 102,045	\$ 1,353
Fringe benefits	33,290	33,290	30,819	2,471
Operating expenditures	10,400	10,150	4,229	5,921
Total human resources	<u>147,088</u>	<u>146,838</u>	<u>137,093</u>	<u>9,745</u>
Facilities management				
Salaries	459,919	454,647	436,581	18,066
Fringe benefits	154,746	154,746	141,364	13,382
Operating expenditures	1,156,175	1,268,383	1,244,367	24,016
Capital outlay	-	3,500	3,500	-
Total facilities management	<u>1,770,840</u>	<u>1,881,276</u>	<u>1,825,812</u>	<u>55,464</u>
Adult probation department				
Operating expenditures	1,000	1,000	572	428
Total adult probation department	<u>1,000</u>	<u>1,000</u>	<u>572</u>	<u>428</u>
Juvenile detention facility				
Salaries	2,207,379	2,161,755	2,108,221	53,534
Fringe benefits	677,357	677,357	611,706	65,651
Operating expenditures	448,050	380,688	310,198	70,490
Other services and charges	122,000	122,000	110,323	11,677
Capital outlay	-	20,486	20,486	-
Total juvenile detention facility	<u>3,454,786</u>	<u>3,362,286</u>	<u>3,160,934</u>	<u>201,352</u>
Juvenile board				
Salaries	33,557	33,557	33,557	-
Fringe benefits	7,713	7,713	7,486	227
Total juvenile board	<u>41,270</u>	<u>41,270</u>	<u>41,043</u>	<u>227</u>
Total general government	<u>19,279,832</u>	<u>20,069,928</u>	<u>18,997,736</u>	<u>1,072,192</u>
Public safety				
Fire marshal				
Salaries	484,574	452,600	451,973	627
Fringe benefits	150,212	150,212	136,939	13,273
Operating expenditures	108,143	98,723	81,370	17,353
Other services and charges	65,000	60,000	43,178	16,822
Capital outlay	-	60,364	60,364	-
Total fire marshal	<u>807,929</u>	<u>821,899</u>	<u>773,824</u>	<u>48,075</u>

(continued)

COUNTY OF VICTORIA, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
EXPENDITURES (continued)				
Current (continued)				
Public safety (continued)				
Sheriff				
Salaries	\$ 10,772,233	\$ 10,528,323	\$ 10,189,965	\$ 338,358
Fringe benefits	3,226,868	3,254,092	3,041,356	212,736
Operating expenditures	2,463,983	2,398,438	2,045,455	352,983
Other services and charges	-	44,800	44,800	-
Capital outlay	-	522,729	468,953	53,776
Total sheriff	<u>16,463,084</u>	<u>16,748,382</u>	<u>15,790,529</u>	<u>957,853</u>
Constable # 1				
Salaries	46,852	46,852	46,852	-
Fringe benefits	15,904	15,904	15,120	784
Operating expenditures	4,700	6,960	5,287	1,673
Total constable # 1	<u>67,456</u>	<u>69,716</u>	<u>67,259</u>	<u>2,457</u>
Constable # 2				
Salaries	48,237	48,237	48,237	-
Fringe benefits	15,479	15,479	15,348	131
Operating expenditures	4,700	6,509	4,232	2,277
Total constable # 2	<u>68,416</u>	<u>70,225</u>	<u>67,817</u>	<u>2,408</u>
Constable # 3				
Salaries	47,707	47,707	47,707	-
Fringe benefits	15,356	15,356	15,216	140
Operating expenditures	4,700	4,700	867	3,833
Total constable # 3	<u>67,763</u>	<u>67,763</u>	<u>63,790</u>	<u>3,973</u>
Constable # 4				
Salaries	46,832	46,832	46,832	-
Fringe benefits	15,899	15,899	10,766	5,133
Operating expenditures	4,700	4,700	2,026	2,674
Total constable # 4	<u>67,431</u>	<u>67,431</u>	<u>59,624</u>	<u>7,807</u>
Non-departmental				
Other services and charges				
City/County interlocal agreement	<u>2,023,000</u>	<u>2,343,240</u>	<u>2,343,238</u>	<u>2</u>
Total non-departmental	<u>2,023,000</u>	<u>2,343,240</u>	<u>2,343,238</u>	<u>2</u>
Total public safety	<u>19,565,079</u>	<u>20,188,656</u>	<u>19,166,081</u>	<u>1,022,575</u>

(continued)

COUNTY OF VICTORIA, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the year ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Positive (Negative)
EXPENDITURES (continued)				
Current (continued)				
Culture and recreation				
Extension service				
Salaries	\$ 186,707	\$ 186,707	\$ 186,631	\$ 76
Fringe benefits	38,214	38,214	37,393	821
Operating expenditures	24,475	24,475	9,762	14,713
Other services and charges	13,000	13,000	12,357	643
Total extension service	<u>262,396</u>	<u>262,396</u>	<u>246,143</u>	<u>16,253</u>
Total culture and recreation	<u>262,396</u>	<u>262,396</u>	<u>246,143</u>	<u>16,253</u>
Total expenditures	<u>39,107,307</u>	<u>40,520,980</u>	<u>38,409,960</u>	<u>2,111,020</u>
Excess (deficiency) of revenues				
over expenditures	<u>2,099,728</u>	<u>1,164,991</u>	<u>952,465</u>	<u>(212,526)</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	1,000	1,000	11,119	10,119
Transfers in	17,000	17,000	17,000	-
Transfers out	<u>(2,121,503)</u>	<u>(3,253,439)</u>	<u>(2,959,187)</u>	<u>294,252</u>
Total other financing sources (uses)	<u>(2,103,503)</u>	<u>(3,235,439)</u>	<u>(2,931,068)</u>	<u>304,371</u>
Change in fund balance	(3,775)	(2,070,448)	(1,978,603)	91,845
Fund balance, January 1	<u>17,044,562</u>	<u>17,044,562</u>	<u>17,044,562</u>	<u>-</u>
Fund balance, December 31	<u>\$ 17,040,787</u>	<u>\$ 14,974,114</u>	<u>\$ 15,065,959</u>	<u>\$ 91,845</u>

(concluded)

NONMAJOR SPECIAL REVENUE FUNDS

COUNTY OF VICTORIA, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****ROAD AND BRIDGE PRECINCT NO. 1****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - STATUTORY BASIS**

For the year ended December 31, 2020

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
REVENUES				
Taxes				
Current taxes	\$ 1,089,070	\$ 1,085,310	\$ -	\$ 1,085,310
Delinquent taxes	18,000	18,987	(65)	19,052
Penalty and interest	8,400	9,758	(33)	9,791
Intergovernmental				
Vehicle license fees	90,000	63,948	-	63,948
Additional license fees	220,000	236,980	-	236,980
Permits	39,940	40,097	-	40,097
FEMA grants	-	-	(16,769)	16,769
Investment income				
Interest	14,000	5,309	-	5,309
Miscellaneous	41,527	48,107	(630)	48,737
Total revenues	<u>1,520,937</u>	<u>1,508,496</u>	<u>(17,497)</u>	<u>1,525,993</u>
EXPENDITURES				
Current				
Highways and streets				
Salaries	591,216	583,722	(3,505)	587,227
Fringe benefits	193,982	181,156	(633)	181,789
Operating expenditures	902,351	868,497	27,138	841,359
Other services and charges	250	97	-	97
Capital outlay	43,796	43,795	-	43,795
Total expenditures	<u>1,731,595</u>	<u>1,677,267</u>	<u>23,000</u>	<u>1,654,267</u>
Excess (deficiency) of revenues over expenditures	<u>(210,658)</u>	<u>(168,771)</u>	<u>(40,497)</u>	<u>(128,274)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	210,658	227,496	7,265	220,231
Total other financing sources (uses)	<u>210,658</u>	<u>227,496</u>	<u>7,265</u>	<u>220,231</u>
Change in fund balance	-	58,725	(33,232)	91,957
Fund balance, January 1	220,961	220,961	36,942	184,019
Fund balance, December 31	<u>\$ 220,961</u>	<u>\$ 279,686</u>	<u>\$ 3,710</u>	<u>\$ 275,976</u>

Explanation of differences:

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

ROAD AND BRIDGE PRECINCT NO. 2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STATUTORY BASIS

For the year ended December 31, 2020

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
REVENUES				
Taxes				
Current taxes	\$ 1,025,007	\$ 1,021,468	\$ 82	\$ 1,021,386
Delinquent taxes	17,000	17,767	(142)	17,909
Penalty and interest	8,300	9,173	(32)	9,205
Intergovernmental				
Vehicle license fees	90,000	104,209	-	104,209
Additional license fees	220,000	193,961	-	193,961
Permits	28,500	40,097	-	40,097
Investment income				
Interest	18,000	6,762	-	6,762
Miscellaneous	1,100	208	-	208
Total revenues	<u>1,407,907</u>	<u>1,393,645</u>	<u>(92)</u>	<u>1,393,737</u>
EXPENDITURES				
Current				
Highways and streets				
Salaries	509,038	449,015	(3,437)	452,452
Fringe benefits	154,804	137,292	(974)	138,266
Operating expenditures	764,377	511,377	2,814	508,563
Other services and charges	45,800	17,346	93	17,253
Capital outlay	118,835	98,290	66,865	31,425
Total expenditures	<u>1,592,854</u>	<u>1,213,320</u>	<u>65,361</u>	<u>1,147,959</u>
Excess (deficiency) of revenues over expenditures	<u>(184,947)</u>	<u>180,325</u>	<u>(65,453)</u>	<u>245,778</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	8,923	(27,524)	36,447
Transfers out	(1,982)	(1,982)	-	(1,982)
Total other financing sources (uses)	<u>(1,982)</u>	<u>6,941</u>	<u>(27,524)</u>	<u>34,465</u>
Change in fund balance	(186,929)	187,266	(92,977)	280,243
Fund balance, January 1	<u>597,837</u>	<u>597,837</u>	<u>248,260</u>	<u>349,577</u>
Fund balance, December 31	<u>\$ 410,908</u>	<u>\$ 785,103</u>	<u>\$ 155,283</u>	<u>\$ 629,820</u>

Explanation of differences:

