

KARNES COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020

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CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**



KARNES COUNTY, TEXAS

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Commissioner's Court
Karnes County, Texas

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and major fund budget to actual statements of Karnes County, Texas, as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required Texas County and District Retirement System (TCDRS) pension schedules, and the required other postemployment benefits (OPEB) statement be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and nonmajor fund budget to actual schedules 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 nonmajor fund budget to actual schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

ABIP, PC

San Antonio, Texas

April 30, 2021

KARNES COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2020

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Karnes County, Texas exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$92,995,164 (net position). Of this amount, \$53,023,999 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$6,695,463. This increase is attributable to an increase in property taxes, sales taxes, investment earnings, and permits issued for use of right of way easements in the road and bridge fund.
- As of the close of the current fiscal year, Karnes County, Texas' governmental funds reported combined ending fund balances of \$58,843,668, an increase of \$6,973,627 in comparison with the prior year. Approximately 56% of this total amount, \$32,928,863, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$32,928,863 or 263 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The government-wide financial statements are designed to provide readers with a broad overview of Karnes County, Texas' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Karnes County, Texas' assets and deferred outflows of resources and liabilities and deferred inflows of resources, 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 Karnes County, Texas is improving or deteriorating.

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

Government-wide financial statements of Karnes County, Texas include general administration, public safety, public transportation, health and welfare, public facilities, legal, judicial, financial administration, conservation, and culture and recreation.

The government-wide financial statements include only Karnes County, Texas itself (known as the primary government). The government-wide financial statements can be found on pages 8-9 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. Karnes County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Karnes County, Texas are governmental funds.

Governmental funds

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

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

Karnes County, Texas maintains twenty-six (26) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and the road and bridge funds which are considered to be major funds. Data from the other twenty-four (24) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Budgets for all budgeted general, debt service, and special revenue funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2020 fiscal year were adopted for the general fund, the road and bridge funds, the county and district clerk fund, the general records management fund, the jury fund, the county library fund, the courthouse maintenance fund, the courthouse security fund, the emergency management fund, the justice of the peace court fees fund, the emergency services district/rural fire fund, the KCGF fund, the interest and sinking fund, the sheriff's contribution fund, the law library fund, the court reporter fund, the contract election fund, and the EMS donation fund.

The basic governmental fund financial statements can be found on pages 12-21 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-44 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Karnes County, Texas' net pension liability and other postemployment benefit liability to its employees. Required supplementary information can be found on pages 48-51 of this report.

The combining statements referred to earlier in connection with major road and bridge funds, agency funds, and nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 55-65 of this report. The budget comparison schedules in connection with the nonmajor governmental funds can be found on pages 68-83 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 Karnes County, Texas, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92,953,164 as of September 30, 2020.

Thirty-seven (37%) percent of Karnes County, Texas' net position reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment). Karnes County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

STATEMENT OF NET POSITION

	GOVERNMENTAL ACTIVITIES	
	2020	2019
Current and other assets	\$ 62,341,412	\$ 55,176,599
Capital assets	<u>34,022,785</u>	<u>34,558,186</u>
Total assets	<u>96,364,197</u>	<u>89,734,785</u>
Deferred outflow of resources - pension	<u>1,038,220</u>	<u>1,906,331</u>
Long-term liabilities	1,478,058	2,858,535
Other liabilities	<u>2,303,549</u>	<u>2,347,692</u>
Total liabilities	<u>3,781,607</u>	<u>5,206,227</u>
Deferred inflow of resources - pension	<u>667,646</u>	<u>408,483</u>
Net position		
Net investment in capital assets	34,022,785	34,558,186
Restricted	5,906,380	8,087,701
Unrestricted	<u>53,023,999</u>	<u>43,380,519</u>
Total net position	<u>\$ 92,953,164</u>	<u>\$ 86,026,406</u>

An additional portion of Karnes County, Texas' net position (\$5,906,380 or 6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$52,023,999) may be used to meet the government's ongoing obligations to citizens and creditors.

STATEMENT OF ACTIVITIES

	GOVERNMENTAL ACTIVITIES	
	2020	2019
REVENUES		
Program revenues		
Charges for services	\$ 6,139,472	\$ 5,933,000
Operating grants and contributions	203,539	61,645
General revenues		
Property taxes	20,665,431	18,616,687
Sales tax	5,541,990	6,088,188
Sales tax refund	-	(918,109)
Unrestricted investment earnings	603,263	1,340,482
Gain (loss) on sale of assets	6,914	(12,932)
Royalties	252,409	578,114
Miscellaneous	929,034	910,398
Total revenues	34,342,052	32,597,473.00
EXPENSES		
General administration	2,869,670	2,779,173
Legal	359,569	382,738
Judicial	1,465,168	1,557,465
Financial administration	766,045	803,249
Public facilities	339,922	319,136
Public safety	7,830,296	7,398,036
Public transportation	13,283,416	12,750,457
Culture and recreation	500,518	529,353
Health and welfare	62,331	79,431
Conservation - agriculture	169,654	174,504
Total expenses	27,646,589	26,773,542
Change in net position	6,695,463	5,823,931
NET POSITION AT OCTOBER 1,	86,026,406	80,202,475
RESTATEMENT OF BEGINNING NET POSITION	231,295	-
NET POSITION AT SEPTEMBER 30,	\$ 92,953,164	\$ 86,026,406