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

ROAD AND BRIDGE PRECINCT NO. 3

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL - STATUTORY BASIS

For the year ended December 31, 2020

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
REVENUES				
Taxes				
Current taxes	\$ 1,003,653	\$ 1,000,188	\$ -	\$ 1,000,188
Delinquent taxes	17,000	17,625	(59)	17,684
Penalty and interest	8,200	8,982	(31)	9,013
Intergovernmental				
Vehicle license fees	90,000	75,922	-	75,922
Additional license fees	220,000	198,821	-	198,821
Permits	28,500	40,097	-	40,097
FEMA grants	-	-	(8,180)	8,180
Investment income				
Interest	25,000	11,600	-	11,600
Miscellaneous	55,300	69,717	77	69,640
Total revenues	<u>1,447,653</u>	<u>1,422,952</u>	<u>(8,193)</u>	<u>1,431,145</u>
EXPENDITURES				
Current				
Highways and streets				
Salaries	645,992	635,220	(5,041)	640,261
Fringe benefits	214,226	209,098	(1,468)	210,566
Operating expenditures	815,705	745,475	(15,643)	761,118
Other services and charges	2,000	97	-	97
Capital outlay	342,936	340,723	-	340,723
Total expenditures	<u>2,020,859</u>	<u>1,930,613</u>	<u>(22,152)</u>	<u>1,952,765</u>
Excess (deficiency) of revenues over expenditures	<u>(573,206)</u>	<u>(507,661)</u>	<u>13,959</u>	<u>(521,620)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	63,009	63,009	(162,072)	225,081
Transfers out	<u>(1,982)</u>	<u>(1,982)</u>	<u>-</u>	<u>(1,982)</u>
Total other financing sources (uses)	<u>61,027</u>	<u>61,027</u>	<u>(162,072)</u>	<u>223,099</u>
Change in fund balance	(512,179)	(446,634)	(148,113)	(298,521)
Fund balance, January 1	<u>1,438,216</u>	<u>1,438,216</u>	<u>35,860</u>	<u>1,402,356</u>
Fund balance, December 31	<u>\$ 926,037</u>	<u>\$ 991,582</u>	<u>\$ (112,253)</u>	<u>\$ 1,103,835</u>

Explanation of differences:

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

COUNTY OF VICTORIA, TEXAS*NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**ROAD AND BRIDGE PRECINCT NO. 4**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL - STATUTORY BASIS**For the year ended December 31, 2020*

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
REVENUES				
Taxes				
Current taxes	\$ 1,153,133	\$ 1,149,173	\$ -	\$ 1,149,173
Delinquent taxes	19,000	20,104	(68)	20,172
Penalty and interest	9,300	10,310	(35)	10,345
Intergovernmental				
Vehicle license fees	90,000	90,066	-	90,066
Additional license fees	250,000	223,266	-	223,266
Permits	28,500	40,097	-	40,097
Investment income				
Interest	12,000	6,287	-	6,287
Miscellaneous	54,400	83,656	689	82,967
Total revenues	<u>1,616,333</u>	<u>1,622,959</u>	<u>586</u>	<u>1,622,373</u>
EXPENDITURES				
Current				
Highways and streets				
Salaries	549,529	477,797	(1,663)	479,460
Fringe benefits	169,311	138,940	88	138,852
Operating expenditures	847,178	692,135	24,159	667,976
Other services and charges	9,200	4,734	(1,084)	5,818
Capital outlay	154,563	153,580	-	153,580
Debt service	23,913	23,913	-	23,913
Total expenditures	<u>1,753,694</u>	<u>1,491,099</u>	<u>21,500</u>	<u>1,469,599</u>
Excess (deficiency) of revenues over expenditures	<u>(137,361)</u>	<u>131,860</u>	<u>(20,914)</u>	<u>152,774</u>
OTHER FINANCING SOURCES (USES)				
Capital lease	111,203	111,203	-	111,203
Transfers in	4,900	7,478	-	7,478
Transfers out	(1,982)	(1,982)	-	(1,982)
Total other financing sources (uses)	<u>114,121</u>	<u>116,699</u>	<u>-</u>	<u>116,699</u>
Change in fund balance	(23,240)	248,559	(20,914)	269,473
Fund balance, January 1	<u>456,749</u>	<u>456,749</u>	<u>247,423</u>	<u>209,326</u>
Fund balance, December 31	<u>\$ 433,509</u>	<u>\$ 705,308</u>	<u>\$ 226,509</u>	<u>\$ 478,799</u>

Explanation of differences:

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

NONMAJOR DEBT SERVICE FUND

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for general government debt principal and interest.

COUNTY OF VICTORIA, TEXAS

NONMAJOR GOVERNMENTAL FUND

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the year ended December 31, 2020

	Final Budget	Actual Amounts Budgetary Basis	Budget to Statutory Differences Over (Under)	Actual Amounts Statutory Basis
REVENUES				
Taxes				
Current taxes	\$ 1,468,188	\$ 1,462,485	\$ -	\$ 1,462,485
Delinquent taxes	34,000	28,048	(133)	28,181
Penalty and interest	14,800	14,045	(66)	14,111
Investment income				
Interest	6,000	5,298	-	5,298
Total revenues	<u>1,522,988</u>	<u>1,509,876</u>	<u>(199)</u>	<u>1,510,075</u>
EXPENDITURES				
Debt service				
Principal retirement	954,786	954,786	-	954,786
Interest and fiscal charges	566,813	566,061	-	566,061
Total expenditures	<u>1,521,599</u>	<u>1,520,847</u>	<u>-</u>	<u>1,520,847</u>
Excess (deficiency) of revenues over expenditures	<u>1,389</u>	<u>(10,971)</u>	<u>(199)</u>	<u>(10,772)</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	1,389	(10,971)	(199)	(10,772)
Fund balance, January 1	514,273	514,273	(27,229)	541,502
Fund balance, December 31	<u>\$ 515,662</u>	<u>\$ 503,302</u>	<u>\$ (27,428)</u>	<u>\$ 530,730</u>

Explanation of differences:

The County budgets on the cash basis of accounting. Therefore, under the budgetary basis, revenues are recognized as collected and expenditures when paid.

CUSTODIAL FUNDS

Custodial Funds are used to account for the monies received and disbursed by the County in the capacity of trustee, custodian, or agent for individuals or other entities.

County Clerk-Trusts Fund - Accounts for monies held by the County Clerk in trust for various minors of the County of Victoria.

Criminal District Attorney Fund - Accounts for the merchants' portion of collections made on "hot" checks.

District Clerk-Trusts Fund - Accounts for monies held by the District Clerk in trust for various minors of the County of Victoria.

Jail Inmate Trust Fund - Accounts for monies that are held for the benefit of and use by inmates in the County Jail.

Tax Assessor-Collector Fund - Accounts for the collection of ad valorem taxes, various vehicle taxes, and sales taxes by the County Tax Assessor-Collector. These monies are remitted to other governments and the State as collected.

Juvenile Restitution Fund - Records the receipt and disbursement of monies collected from juvenile offenders and paid to owners of damaged property.

Special Services Fund - Records confiscated drug monies prior to their being awarded, by action of the court, to various individuals and/or County departments.

Juvenile Inmate Trust Fund - Accounts for monies that are held for the benefit of and use by inmates in the County Juvenile Detention facility.

COUNTY OF VICTORIA, TEXAS
FIDUCIARY FUNDS - CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2020

	County Clerk- Trusts	Criminal District Attorney	District Clerk- Trusts	Jail Inmate Trust	Tax Assessor- Collector	Juvenile Restitution
ASSETS						
Cash and cash equivalents	\$ 719,499	\$ 12,718	\$ 1,274,671	\$ 75,757	\$ 5,597,544	\$ 393
Receivables (net)						
Other	-	-	-	-	65,728	-
Seized assets	-	-	-	-	-	-
Total assets	<u>\$ 719,499</u>	<u>\$ 12,718</u>	<u>\$ 1,274,671</u>	<u>\$ 75,757</u>	<u>\$ 5,663,272</u>	<u>\$ 393</u>
LIABILITIES						
Accounts payable	\$ -	\$ 12,718	\$ -	\$ 75,757	\$ 181,618	\$ 393
Due to other governments	-	-	-	-	5,481,654	-
Total liabilities	<u>-</u>	<u>12,718</u>	<u>-</u>	<u>75,757</u>	<u>5,663,272</u>	<u>393</u>
NET POSITION						
Restricted	<u>719,499</u>	<u>-</u>	<u>1,274,671</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ 719,499</u>	<u>\$ -</u>	<u>\$ 1,274,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Services	Juvenile Inmate Trust	Total
\$ 448,403	\$ 399	\$ 8,129,384
-	-	65,728
<u>28,325</u>	<u>-</u>	<u>28,325</u>
<u>\$ 476,728</u>	<u>\$ 399</u>	<u>\$ 8,223,437</u>
\$ 145,383	\$ 399	\$ 416,268
-	-	5,481,654
<u>145,383</u>	<u>399</u>	<u>5,897,922</u>
<u>331,345</u>	<u>-</u>	<u>2,325,515</u>
<u>\$ 331,345</u>	<u>\$ -</u>	<u>\$ 2,325,515</u>

COUNTY OF VICTORIA, TEXAS
FIDUCIARY FUNDS - CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the year ended December 31, 2020

	County Clerk- Trusts	Criminal District Attorney	District Clerk- Trusts	Jail Inmate Trust
ADDITIONS				
Miscellaneous				
Minor trust account deposits	\$ 388,933	\$ -	\$ 668,132	\$ -
Confiscation and restitution receipts	-	71,634	-	-
Inmate deposits	-	-	-	703,299
Tax collections	-	-	-	-
Investment income	2,384	-	9,026	-
Total additions	<u>391,317</u>	<u>71,634</u>	<u>677,158</u>	<u>703,299</u>
DEDUCTIONS				
General government				
Minor trust account disbursements	221,608	-	683,873	-
Confiscation and restitution disbursements	-	71,634	-	-
Inmate withdrawals	-	-	-	703,299
Tax distributions	-	-	-	-
Total deductions	<u>221,608</u>	<u>71,634</u>	<u>683,873</u>	<u>703,299</u>
Changes in net position	169,709	-	(6,715)	-
Net position, beginning, as restated	<u>549,790</u>	<u>-</u>	<u>1,281,386</u>	<u>-</u>
Net position, ending	<u>\$ 719,499</u>	<u>\$ -</u>	<u>\$ 1,274,671</u>	<u>\$ -</u>

<u>Tax Assessor-Collector</u>	<u>Juvenile Restitution</u>	<u>Special Services</u>	<u>Juvenile Inmate Trust</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,057,065
-	1,320	536,756	-	609,710
-	-	-	2,720	706,019
208,674,010	-	-	-	208,674,010
<u>2,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,543</u>
<u>208,676,143</u>	<u>1,320</u>	<u>536,756</u>	<u>2,720</u>	<u>211,060,347</u>
-	-	-	-	905,481
-	1,320	315,526	2,720	391,200
-	-	-	-	703,299
<u>208,676,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,676,143</u>
<u>208,676,143</u>	<u>1,320</u>	<u>315,526</u>	<u>2,720</u>	<u>210,676,123</u>
-	-	221,230	-	384,224
-	-	110,115	-	1,941,291
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,345</u>	<u>\$ -</u>	<u>\$ 2,325,515</u>

STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

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Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time	161
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property tax and sales tax revenues.....	172
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future	185
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments	191
Operating Information	
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs	193

COUNTY OF VICTORIA, TEXAS
NET POSITION BY COMPONENT (1)
Last ten fiscal years

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 16,692,542	\$ 17,634,287	\$ 19,331,396	\$ 19,248,568
Restricted	688,673	1,735,505	1,911,393	1,818,838
Unrestricted	10,692,960	13,988,896	16,544,281	20,591,811
Total governmental activities net position	\$ 28,074,175	\$ 33,358,688	\$ 37,787,070	\$ 41,659,217
Business-type activities				
Net investment in capital assets	\$ 9,245,449	\$ 8,841,867	\$ 8,625,363	\$ 8,436,735
Unrestricted	(208,163)	(527,598)	(1,247,508)	(1,359,561)
Total business-type activities net position	\$ 9,037,286	\$ 8,314,269	\$ 7,377,855	\$ 7,077,174
Primary Government				
Net investment in capital assets	\$ 25,937,991	\$ 26,476,154	\$ 27,956,759	\$ 27,685,303
Restricted	688,673	1,735,505	1,911,393	1,818,838
Unrestricted	10,484,797	13,651,402	15,296,773	19,232,250
Total primary government activities net position	\$ 37,111,461	\$ 41,863,061	\$ 45,164,925	\$ 48,736,391

(1) Accrual basis of accounting

NOTES: Amounts presented using a Statutory Basis of Accounting

The County implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The County implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 18,533,816	\$ 16,809,816	\$ 15,075,452	\$ 19,060,322	\$ 10,876,359	\$ 11,906,255
1,561,037	2,283,067	2,695,608	3,329,934	3,930,837	4,482,986
<u>14,018,912</u>	<u>17,629,833</u>	<u>15,968,499</u>	<u>12,312,292</u>	<u>16,924,646</u>	<u>16,622,042</u>
<u>\$ 34,113,765</u>	<u>\$ 36,722,716</u>	<u>\$ 33,739,559</u>	<u>\$ 34,702,548</u>	<u>\$ 31,731,842</u>	<u>\$ 33,011,283</u>
\$ 8,172,038	\$ 7,942,228	\$ 7,118,679	\$ 5,975,370	\$ 6,130,111	\$ 5,652,802
<u>(1,521,139)</u>	<u>(1,647,712)</u>	<u>549,053</u>	<u>404,747</u>	<u>476,162</u>	<u>1,032,578</u>
<u>\$ 6,650,899</u>	<u>\$ 6,294,516</u>	<u>\$ 7,667,732</u>	<u>\$ 6,380,117</u>	<u>\$ 6,606,273</u>	<u>\$ 6,685,380</u>
\$ 27,753,134	\$ 24,752,044	\$ 22,194,131	\$ 25,035,692	\$ 17,006,470	\$ 17,559,057
1,561,037	2,283,067	2,695,608	3,329,934	3,930,837	4,482,986
<u>12,497,773</u>	<u>15,982,121</u>	<u>16,517,552</u>	<u>12,717,039</u>	<u>17,400,808</u>	<u>17,654,620</u>
<u>\$ 41,811,944</u>	<u>\$ 43,017,232</u>	<u>\$ 41,407,291</u>	<u>\$ 41,082,665</u>	<u>\$ 38,338,115</u>	<u>\$ 39,696,663</u>

COUNTY OF VICTORIA, TEXAS*CHANGES IN NET POSITION (1)**Last ten fiscal years*

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities				
Expenses				
General government	\$ 15,620,851	\$ 17,725,415	\$ 17,741,218	\$ 19,041,903
Public safety	15,289,156	16,249,363	19,116,258	19,021,706
Streets and highways	4,435,115	4,196,422	4,368,635	6,098,697
Culture and recreation	257,880	301,527	295,945	332,869
Public health	3,650,720	3,747,650	3,377,214	3,551,753
Interest on long-term debt	504,255	352,616	446,849	785,052
Total expenses	<u>39,757,977</u>	<u>42,572,993</u>	<u>45,346,119</u>	<u>48,831,980</u>
Program revenues				
Charges for services				
General government	4,639,764	5,709,483	5,733,156	5,648,982
Public safety	2,216,737	2,263,926	2,254,543	2,547,897
Streets and highways	1,506,282	1,600,498	1,597,198	1,641,604
Culture and recreation	-	-	-	-
Public health	843,562	712,155	533,399	570,998
Operating grants and contributions	4,894,311	4,461,065	5,183,741	4,651,866
Capital grants and contributions	951,625	697,792	228,422	398,800
Total program revenues	<u>15,052,281</u>	<u>15,444,919</u>	<u>15,530,459</u>	<u>15,460,147</u>
Total governmental activities net program (expense) revenue	(24,705,696)	(27,128,074)	(29,815,660)	(33,371,833)
General revenues and other changes in net position				
Taxes				
Property taxes	19,323,241	20,738,029	21,984,214	23,817,161
Sales taxes	10,028,625	10,984,845	10,815,601	11,824,484
Other taxes	224,920	235,893	251,853	295,983
Grants and contributions not restricted to specific programs	352,549	139,310	252,374	730,719
Unrestricted investment earnings	119,708	114,897	132,066	174,003
Miscellaneous	636,498	388,862	807,934	657,416
Extraordinary item	-	-	-	-
Transfers	(11,113)	-	-	(255,786)
Special items	(2,616,446)	-	-	-
Total general revenues and other changes in net position	<u>28,057,982</u>	<u>32,601,836</u>	<u>34,244,042</u>	<u>37,243,980</u>
Total governmental activities change in net position	<u>\$ 3,352,286</u>	<u>\$ 5,473,762</u>	<u>\$ 4,428,382</u>	<u>\$ 3,872,147</u>

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 18,521,250	\$ 20,353,896	\$ 26,304,990	\$ 24,306,587	\$ 23,817,872	\$ 22,331,100
18,684,796	20,708,786	21,626,868	21,767,661	23,277,427	22,647,849
5,444,923	5,866,714	6,298,408	6,400,322	7,226,644	6,484,337
306,605	353,798	395,762	317,732	312,336	287,547
3,527,448	3,941,509	4,299,622	4,041,478	4,118,147	4,871,860
433,173	493,290	615,616	301,789	558,442	583,908
<u>46,918,195</u>	<u>51,717,993</u>	<u>59,541,266</u>	<u>57,135,569</u>	<u>59,310,868</u>	<u>57,206,601</u>
4,795,027	5,683,863	6,475,812	6,601,723	6,074,148	4,469,942
2,504,511	2,619,758	2,103,246	2,167,104	2,543,329	1,750,924
1,496,157	1,441,352	1,395,105	1,409,429	1,408,121	1,347,561
-	2,338	1,850	2,625	3,540	250
587,120	545,175	459,781	441,946	782,105	1,128,741
4,440,829	4,104,052	4,626,724	5,456,911	6,401,522	8,847,234
-	169,264	1,214,971	3,041,129	671,011	806,880
<u>13,823,644</u>	<u>14,565,802</u>	<u>16,277,489</u>	<u>19,120,867</u>	<u>17,883,776</u>	<u>18,351,532</u>
(33,094,551)	(37,152,191)	(43,263,777)	(38,014,702)	(41,427,092)	(38,855,069)
25,407,422	26,135,287	25,826,188	26,205,061	25,814,316	29,021,304
10,626,687	9,085,344	9,275,154	10,314,720	10,236,137	9,914,958
331,179	307,839	282,089	336,764	338,937	274,495
251,659	289,639	2,739,331	1,354,933	254,689	412,994
183,319	185,145	312,407	602,197	766,974	444,946
661,223	659,665	652,954	641,980	422,329	546,982
-	-	3,264,253	481,222	-	-
(296,254)	(671,653)	(2,071,756)	(165,366)	(392,250)	(481,169)
-	-	-	734,506	-	-
<u>37,165,235</u>	<u>35,991,266</u>	<u>40,280,620</u>	<u>40,506,017</u>	<u>37,441,132</u>	<u>40,134,510</u>
\$ <u>4,070,684</u>	\$ <u>(1,160,925)</u>	\$ <u>(2,983,157)</u>	\$ <u>2,491,315</u>	\$ <u>(3,985,960)</u>	\$ <u>1,279,441</u>

(continued)

COUNTY OF VICTORIA, TEXAS

CHANGES IN NET POSITION (1)

Last ten fiscal years

	Fiscal Year			
	2011	2012	2013	2014
Business-type activities				
Expenses				
Airport	\$ 3,737,407	\$ 3,822,529	\$ 3,806,501	\$ 4,722,858
Navarro Project	579,775	617,933	694,360	591,031
Commisary	101,378	143,356	120,418	129,621
Total expenses	<u>4,418,560</u>	<u>4,583,818</u>	<u>4,621,279</u>	<u>5,443,510</u>
Program revenues				
Charges for services				
Airport	2,932,268	3,009,756	2,879,260	3,645,290
Navarro Project	544,203	545,557	551,150	535,511
Commisary	152,934	156,172	149,222	162,251
Operating grants and contributions	42,190	33,694	95,859	91,031
Capital grants and contributions	148,968	142,087	8,950	440,400
Total program revenues	<u>3,820,563</u>	<u>3,887,266</u>	<u>3,684,441</u>	<u>4,874,483</u>
Total business-type activities net program (expense) revenue	(597,997)	(696,552)	(936,838)	(569,027)
General revenues and other changes in net position				
Unrestricted investment earnings	417	385	424	848
Miscellaneous	-	-	-	11,712
Transfers	11,113	-	-	255,786
Special item - transfer of operations	-	-	-	-
Total general revenues and other changes in net position	<u>11,530</u>	<u>385</u>	<u>424</u>	<u>268,346</u>
Total business-type activities change in net position	<u>\$ (586,467)</u>	<u>\$ (696,167)</u>	<u>\$ (936,414)</u>	<u>\$ (300,681)</u>
Total primary government change in net position	<u>\$ 2,765,819</u>	<u>\$ 4,777,595</u>	<u>\$ 3,491,968</u>	<u>\$ 3,571,466</u>

(1) Accrual basis of accounting

NOTES: Amounts presented using a Statutory Basis of Accounting

The County implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The County implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 5,323,304	\$ 5,680,308	\$ 5,640,986	\$ 5,553,508	\$ 3,656,509	\$ 2,841,230
612,894	547,458	550,407	-	-	-
113,824	114,924	153,074	147,365	175,288	165,383
<u>6,050,022</u>	<u>6,342,690</u>	<u>6,344,467</u>	<u>5,700,873</u>	<u>3,831,797</u>	<u>3,006,613</u>
4,351,312	4,531,502	4,894,066	4,727,396	2,993,978	2,160,555
504,534	522,983	524,583	-	-	-
161,543	166,848	159,086	175,539	173,247	255,532
65,148	78,842	64,804	73,151	83,212	184,324
243,803	13,000	-	-	237,142	-
<u>5,326,340</u>	<u>5,313,175</u>	<u>5,642,539</u>	<u>4,976,086</u>	<u>3,487,579</u>	<u>2,600,411</u>
(723,682)	(1,029,515)	(701,928)	(724,787)	(344,218)	(406,202)
1,153	1,479	3,388	6,312	10,444	4,140
-	-	-	-	-	-
296,254	671,653	2,071,756	165,366	392,250	481,169
-	-	-	(734,506)	-	-
<u>297,407</u>	<u>673,132</u>	<u>2,075,144</u>	<u>(562,828)</u>	<u>402,694</u>	<u>485,309</u>
\$ (426,275)	\$ (356,383)	\$ 1,373,216	\$ (1,287,615)	\$ 58,476	\$ 79,107
<u>\$ 3,644,409</u>	<u>\$ (1,517,308)</u>	<u>\$ (1,609,941)</u>	<u>\$ 1,203,700</u>	<u>\$ (3,927,484)</u>	<u>\$ 1,358,548</u>

COUNTY OF VICTORIA, TEXAS*FUND BALANCES, GOVERNMENTAL FUNDS (1)**Last ten fiscal years*

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable				
Advance to other funds	\$ 544,545	\$ 626,131	\$ 1,326,036	\$ 1,572,545
Unassigned	8,663,446	11,665,011	13,182,983	16,507,992
Total general fund	<u>\$ 9,207,991</u>	<u>\$ 12,291,142</u>	<u>\$ 14,509,019</u>	<u>\$ 18,080,537</u>
All Other Governmental Funds				
Restricted				
Various capital projects	\$ 284,958	\$ -	\$ -	\$ 4,360,037
Road & bridge	1,445,816	1,873,342	2,467,701	2,426,924
Juvenile probation services	64,638	77,290	23,356	-
County/District Clerks	94,637	96,009	132,837	194,097
Public safety	405,272	890,226	1,065,973	763,363
Public health	51,866	131,961	219,820	1,840
Courthouse security	41,832	49,861	64,808	71,465
Retirement of long-term debt	459,542	364,138	327,797	386,801
Various government costs	106,673	121,785	64,145	87,013
Unassigned	<u>(494,655)</u>	<u>(2,363)</u>	<u>(5,054)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 2,460,579</u>	<u>\$ 3,602,249</u>	<u>\$ 4,361,383</u>	<u>\$ 8,291,540</u>

(1) Modified accrual basis of accounting

NOTE: Amounts presented using a Statutory Basis of Accounting

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,641,361	\$ 1,984,347	\$ -	\$ -	\$ -	\$ -
<u>18,954,639</u>	<u>18,449,982</u>	<u>17,318,465</u>	<u>18,682,620</u>	<u>17,922,967</u>	<u>16,060,315</u>
<u>\$ 20,596,000</u>	<u>\$ 20,434,329</u>	<u>\$ 17,318,465</u>	<u>\$ 18,682,620</u>	<u>\$ 17,922,967</u>	<u>\$ 16,060,315</u>
\$ 2,682,918	\$ 142,086	\$ -	\$ -	\$ -	\$ -
2,763,394	2,996,031	2,719,326	2,943,347	2,145,278	2,488,430
-	-	-	-	-	-
237,461	306,810	364,893	465,609	305,369	438,676
586,856	978,937	1,365,867	1,500,219	2,008,931	1,876,333
-	66,691	27,166	119,436	180,887	213,347
74,793	86,851	78,382	96,823	124,714	145,518
361,231	411,677	405,931	471,251	541,502	530,730
273,084	377,990	403,007	580,020	737,459	916,795
-	-	(1,602,895)	(367,436)	(589,137)	(245)
<u>\$ 6,979,737</u>	<u>\$ 5,367,073</u>	<u>\$ 3,761,677</u>	<u>\$ 5,809,269</u>	<u>\$ 5,455,003</u>	<u>\$ 6,609,584</u>

COUNTY OF VICTORIA, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes	\$ 29,991,355	\$ 31,798,763	\$ 33,045,330	\$ 35,908,161
Fees of office and user fees	2,790,150	2,920,101	3,131,284	3,401,611
Intergovernmental	10,179,382	9,591,479	10,316,613	9,875,293
Fines and forfeitures	1,532,844	2,013,009	1,689,188	1,391,031
Investment income	117,724	112,268	131,320	173,458
Licenses and permits	53,464	43,709	63,155	40,431
Contributions	301,344	93,459	203,984	684,669
Miscellaneous	1,043,917	1,137,283	941,132	951,545
Total revenues	<u>46,010,180</u>	<u>47,710,071</u>	<u>49,522,006</u>	<u>52,426,199</u>
Expenditures				
Current				
General government	15,685,961	17,145,686	18,394,052	18,669,404
Public safety	15,657,442	16,258,277	18,357,375	18,310,906
Highways and streets	4,764,971	4,164,237	4,590,343	6,168,092
Culture and recreation	216,113	247,849	295,557	297,340
Public health	3,597,910	3,690,149	3,349,696	3,494,559
Capital outlay	2,296,901	342,427	228,422	2,948,623
Debt service				
Principal retirement	1,115,000	1,275,000	1,300,000	827,385
Interest and fiscal charges	524,982	369,700	343,950	564,164
Bond issue costs			-	136,030
Total expenditures	<u>43,859,280</u>	<u>43,493,325</u>	<u>46,859,395</u>	<u>51,416,503</u>
Excess (deficiency) of revenues over expenditures	2,150,900	4,216,746	2,662,611	1,009,696
Other financing sources (uses)				
Bonds issued	-	-	-	6,340,000
Payment to escrow	-	-	-	-
Capital lease proceeds	197,699	-	235,085	245,425
Sales of assets	207,633	88,609	79,315	26,044
Transfers in	1,711,506	1,789,111	1,607,146	1,659,234
Transfers out	(1,711,506)	(1,789,111)	(1,607,146)	(2,074,753)
Payments to component unit	-	-	-	-
Premium on issuance of bonds	-	-	-	296,030
Total other financing sources (uses)	<u>405,332</u>	<u>88,609</u>	<u>314,400</u>	<u>6,491,980</u>
Extraordinary Items				
Extraordinary Item	-	-	-	-
Change in fund balances	<u>\$ 2,556,232</u>	<u>\$ 4,305,355</u>	<u>\$ 2,977,011</u>	<u>\$ 7,501,676</u>
Debt service as a percentage of noncapital expenditures	<u>4.13%</u>	<u>3.97%</u>	<u>3.74%</u>	<u>2.94%</u>

(1) Modified accrual basis of accounting

NOTE: Amounts presented using a Statutory Basis of Accounting

		Fiscal Year					
		2015	2016	2017	2018	2019	2020
\$	36,250,684	\$ 35,508,536	\$ 35,652,475	\$ 36,776,092	\$ 36,210,166	\$ 37,769,168	
	3,263,987	3,349,455	3,178,804	3,408,145	3,928,318	4,170,249	
	8,983,997	8,797,632	9,706,909	15,624,255	11,183,725	11,767,886	
	1,156,377	1,643,780	1,936,418	1,732,727	1,863,648	908,559	
	181,688	183,980	310,694	592,655	764,147	444,425	
	58,412	39,533	61,234	44,989	53,980	55,928	
	119,484	110,442	406,175	925,026	895,267	1,111,581	
	930,084	908,467	865,666	1,147,918	1,403,202	2,279,032	
	<u>50,944,713</u>	<u>50,541,825</u>	<u>52,118,375</u>	<u>60,251,807</u>	<u>56,302,453</u>	<u>58,506,828</u>	
	18,434,960	19,251,396	24,640,425	23,090,130	21,664,882	21,832,791	
	18,719,272	19,491,221	19,374,178	20,086,422	21,269,889	21,605,397	
	5,296,511	5,659,988	7,291,882	6,071,539	7,044,887	6,359,200	
	263,792	315,601	313,589	248,439	237,131	247,639	
	3,615,808	3,883,793	4,146,837	4,011,118	4,656,263	4,808,668	
	1,302,382	1,440,333	123,150	2,607,738	588,441	1,330,510	
	1,018,228	1,054,925	887,100	992,856	933,752	954,786	
	624,304	547,250	502,957	393,712	427,494	566,061	
	-	-	123,790	-	189,043	-	
	<u>49,275,257</u>	<u>51,644,507</u>	<u>57,403,908</u>	<u>57,501,954</u>	<u>57,011,782</u>	<u>57,705,052</u>	
	1,669,456	(1,102,682)	(5,285,533)	2,749,853	(709,329)	801,776	
	-	-	4,920,000	-	9,895,000	-	
	-	-	(5,302,717)	-	-	-	
	-	-	-	-	-	111,203	
	-	-	1,275	7,050	1,208	11,119	
	1,947,195	2,309,609	1,904,672	2,331,791	1,754,569	1,982,640	
	(2,412,992)	(2,981,262)	(4,391,428)	(2,805,953)	(2,349,410)	(3,614,809)	
	-	-	-	-	(10,002,616)	-	
	-	-	506,507	-	296,659	-	
	<u>(465,797)</u>	<u>(671,653)</u>	<u>(2,361,691)</u>	<u>(467,112)</u>	<u>(404,590)</u>	<u>(1,509,847)</u>	
	-	-	2,925,964	1,129,006	-	-	
\$	<u>1,203,659</u>	<u>\$ (1,774,335)</u>	<u>\$ (4,721,260)</u>	<u>\$ 3,411,747</u>	<u>\$ (1,113,919)</u>	<u>\$ (708,071)</u>	
	<u>3.51%</u>	<u>3.25%</u>	<u>2.52%</u>	<u>2.57%</u>	<u>2.52%</u>	<u>2.79%</u>	

COUNTY OF VICTORIA, TEXAS**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (1)***Last ten fiscal years*

<u>Fiscal Year</u>	<u>Ad Valorem</u>	<u>Penalty and Interest</u>	<u>Sales</u>	<u>Total</u>
2011	\$ 19,724,908	\$ 237,820	\$ 10,028,625	\$ 29,991,353
2012	20,596,342	217,575	10,984,845	31,798,762
2013	22,010,672	219,058	10,815,601	33,045,331
2014	23,857,090	226,586	11,824,484	35,908,160
2015	25,394,946	229,051	10,626,687	36,250,684
2016	26,174,207	248,985	9,085,344	35,508,536
2017	26,086,063	291,258	9,275,154	35,652,475
2018	26,207,789	253,583	10,314,720	36,776,092
2019	25,704,436	269,592	10,236,138	36,210,166
2020	27,604,001	250,209	9,914,958	37,769,168
Change 2011-2020	39.94%	5.21%	-1.13%	25.93%

(1) Modified accrual basis of accounting

NOTES: Property tax rates have remained stable because of growth in property tax values and the addition of new construction values.

Increase in ad valorem revenues in 2020 due to an increase in taxable assessed values in the County.

COUNTY OF VICTORIA, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - GENERAL AND I&S

Last ten fiscal years

Fiscal Year	Tax Roll	Real Property			Personal Property	
		Residential Property	Commercial and Industrial Property	Rural-Underdeveloped Property	Business	Other
2011	2010	\$ 2,722,543,268	\$ 1,409,410,407	\$ 984,885,239	\$ 1,367,910,416	\$ 140,697,690
2012	2011	2,752,838,752	1,438,589,864	969,349,009	1,495,456,938	97,841,460
2013	2012	2,846,628,023	1,590,038,450	997,344,339	1,786,396,314	120,169,040
2014	2013	3,170,347,590	1,728,672,403	1,024,696,569	2,027,623,445	135,934,520
2015	2014	3,334,260,997	1,854,149,141	1,192,795,666	2,151,078,215	137,890,000
2016	2015	3,600,729,580	1,927,390,407	1,272,680,618	2,245,895,665	100,076,960
2017	2016	3,695,285,075	1,817,385,566	1,280,347,158	2,101,048,269	50,990,150
2018	2017	3,800,900,747	1,867,539,086	1,263,321,519	2,022,310,652	45,179,240
2019	2018	3,835,612,285	1,863,986,398	1,303,680,506	1,888,492,492	68,527,440
2020	2019	4,023,912,223	2,013,843,145	1,427,901,840	2,014,143,034	141,207,970

(1) Values on property for maintenance and operation and interest and sinking taxes. Property exemptions differ from those allowed on road and bridge taxes.

NOTE: Property in the County is reassessed annually. The County assesses property at 100 percent of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: Victoria County Tax Assessor/Collector

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value (1) as a Percentage of Actual Value
\$ 1,561,725,565	\$ 5,063,721,455	\$ 0.3436	\$ 5,063,721,455	100.00%
1,493,386,391	5,260,689,632	0.3436	5,260,689,632	100.00%
1,648,335,879	5,692,240,287	0.3436	5,692,240,287	100.00%
1,901,616,018	6,185,658,509	0.3386	6,185,658,509	100.00%
2,136,944,123	6,533,229,896	0.3386	6,533,229,896	100.00%
2,136,201,137	7,010,572,093	0.3299	7,010,572,093	100.00%
2,024,244,176	6,920,812,042	0.3959	6,920,812,042	100.00%
2,021,928,370	6,977,322,874	0.3959	6,977,322,874	100.00%
2,084,423,602	6,875,875,519	0.3959	6,875,875,519	100.00%
2,330,907,978	7,290,100,234	0.3959	7,290,100,234	100.00%

COUNTY OF VICTORIA, TEXAS**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - ROAD AND BRIDGE***Last ten fiscal years*

Fiscal Year	Tax Roll	Real Property			Personal Property	
		Residential Property	Commercial and Industrial Property	Rural-Underdeveloped Property	Business	Other
2011	2010	\$ 2,722,543,268	\$ 1,409,410,407	\$ 984,885,239	\$ 1,367,910,416	\$ 140,697,690
2012	2011	2,752,838,752	1,438,589,864	969,349,009	1,495,456,938	97,841,460
2013	2012	2,846,628,023	1,590,038,450	997,344,339	1,786,396,314	120,169,040
2014	2013	3,170,347,590	1,728,672,403	1,024,696,569	2,027,623,445	135,934,520
2015	2014	3,334,260,997	1,854,149,141	1,192,795,666	2,151,078,215	137,890,000
2016	2015	3,600,729,580	1,927,390,407	1,272,680,618	2,245,895,665	100,076,960
2017	2016	3,695,285,075	1,817,385,566	1,280,347,158	2,101,048,269	50,990,150
2018	2017	3,800,900,747	1,867,539,086	1,263,321,519	2,022,310,652	45,179,240
2019	2018	3,835,612,285	1,863,986,398	1,303,680,506	1,888,492,492	68,527,440
2020	2019	4,023,912,223	2,013,843,145	1,427,901,840	2,014,143,034	141,207,970

(1) Values on property for road and bridges taxes.
Property exemptions differ from those allowed on maintenance and operation and interest and sinking taxes.

NOTE: Property in the County is reassessed annually. The County assesses property at 100 percent of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: Victoria County Tax Assessor/Collector

<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value (1) as a Percentage of Actual Value</u>
\$ 1,685,999,800	4,939,447,220	\$ 0.0550	\$ 4,939,447,220	100.00%
1,615,648,723	5,138,427,300	0.0550	5,138,427,300	100.00%
1,768,247,625	5,572,328,541	0.0550	5,572,328,541	100.00%
2,018,035,538	6,069,238,989	0.0600	6,069,238,989	100.00%
2,249,412,211	6,420,761,808	0.0600	6,420,761,808	100.00%
2,190,939,913	6,955,833,317	0.0660	6,955,833,317	100.00%
2,079,036,609	6,866,019,609	0.0660	6,866,019,609	100.00%
2,076,655,611	6,922,595,633	0.0630	6,922,595,633	100.00%
2,139,034,659	6,821,264,462	0.0630	6,821,264,462	100.00%
2,384,598,367	7,236,409,845	0.0630	7,236,409,845	100.00%

COUNTY OF VICTORIA, TEXAS*DIRECT AND OVERLAPPING PROPERTY TAX RATES**PER \$100 OF ASSESSED VALUE**Last ten fiscal years*

Fiscal Year	County Direct Rates				Overlapping Rates				
	Debt Service	General Fund	Road & Bridge Fund	Total	City of Victoria	Navigation District	Victoria Junior College	Victoria I.S.D.	Bloomington I.S.D.
2011	\$ 0.0328	\$ 0.3108	\$ 0.0550	\$ 0.3986	\$ 0.6500	\$ 0.0304	\$ 0.1531	\$ 1.3226	\$ 1.5150
2012	0.0295	0.3141	0.0550	0.3986	0.6450	0.0296	0.1606	1.3226	1.5150
2013	0.0287	0.3149	0.0550	0.3986	0.6056	0.0285	0.1606	1.3090	1.5150
2014	0.0235	0.3151	0.0600	0.3986	0.5996	0.0277	0.1823	1.2896	1.5150
2015	0.0250	0.3136	0.0600	0.3986	0.5840	0.0240	0.1875	1.2744	1.5150
2016	0.0206	0.3093	0.0660	0.3959	0.5711	0.0240	0.1925	1.2663	1.4002
2017	0.0206	0.3093	0.0660	0.3959	0.5892	0.0266	0.2065	1.2663	1.4002
2018	0.0215	0.3114	0.0630	0.3959	0.5952	0.0286	0.2170	1.2663	1.4002
2019	0.0215	0.3114	0.0630	0.3959	0.6224	0.0305	0.2235	1.3763	1.4002
2020	0.0213	0.3116	0.0630	0.3959	0.6115	0.0308	0.2206	1.1935	1.2317

SOURCE: Victoria County Appraisal District

Overlapping Rates

Industrial I.S.D.	Nursery I.S.D.	McFaddin I.S.D.	W.C.I.D #1	W.C.I.D #2	V.C.D.D. #2	V.C.D.D. #3	Ground Water District	Quail Creek M.U.D.	Total
\$ 1.3433	\$ 1.1000	\$ 1.1575	\$ 0.7246	\$ 1.1051	\$ 0.1180	\$ 0.0381	\$ 0.0095	\$0.1844	\$ 9.4515
1.3119	1.1000	1.1750	0.7394	1.0621	0.1226	0.0360	0.00915	0.1800	9.4090
1.2610	1.1000	1.1470	0.7394	1.0700	0.1174	0.0337	0.00915	0.1800	9.2764
1.2400	1.1000	1.1550	0.7217	1.0700	0.1162	0.0307	0.00878	0.3494	9.4060
1.2520	1.1000	1.1500	0.6569	1.0700	0.1089	0.0294	0.00878	0.1729	9.1338
1.2833	1.1000	1.2900	0.6462	1.1400	0.1116	0.0290	0.00878	0.1822	9.2451
1.3630	1.1000	1.3350	0.5033	0.8607	0.1179	0.0297	0.00878	0.1822	8.9893
1.3135	1.1000	1.3600	0.3849	0.5702	0.1134	0.0295	0.00843	0.1822	8.5694
1.2122	1.1150	1.4900	0.3849	1.3158	0.1144	0.0312	0.00843	0.1964	9.5212
1.2053	1.0650	1.2400	0.6371	1.1302	0.0901	0.0298	0.00843	0.1926	8.8867

COUNTY OF VICTORIA, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

2020		
Taxpayer	Taxable Assessed Valuation	Percentage of Total County Taxable Assessed Valuation
Invista S A R L	\$ 229,454,390	3.71%
South Texas Electric Coop Inc	90,065,420	1.46%
AEP Texas Central Co	88,971,970	1.44%
Transcontinental Gas Pipeline	60,256,570	0.97%
Victoria WLE LP	54,706,570	0.88%
Performance Materials NA Inc	53,903,580	0.87%
Union Pacific Railroad Co	53,634,970	0.87%
Equistar Chemicals LP	40,001,340	0.65%
Frostwood Energy LLC	39,822,530	0.64%
Tennessee Gas Pipeline Co	38,774,260	0.63%
	<u>\$ 802,715,590</u>	<u>12.12%</u>

2011		
Taxpayer	Taxable Assessed Valuation	Percentage of Total County Taxable Assessed Valuation
Invista S A R L	\$ 225,877,450	4.99%
South Texas Electric Coop Inc	78,077,160	1.73%
Invista S A R L	77,133,690	1.71%
Crown Energy Technologies	37,476,340	0.83%
E I DuPont De Nemours	37,196,200	0.82%
AEP Texas Central Co	35,149,920	0.78%
Valerus Compression Services	28,319,760	0.63%
Union Pacific Railroad Co	27,426,800	0.61%
Equistar Chemicals LP	25,934,190	0.57%
Victoria Hospital LLC	22,920,420	0.51%
	<u>\$ 595,511,930</u>	<u>13.18%</u>

SOURCE: Victoria County Tax Assessor/Collector

COUNTY OF VICTORIA, TEXAS**PROPERTY TAX LEVIES AND COLLECTIONS(1) - GENERAL AND I&S***Last ten fiscal years*

<u>Fiscal Year</u>	Taxes Levied for the Fiscal Year (Original Levy)	<u>Adjustments</u>	Total <u>Adjusted Levy</u>	<u>Collections within the Fiscal Year of the Levy</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>
2011	\$ 16,992,274	\$ (8,598)	\$ 16,983,676	\$ 16,670,742	98.16%
2012	17,727,309	110,888	17,838,197	17,564,074	98.46%
2013	19,201,207	27,357	19,228,564	18,781,169	97.67%
2014	20,449,268	47,279	20,496,547	20,044,953	97.80%
2015	21,401,700	461,458	21,863,158	21,384,820	97.81%
2016	22,206,174	(10,010)	22,196,164	21,658,022	97.58%
2017	21,799,367	144,737	21,944,104	21,425,479	97.64%
2018	22,111,531	214,439	22,325,970	21,869,446	97.96%
2019	21,908,979	(40,188)	21,868,791	21,501,047	98.32%
2020	23,334,503	192,528	23,527,031	23,018,147	97.84%

(1) Tax levies and collections on maintenance and operation and interest and sinking only

SOURCE: Victoria County Tax Assessor/Collector

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 278,502	\$ 16,949,244	99.80%
237,283	17,801,357	99.79%
411,770	19,192,939	99.81%
404,534	20,449,487	99.77%
413,391	21,798,211	99.70%
441,089	22,099,111	99.56%
385,556	21,811,035	99.39%
323,928	22,193,374	99.41%
173,015	21,674,062	99.11%
106,951	23,125,098	98.29%

COUNTY OF VICTORIA, TEXAS**PROPERTY TAX LEVIES AND COLLECTIONS (1) - ROAD AND BRIDGE***Last ten fiscal years*

<u>Fiscal Year</u>	Taxes Levied for the Fiscal Year (Original Levy)	<u>Adjustments</u>	Total <u>Adjusted Levy</u>	<u>Collections within the Fiscal Year of the Levy</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>
2011	\$ 2,636,862	\$ (1,398)	\$ 2,635,464	\$ 2,588,470	98.22%
2012	2,756,259	17,860	2,774,119	2,733,005	98.52%
2013	2,994,575	4,709	2,999,284	2,930,182	97.70%
2014	3,512,229	7,734	3,519,963	3,443,695	97.83%
2015	3,686,201	78,551	3,764,752	3,683,761	97.85%
2016	4,262,192	(3,378)	4,258,814	4,157,006	97.61%
2017	4,255,603	28,255	4,283,858	4,183,834	97.67%
2018	4,105,567	39,876	4,145,443	4,061,624	97.98%
2019	4,069,728	(8,166)	4,061,562	3,994,493	98.35%
2020	4,233,572	144,579	4,378,151	4,284,258	97.86%

(1) Tax levies and collections on road and bridge only.

SOURCE: Victoria County Tax Assessor/Collector

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 41,781	\$ 2,630,251	99.80%
35,555	2,768,560	99.80%
63,807	2,993,989	99.82%
68,710	3,512,405	99.79%
70,398	3,754,159	99.72%
84,110	4,241,116	99.58%
74,956	4,258,790	99.41%
60,156	4,121,780	99.43%
32,018	4,026,511	99.14%
20,003	4,304,261	98.31%

COUNTY OF VICTORIA, TEXAS

SALES TAX REVENUE

Last ten fiscal years

<u>Fiscal Year</u>	<u>Collections</u>
2011	\$ 9,179,189
2012	10,662,768
2013	10,127,088
2014	10,721,246
2015	9,891,860
2016	8,515,577
2017	8,244,984
2018	9,420,631
2019	9,451,596
2020	9,148,982

NOTES: Collections reported on the budgetary (cash) basis of accounting and include only sales and use tax revenue.

Detailed information related to sales tax collections will be provided in subsequent years.

COUNTY OF VICTORIA, TEXAS**DIRECT AND OVERLAPPING SALES TAX RATES***Last ten fiscal years*

<u>Fiscal Year</u>	<u>Direct Rate</u>	<u>Overlapping Rates</u>		<u>Total</u>
	<u>County</u>	<u>City of Victoria</u>	<u>State of Texas</u>	
2011	0.50%	1.50%	6.25%	8.25%
2012	0.50%	1.50%	6.25%	8.25%
2013	0.50%	1.50%	6.25%	8.25%
2014	0.50%	1.50%	6.25%	8.25%
2015	0.50%	1.50%	6.25%	8.25%
2016	0.50%	1.50%	6.25%	8.25%
2017	0.50%	1.50%	6.25%	8.25%
2018	0.50%	1.50%	6.25%	8.25%
2019	0.50%	1.50%	6.25%	8.25%
2020	0.50%	1.50%	6.25%	8.25%

NOTES: Eventhough the total sales tax rate is 8.25%, sales occurring outside the City of Victoria City limits would only be taxed at 6.75% which is the combination of the County and the State of Texas sales tax rates.

Texas counties have the option of imposing an additional local sales tax of 0.5% to 1.5% for a combined total of state and local taxes of 8.25%.

COUNTY OF VICTORIA, TEXAS**RATIOS OF OUTSTANDING DEBT BY TYPE***Last ten fiscal years*

Fiscal Year	Governmental Activities					
	Certificates of Obligation*	General Obligation Bonds	Less: Issuance Discount	Plus: Issuance Premiums	Capital Leases	Interlocal Commitment
2011	\$ 8,315,000	\$ 3,295,000	\$ (45,063)	\$ 259,180	\$ 129,359	\$ 2,616,446
2012	7,995,000	2,340,000	(42,588)	229,289	65,870	2,616,446
2013	7,670,000	1,365,000	(40,113)	199,398	235,085	2,616,446
2014	13,680,000	925,000	(37,638)	456,904	376,738	2,559,061
2015	13,340,000	470,000	(35,163)	412,212	288,940	2,335,833
2016	12,985,000	-	(32,689)	383,640	197,015	2,105,908
2017	7,245,000	4,920,000	-	763,838	100,769	1,863,808
2018	6,585,000	4,835,000	-	708,713	-	1,615,952
2019	15,800,000	4,835,000	-	950,247	-	1,362,200
2020	15,105,000	4,835,000	-	880,289	87,290	1,102,414

NOTES: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

N/A denotes information not available

*Payments on the 2019 Certificates of Obligation (\$9,895,000 principal) will be reimbursed by the Citizens Medical Center over twenty years beginning in 2021.

<u>Business-type Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
<u>Revenue Bonds</u>	<u>Less: Issuance Discount</u>	<u>Capital Leases</u>			
\$ 730,000	\$ (1,703)	\$ 5,437	\$ 15,303,656	0.41%	\$ 174.81
625,000	(1,394)	46,240	13,873,863	0.35%	155.42
-	-	30,216	12,076,032	0.29%	134.14
-	-	16,333	17,976,398	0.42%	197.37
-	-	-	16,811,822	0.39%	181.98
-	-	-	15,638,874	0.38%	169.13
-	-	-	14,893,415	0.38%	161.74
-	-	-	13,744,665	0.32%	149.34
-	-	-	22,947,447	0.51%	249.20
-	-	-	22,009,993	N/A	239.41

COUNTY OF VICTORIA, TEXAS*RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**Last ten fiscal years*

<u>Fiscal Year</u>	<u>Certificates of Obligation*</u>	<u>General Obligation Bonds</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2011	\$ 8,315,000	\$ 3,295,000	\$ 459,542	\$ 11,150,458	0.17%	\$ 127.37
2012	7,995,000	2,340,000	364,138	9,970,862	0.15%	111.69
2013	7,670,000	1,365,000	327,797	8,707,203	0.12%	96.72
2014	13,680,000	925,000	386,801	14,218,199	0.18%	156.10
2015	13,340,000	470,000	361,231	13,448,769	0.16%	145.58
2016	12,985,000	-	411,677	12,573,323	0.14%	135.98
2017	7,245,000	4,920,000	405,931	11,759,069	0.13%	127.70
2018	6,585,000	4,835,000	471,251	10,948,749	0.12%	118.96
2019	15,800,000	4,835,000	541,502	20,093,498	0.22%	218.21
2020	15,105,000	4,835,000	530,730	19,409,270	0.20%	211.12

NOTES: *Payments on the 2019 Certificates of Obligation (\$9,895,000 principal) will be reimbursed by the Citizens Medical Center over twenty years beginning in 2021.

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

COUNTY OF VICTORIA, TEXAS*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**December 31, 2020*

	<u>Net Debt Outstanding</u>		<u>Percentage Applicable To County</u>	<u>Amount Applicable To County</u>
	<u>Date</u>	<u>Amount</u>		
Direct Debt:				
County of Victoria	12/31/2020	<u>\$ 21,479,263</u>	100.00%	<u>\$ 21,479,263</u>
Overlapping Debt:				
City of Victoria	9/30/2020	62,873,744	100.00%	62,873,744
Victoria County Navigation District	12/31/2020	18,921,472	100.00%	18,921,472
Victoria Junior College District	8/31/2020	31,152,662	100.00%	31,152,662
Victoria Independent School District	8/31/2020	112,260,502	100.00%	112,260,502
Industrial Independent School District	8/31/2020	19,870,000	25.46%	5,058,902
Victoria County Water Control and Improvement District #1	6/30/2020	2,356,609	100.00%	2,356,609
Victoria County Water Control and Improvement District #2	9/30/2020	<u>67,400</u>	100.00%	<u>67,400</u>
Total Overlapping Debt		<u>247,502,389</u>		<u>232,691,291</u>
Total		<u>\$ 268,981,652</u>		<u>\$ 254,170,554</u>

SOURCE: County of Victoria, City of Victoria, Victoria Junior College, Victoria Independent School District, Industrial Independent School District, Victoria County Water Control and Improvement District Numbers 1 and 2.

COUNTY OF VICTORIA, TEXAS
LEGAL DEBT MARGIN INFORMATION
Last ten fiscal years

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 1,656,361,755	\$ 1,688,519,006	\$ 1,835,144,041	\$ 2,021,818,632
Total net debt applicable to limit	<u>11,150,458</u>	<u>9,970,862</u>	<u>8,707,203</u>	<u>14,218,199</u>
Legal debt margin	<u>\$ 1,645,211,297</u>	<u>\$ 1,678,548,144</u>	<u>\$ 1,826,436,838</u>	<u>\$ 2,007,600,433</u>
Total net debt applicable to the limit as a percentage of debt limit	0.67%	0.59%	0.47%	0.70%

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 2,167,543,505	\$ 2,286,693,308	\$ 2,236,264,055	\$ 2,249,812,811	\$ 2,240,074,780	\$ 2,405,252,053
13,448,769	12,573,323	11,759,068	10,948,749	20,093,498	19,409,270
<u>\$ 2,154,094,736</u>	<u>\$ 2,274,119,985</u>	<u>\$ 2,224,504,987</u>	<u>\$ 2,238,864,062</u>	<u>\$ 2,219,981,282</u>	<u>\$ 2,385,842,783</u>
0.62%	0.55%	0.53%	0.49%	0.90%	0.81%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 9,621,008,212
Debt limit	2,405,252,053
Debt applicable to limit	
General obligation bonds	19,940,000
Less: Debt Service Fund Balance	<u>530,730</u>
Total amount of debt applicable to debt limit	<u>19,409,270</u>
Legal debt margin	<u>\$ 2,385,842,783</u>

COUNTY OF VICTORIA, TEXAS

DEMOGRAPHIC STATISTICS

Last ten fiscal years

<u>Fiscal Year</u>	(1) <u>Population</u>	(2) <u>Personal Income (000's)</u>	(2) <u>Per Capita Personal Income</u>	(3) <u>Unemployment Rate</u>
2011	87,545	\$ 3,716,460	\$ 42,452	6.4%
2012	89,269	3,984,098	44,630	5.5%
2013	90,028	4,234,963	47,041	5.1%
2014	91,081	4,318,998	47,419	4.2%
2015	92,382	4,351,303	47,101	4.2%
2016	92,467	4,109,015	44,438	5.0%
2017	92,084	3,912,142	42,484	4.9%
2018	92,035	4,246,686	46,142	3.8%
2019	92,084	4,506,415	48,938	3.4%
2020	91,936	N/A	N/A	8.1%

NOTE: N/A denotes information not available

- SOURCE: (1) Texas Association of Counties & Census Bureau
- (2) U.S. Department of Commerce, Bureau of Economic Analysis - Estimates based on Victoria County Area statistical data. Data for 2020 is not yet available.
- (3) Texas Workforce Commission & Economic Research

COUNTY OF VICTORIA, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

<u>Employer</u>	<u>2020</u>	
	<u>Employees</u>	<u>Percentage of Total Area Employment</u>
Formosa Plastics	3,400	8.28%
Victoria Independent School District	2,000	4.87%
The Inteplast Group	1,248	3.04%
Citizens Medical Center	1,220	2.97%
DeTar Healthcare System	775	1.89%
City of Victoria	632	1.54%
Invista	600	1.46%
Caterpillar- NAHEX Victoria	600	1.46%
Dow-Seadrift Operations	587	1.43%
Calhoun County ISD	570	1.39%
	<u>11,632</u>	<u>28.33%</u>

<u>Employer</u>	<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Area Employment</u>
Victoria Independent School District	2,165	4.96%
The Inteplast Group	1,975	4.53%
Formosa Plastics	1,663	3.81%
Citizens Medical Center	1,127	2.58%
DeTar Healthcare System	939	2.15%
City of Victoria	605	1.39%
Dow-Seadrift Operations	600	1.38%
Invista	600	1.38%
Ranstad	600	1.38%
Alcoa	599	1.37%
	<u>10,873</u>	<u>24.93%</u>

SOURCE: Victoria Economic Development Corporation

NOTE: Based on Victoria Metropolitan Statistical Area, which includes Victoria, Calhoun, Dewitt, Lavaca, Gonzales, Jackson and Goliad Counties.

COUNTY OF VICTORIA, TEXAS

FULL-TIME-EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2011	2012	2013	2014
General government				
County Judge	3	3	3	3
Comissioners' court	1	1	1	1
Records management	1	2	2	2
County clerk	16	16	15	15
Pre-Trial Services	-	-	1	2
Veterans' service officer	1	1	1	1
Heritage director	1	1	1	1
County court at law #1	2	2	2	2
County court at law #2	2	2	2	2
District court	11	11	11	11
District clerk	14	14	14	14
Justice of the peace #1	3	3	3	4
Justice of the peace #2	3	3	3	3
Justice of the peace #3	4	4	4	4
Justice of the peace #4	3	3	3	3
Criminal district attorney	24	25	28	28
Election administrator	3	3	3	3
County auditor	8	8	8	8
County treasurer	5	5	5	4
Tax assessor-collector	16	16	16	15
Administrative services	4	4	4	4
Information technology	7	7	7	8
Human resources	-	-	-	-
Building maintenance	11	10	10	10
Juvenile detention facility	68	66	67	62
Public safety				
Fire marshal	6	7	7	7
Sheriff	198	198	193	200
Constable #1	1	1	1	1
Constable #2	1	1	1	1
Constable #3	1	1	1	1
Constable #4	1	1	1	1
Culture and recreation				
Parks and recreation	1	1	1	1
Extension service	7	6	5	5
Public health(includes flood/emg mgmt & health dept)	60	57	55	60
Highways and streets	43	43	43	43
Airport	14	14	15	15
Commissary	2	2	1	1
Navarro Project	3	3	3	3
Total	549	545	541	549

NOTES: A full-time employee is scheduled to work 2,080 hours per year (including paid time off).

Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

Fiscal Year					
2015	2016	2017	2018	2019	2020
1	1	2	2	2	2
3	3	2	2	2	2
2	2	2	2	2	2
15	14	15	15	15	15
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
2	4	5	5	5	5
2	-	-	-	-	-
11	11	11	11	11	11
14	14	14	14	14	14
4	4	4	4	4	4
3	3	3	3	3	3
4	4	4	4	4	4
3	3	3	3	3	3
28	28	28	28	28	27
3	3	3	3	3	6
8	8	8	8	8	8
5	5	5	5	5	5
16	16	16	16	16	16
4	4	4	4	4	3
9	9	8	7	7	7
-	-	-	-	-	2
10	9	9	12	12	12
57	57	55	56	56	56
9	9	9	9	9	9
202	202	202	202	202	213
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	-	-
5	5	5	5	5	5
51	49	51	51	52	59
44	44	43	43	43	44
17	17	17	17	14	14
1	1	1	1	1	1
3	3	3	-	-	-
<u>545</u>	<u>541</u>	<u>541</u>	<u>541</u>	<u>538</u>	<u>560</u>

COUNTY OF VICTORIA, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2011	2012	2013	2014
General government				
County Court				
Criminal cases filed	1,972	2,162	2,267	1,984
Criminal case dispositions	1,974	2,038	2,220	1,970
Civil cases filed	491	412	449	393
Civil case dispositions	498	416	382	403
Juvenile cases filed	109	86	67	72
Juvenile case dispositions	120	107	79	96
District Court				
Criminal cases filed	954	1,075	859	1,046
Criminal case dispositions	896	1,059	896	1,020
Civil cases filed	3,836	2,851	3,103	3,411
Civil case dispositions	3,583	3,211	3,035	2,969
Justice of the Peace				
Civil cases filed	1,131	1,256	1,293	1,223
Criminal cases filed	8,704	8,384	8,074	11,350
Elections Administrator				
New registrations	1,784	8,340	2,554	3,486
Elections held	2	4	3	5
County Auditor				
Accounts payable invoices processed	17,707	17,932	17,444	18,835
County Treasurer				
Payroll checks processed	16,777	17,584	16,737	17,392
Tax Assessor-collector				
Automobile registrations	89,937	94,698	97,353	100,034
Public Safety				
Sheriff				
Emergency 911 calls received	6,531	6,153	3,019	4,286
Fire marshal				
Fires	38	13	12	215
Culture and recreation				
Parks and recreation				
Cabana rentals	27	19	27	31
Public health				
Health Department				
Immunizations administered	8,424	7,853	7,461	5,841
Adult/child health screening visits	875	1,214	1,089	1,554
Dental clinic visits	2,041	1,179	-	-
Environmental inspections/permits	3,530	4,908	3,342	3,299
Mosquito control trips	3	5	24	39
Animal control calls	8,030	8,263	7,952	7,554
Water laboratory tests	-	-	4,780	7,478
Highways and streets				
Road and bridge precincts				
Miles of roads overlaid	19	20	15	36

NOTES: Information for Water Laboratory Tests replaced Dental Clinic Visits FYE2013
 County did not own Dental Clinic as of 1/1/2013

N/A denotes information not available

Fiscal Year					
2015	2016	2017	2018	2019	2020
1,472	1,730	1,472	1,686	1,983	1,520
1,970	1,721	1,843	1,726	982	1,712
469	419	535	654	624	422
468	587	444	554	576	168
66	112	28	70	95	90
90	112	40	86	57	57
933	972	863	1,081	863	885
969	892	811	803	1,132	706
2,770	3,012	3,378	2,949	2,506	2,106
2,918	2,849	3,452	2,884	2,682	1,814
1,322	1,577	1,811	2,485	2,567	2,079
8,247	6,788	6,487	8,183	8,456	5,976
2,026	5,774	5,963	9,808	2,866	5,060
2	6	1	5	2	3
22,529	24,700	24,259	25,504	26,353	23,808
17,478	17,665	17,058	16,954	17,174	17,093
97,932	92,717	91,587	91,016	90,696	87,257
5,268	5,105	5,755	5,405	5,055	5,248
179	180	314	415	323	363
12	24	20	26	39	2
3,296	4,352	4,840	3,674	4,151	2,699
1,582	1,076	840	651	674	658
-	-	-	-	-	-
3,683	4,011	2,303	2,416	2,760	2,784
73	55	61	88	88	77
7,976	7,000	6,748	5,498	4,452	4,870
9,682	4,236	2,305	1,760	1,405	1,312
35	39	40	37	45	42

COUNTY OF VICTORIA, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2011	2012	2013	2014
General government				
Buildings	8	8	9	9
Parking lots	3	3	3	3
Public safety				
Sheriff				
Jail	1	1	1	1
Patrol units	76	89	95	96
Fire Marshal				
Stations	1	1	1	1
Fire trucks	7	7	7	7
Highways and streets				
Roads (miles)	600.26	600.26	604.62	604.62
Bridges	90	90	90	90
Landfills	3	3	3	3
Culture and recreation				
Lake (acreage)	95	95	95	95
Boat ramps	2	2	2	2
Extension Office	1	1	1	1
4 H Activity Center	1	1	1	1
Public Health				
Animal Shelter	1	1	1	1
Airport				
T-Hanger	6	6	6	6
Terminal	1	1	1	1
Navarro Lease Project				
Building	1	1	1	1

SOURCES: Various County Departments

Texas Department of Transportation

Fiscal Year						
2015	2016	2017	2018	2019	2020	
10 3	11 3	11 3	11 3	11 3	11 3	
1 98	1 110	1 110	1 114	1 114	1 125	
1 7	1 7	1 7	1 7	1 8	1 10	
592.96 90 3	590.21 90 3	604.67 90 3	592.25 90 3	599.26 90 3	599.54 90 3	
95 2 1 1	95 2 1 1	95 2 1 1	95 2 1 1	95 2 1 1	95 2 1 1	
1	1	1	1	1	1	
6 1	6 1	6 1	6 1	6 1	6 1	
1	1	1	1	1	1	

SINGLE AUDIT SECTION



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

The Honorable County Judge and Members
of the Commissioners' Court
County of Victoria, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statutory basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Victoria, Texas (the "County") as of and for the year ended December 31, 2020, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 1, 2021. Our report includes a reference to other auditors who audited the financial statements of the Citizens Medical Center, as described in our report on the County's financial statements. These financial statements were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

The Honorable County Judge and Members
of the Commissioners' Court
County of Victoria, Texas

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harrison, Waldrop & Uherek, LLP

HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

July 1, 2021



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable County Judge and Members
of the Commissioners' Court
County of Victoria, Texas

Report on Compliance for Each Major Federal and State Program

We have audited the County of Victoria, Texas' (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the County's major federal and state programs for the year ended December 31, 2020. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State of Texas Single Audit Circular*. Those standards, the Uniform Guidance, and the *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion for each major federal and state program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2020.

The Honorable County Judge and Members
of the Commissioners' Court
County of Victoria, Texas

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harrison, Waldrop & Uherek, LLP

HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

July 1, 2021

COUNTY OF VICTORIA, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Other Award Number
FEDERAL EXPENDITURES		
U. S. Department of Homeland Security		
<i>Passed Through the Transportation Security Administration</i>		
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0216HSLR930
<i>Passed Through the Office of the Texas Governor, Homeland Security Grants Division</i>		
Homeland Security Grant Program	97.067	EMW-2018-SS-00022-S01
Homeland Security Grant Program	97.067	EMW-2019-SS-00034-S01
Total Office of the Texas Governor, Homeland Security Grants Division		
<i>Passed Through the Texas Division of Emergency Management</i>		
Emergency Management Performance Grant	97.042	EMT-2020-EP-00004
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4332
Total Texas Division of Emergency Management		
Total U.S. Department of Homeland Security		
U. S. Department of Justice		
Equitable Sharing Program	16.922	N/A
Equitable Sharing Program	16.922	N/A
<i>Passed Through Bureau of Justice Assistance</i>		
State Criminal Alien Assistance Program (SCAAP)	16.606	2019-AP-BX-1033
State Criminal Alien Assistance Program (SCAAP)	16.606	2019-AP-BX-0417
State Criminal Alien Assistance Program (SCAAP)	16.606	2020-AP-BX-1194
Coronavirus Emergency Supplemental Funding Program	16.034	4136701
Total Bureau of Justice Assistance		
<i>Passed Through the Office of the Texas Governor, Criminal Justice Division</i>		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017DJBX0326
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018DJBX0401
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019DJBX0453
Crime Victim Assistance	16.575	2098820
Crime Victim Assistance	16.575	2107340
Crime Victim Assistance	16.575	2098838
Crime Victim Assistance	16.575	2107357
Total Office of the Texas Governor, Criminal Justice Division		
Total U.S. Department of Justice		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 43,920	\$ -	\$ 43,920	\$ -		
155,208	-	155,208	-		
285,202	-	285,202	-		
440,410	-	440,410	-		
35,357	-	35,357	-		
324,401	-	324,401	-		
359,758	-	359,758	-		
844,088	-	844,088	-		
-	132,617	132,617	-		
-	1,366	1,366	-		
-	133,983	133,983	-		
7,417	-	7,417	-		
8,824	-	8,824	-		
10,764	-	10,764	-		
27,005	-	27,005	-		
9,211	-	9,211	-		
36,216	-	36,216	-		
13,516	-	13,516	-		
23,300	-	23,300	11,650		
19,109	-	19,109	9,555		
55,925	-	55,925	21,205		
18,293	-	18,293	-		
25,340	-	25,340	-		
15,899	-	15,899	-		
29,099	-	29,099	-		
88,631	-	88,631	-		
144,556	-	144,556	21,205		
180,772	133,983	314,755	21,205		

(continued)

COUNTY OF VICTORIA, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Other Award Number
FEDERAL EXPENDITURES - (Continued)		
U. S. Department of Agriculture		
<i>Passed Through Texas Health and Human Services Commission</i>		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HHS000807400001
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HHS000807400001
Total Texas Department of State Health Services		
<i>Passed Through Texas Department of Agriculture</i>		
School Breakfast Program	10.553	806780706
School Breakfast Program	10.553	806780706
National School Lunch Program	10.555	806780706
National School Lunch Program	10.555	806780706
Non-Cash Assistance (Commodities)	10.555	806780706
Non-Cash Assistance (Commodities)	10.555	806780706
Total Child Nutrition Cluster		
Total Texas Department of Agriculture		
Total U.S. Department of Agriculture		
U. S. Department of Health and Human Services		
<i>Passed Through Texas Department of State Health Services</i>		
Public Health Emergency Preparedness (PHEP)	93.069	537-18-0181-00001
Public Health Emergency Preparedness (PHEP)	93.069	537-18-0181-00001
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	HHS000371500027
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	HHS000438400007
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	HHS000438400007
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HHS000036000017
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HHS000686100025
Immunization Cooperative Agreements	93.268	HHS000119700011
Immunization Cooperative Agreements	93.268	HHS000119700011

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 492,367	\$ -	\$ 492,367	\$ -		
154,314	-	154,314	-		
646,681	-	646,681	-		
16,720	-	16,720	-	Child Nutrition Cluster	
17,000	-	17,000	-	Child Nutrition Cluster	
33,720	-	33,720	-		
31,906	-	31,906	-	Child Nutrition Cluster	
44,973	-	44,973	-	Child Nutrition Cluster	
1,536	-	1,536	-	Child Nutrition Cluster	4
3,474	-	3,474	-	Child Nutrition Cluster	4
81,889	-	81,889	-		
115,609	-	115,609	-		
115,609	-	115,609	-		
762,290	-	762,290	-		
42,366	-	42,366	-		
36,267	-	36,267	-		
78,633	-	78,633	-		
31,442	-	31,442	-		
73,844	-	73,844	-		
33,196	-	33,196	-		
107,040	-	107,040	-		
20	-	20	-		
15,999	-	15,999	-		
16,019	-	16,019	-		
119,110	-	119,110	-		
67,011	-	67,011	-		
186,121	-	186,121	-		

(continued)

COUNTY OF VICTORIA, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the year ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Other Award Number
FEDERAL EXPENDITURES - (Continued)		
U. S. Department of Health and Human Services - (Continued)		
<i>Passed Through Texas Department of State Health Services - (Continued)</i>		
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X10MC30550
Preventive Health and Health Services Block Grant	93.991	HHS0004807
Total Texas Department of State Health Services		
<i>Passed Through Texas Health and Human Services Commission</i>		
Medical Assistance Program	93.778	HHS000537900284
<i>Passed Through Brazos Valley Council of Governments</i>		
HIV Care Formula Grants	93.917	5608/SR2-565-01
HIV Care Formula Grants	93.917	5608/4-565-01C
HIV Care Formula Grants	93.917	5608/4-565-01
Total Brazos Valley Council of Governments		
Total U.S. Department of Health and Human Services		
U. S. Department of Housing and Urban Development		
<i>Passed Through Texas Department of Agriculture</i>		
Community Development Block Grant/State's program	14.228	7219451
<i>Passed Through Texas General Land Office</i>		
Community Development Block Grant/State's program	14.228	20-066-004-C033
Community Development Block Grant/State's program	14.228	20-065-094-C262
Total Texas General Land Office		
<i>Passed Through Brazos Valley Council of Governments</i>		
Housing Opportunities for Persons with AIDS	14.241	5607/3-565-01
Housing Opportunities for Persons with AIDS	14.241	5607/4-565-01
Housing Opportunities for Persons with AIDS	14.241	5608/3-565-S3-01
Housing Opportunities for Persons with AIDS	14.241	5608/3-565-01
Housing Opportunities for Persons with AIDS	14.241	5608/SR-565-01
Housing Opportunities for Persons with AIDS	14.241	5607/3-565-02C
Housing Opportunities for Persons with AIDS	14.241	5609/3-565-01
Total Brazos Valley Council of Governments		
Total U.S. Department of Housing and Urban Development		
U. S. Department of Treasury		
<i>Passed Through Texas Division of Emergency Management</i>		
Coronavirus Relief Fund	21.019	2020-CF-21019
Total U.S. Department of Treasury		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 455,237	\$ -	\$ 455,237	\$ 291,367		
181,201	-	181,201	-		
1,055,693	-	1,055,693	291,367		
33,783	-	33,783	-	Medicaid Cluster	
162,493	-	162,493	-		
27,569	-	27,569	-		
117,414	-	117,414	-		
307,476	-	307,476	-		
1,396,952	-	1,396,952	291,367		
31,638	-	31,638	31,638		
38,170	-	38,170	-		
178,261	-	178,261	-		
216,431	-	216,431	-		
248,069	-	248,069	31,638		
39,825	-	39,825	-		
42,954	-	42,954	-		
320	-	320	-		
99,254	-	99,254	-		
63,249	-	63,249	-		
19,695	-	19,695	-		
46,718	-	46,718	-		
312,015	-	312,015	-		
560,084	-	560,084	31,638		
1,361,690	-	1,361,690	-		
1,361,690	-	1,361,690	-		

(continued)

COUNTY OF VICTORIA, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Other Award Number
FEDERAL EXPENDITURES - (Continued)		
U. S. Department of Transportation		
<i>Passed Through Federal Aviation Administration</i>		
Airport Improvement Program	20.106	3-48-0219-023-2020
Total U.S. Department of Transportation		
Elections Assistance Commission		
<i>Passed Through Texas Secretary of State</i>		
2018 HAVA Election Security Grants	90.404	TX18101001-01-235
2018 HAVA Election Security Grants	90.404	TX20101CARES-235
Total Elections Assistance Commission		
U. S. Department of the Interior		
GOMESA	15.435	N/A
Total U.S. Department of the Interior		
Executive Office of the President		
<i>Passed Through Office of National Drug Control Policy</i>		
High Intensity Drug Trafficking Areas Program	95.001	G19HN0020A
High Intensity Drug Trafficking Areas Program	95.001	G20HN0020A
Total Executive Office of the President		
TOTAL FEDERAL EXPENDITURES		
STATE EXPENDITURES		
Texas Department of State Health Services		
Texas Epidemiology Capacity Expansion IDCU/SUR	N/A	HHS0000436300025
IDCU/COVID-19	N/A	HHS000812700032
TB/PC-STATE Tuberculosis Prevention and Control	N/A	HHS000481800001
TB/PC-STATE Tuberculosis Prevention and Control	N/A	HHS000481800001
ZOONOSIS Control	N/A	HHS000327200002
ZOONOSIS Control	N/A	HHS000327200002
Coronavirus 2019(COVID-19) Crisis CoAg	N/A	2017-049588-001
<i>Passed Through Brazos Valley Council of Governments</i>		
HIV Health and Social Services (State Services)	N/A	5609/4-565-01
Total Texas Department of State Health Services		
Texas Juvenile Justice Department		
State Aid	N/A	TJPC-A-2020-235
State Aid	N/A	TJPC-A-2021-235
Grant R	N/A	TJPC-R-2020-235
Grant R	N/A	TJPC-R-2020-235
Grant R	N/A	TJPC-R-2021-235
Total Texas Juvenile Justice Department		

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ 69,000	\$ -	\$ 69,000	\$ -		
69,000	-	69,000	-		
20,475	-	20,475	-		
42,269	-	42,269	-		
62,744	-	62,744	-		
-	480,494	480,494	-		
-	480,494	480,494	-		
79,273	-	79,273	-		
36,438	-	36,438	-		
115,711	-	115,711	-		
5,353,331	614,477	5,967,808	344,210		
-	53,192	53,192	-		
-	6,057	6,057	-		
-	23,193	23,193	-		
-	9,247	9,247	-		
-	7,365	7,365	-		
-	4,165	4,165	-		
-	5,472	5,472	-		
-	108,691	108,691	-		
14,384	-	14,384	-		
14,384	108,691	123,075	-		
-	617,388	617,388	-		
-	380,321	380,321	-		
-	9,234	9,234	-		
-	80,822	80,822	-		
-	14,652	14,652	-		
-	1,102,417	1,102,417	-		

(continued)

COUNTY OF VICTORIA, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended December 31, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Other Award Number</u>
STATE EXPENDITURES - (Continued)		
Office of the Attorney General of Texas		
Texas Vine Grant	N/A	2111938
Texas Department of Transportation		
Routine Airport Maintenance Program	N/A	M2013VICT
Routine Airport Maintenance Program	N/A	M16M2113VICT
County Transportation Infrastructure Fund Grant	N/A	CTIF-02-235
Total Texas Department of Transportation		
Law Enforcement Officers Standards and Education		
Training Grant	N/A	N/A
Texas Task Force on Indigent Defense		
Indigent Defense	N/A	N/A
TOTAL STATE EXPENDITURES		
TOTAL FEDERAL AND STATE EXPENDITURES		

See accompanying notes to schedule of expenditures of federal and state awards.

Expenditures			Passed through to Subrecipients	Name of Cluster (if applicable)	Note
From Pass-Through Awards	From Direct Awards	Total			
\$ -	\$ 13,948	\$ 13,948	\$ -		
-	47,088	47,088	-		
-	24,316	24,316	-		
-	70,487	70,487	-		
-	141,891	141,891	-		
-	19,829	19,829	-		
-	86,628	86,628	-		
14,384	1,473,404	1,487,788	-		
\$ 5,367,715	\$ 2,087,881	\$ 7,455,596	\$ 344,210		

(concluded)

COUNTY OF VICTORIA, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended December 31, 2020

NOTE 1: BASIS OF ACCOUNTING

Expenditures reported on the schedule are reported on the statutory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2: PROGRAM COSTS

The accompanying schedule of expenditures of federal and state awards includes only the federal and state grant portion of the program costs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 3: INDIRECT COST RATE

The amount expended for these grants includes a total of \$16,512 claimed as indirect cost recoveries using an approved indirect cost rate of 16.84 percent of total expenses.

The County has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4: NONCASH AWARDS

The amount of commodities reported on the schedule is the value of the commodities received by the County during the fiscal year and priced as prescribed by the Department of Agriculture, Food and Nutrition Service.

COUNTY OF VICTORIA, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended December 31, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Adverse (GAAP Basis); Unmodified (Statutory Basis)

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? yes no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
21.019	Coronavirus Relief Fund
N/A	Texas Juvenile Justice Department-2020-235 and 2021-235

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

COUNTY OF VICTORIA, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended December 31, 2020

None were reported.