The increase in net position for 2020 was \$6,695,463 and was \$871,532 more than the prior year increase in net position of \$5,823,931. This increase of the change in net position from 2019 to 2020 was mainly attributable to an increase in property and sales taxes, investment earnings, and permits issued for use of right of way easements in the road and bridge fund.

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

	<u>REVENUES</u>	<u>%</u>
Charges for services	\$ 6,139,472	17.88
Operating grants and contributions	203,539	0.59
Property taxes	20,665,431	60.19
Sales tax	5,541,990	16.14
Unrestricted investment earnings	603,263	1.76
Royalties	252,409	0.74
Miscellaneous	<u>929,034</u>	<u>2.70</u>
 Total revenues	 <u>\$ 34,335,138</u>	 <u>100.00%</u>

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

Governmental funds

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

As of the end of the current fiscal year, Karnes County, Texas' governmental funds reported combined ending fund balances of \$58,843,668, an increase of \$6,973,627 in comparison with the prior year. Approximately 56 percent of this total amount, \$32,928,863, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining amount of \$25,914,805 is to be used for debt service, special revenue funds and prepaid expenses.

The general fund is the chief operating fund of Karnes County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$32,928,863. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures.

The fund balance of Karnes County, Texas' general fund increased by \$3,352,657 during the current fiscal year.

The fund balance of Karnes County, Texas' road and bridge fund increased by \$2,373,817 during the current fiscal year.

Budgetary highlights

The amended budgeted expenditures in the general fund were \$14,705,712 and actual expenditures were \$2,181,974 less than budget; the largest savings was in the sheriff's department budget.

The road and bridge fund expended \$4,473,126 less than budgeted expenditures. This was caused by spending less on road maintenance and construction than what was budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

Karnes County, Texas' investment in capital assets for its governmental activities as of September 30, 2020, amounts to \$34,022,785 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and infrastructure items such as roads and bridges. The total decrease in Karnes County, Texas' investment in capital assets for the current fiscal year was 1.55 percent.

The major capital asset events during the current fiscal year were the completion of the new jail and the purchase of vehicles and other equipment.

CAPITAL ASSETS (Net of Depreciation)

	GOVERNMENTAL ACTIVITIES	
	2020	2019
Land	\$ 175,432	\$ 175,432
Construction in progress	14,133	15,383
Building and improvements	27,780,865	28,503,519
Machinery, vehicles, and equipment	2,460,234	2,426,015
Infrastructure	<u>3,592,121</u>	<u>3,437,837</u>
Totals	<u>\$ 34,022,785</u>	<u>\$ 34,558,186</u>

Additional information on Karnes County, Texas' capital assets can be found in note 3 on page 34 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If questions are encountered regarding this report; contact the Karnes County Auditor's Office, 200 East Calvert, Karnes City, Texas 78118, or (830) 780-2721.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



KARNES COUNTY, TEXAS
STATEMENT OF NET POSITION

September 30, 2020

	<u>PRIMARY GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 60,717,786
Receivables - net of allowance for uncollectibles	1,544,773
Prepaid expenses	78,853
Capital assets not being depreciated	
Land	175,432
Construction in progress	14,133
Total capital assets being depreciated - net	
Building and improvements	27,780,865
Machinery and equipment	2,460,234
Infrastructure	<u>3,592,121</u>
Total assets	<u>96,364,197</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension charges	1,019,605
Deferred OPEB charges	<u>18,615</u>
Total deferred outflows of resources	<u>1,038,220</u>
Total assets and deferred outflows of resources	 <u><u>\$ 97,402,417</u></u>
LIABILITIES AND NET POSITION	
Current liabilities	
Accounts payable	\$ 1,819,598
Accrued wages	439,971
Noncurrent liabilities	
Due within one year	43,980
Due in more than one year	43,980
OPEB liability	184,866
Net pension liability	<u>1,249,212</u>
Total liabilities	<u>3,781,607</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension charges	667,123
Deferred OPEB charges	<u>523</u>
Total deferred inflows of resources	<u>667,646</u>
NET POSITION	
Net investment in capital assets	34,022,785
Restricted for special revenues	5,876,749
Restricted for debt service	7,178
Restricted for law enforcement	22,453
Unrestricted	<u>53,023,999</u>
Total net position	<u>92,953,164</u>
Total liabilities, deferred inflows of resources, and net position	 <u><u>\$ 97,402,417</u></u>

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

KARNES COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the year ended September 30, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Primary government					
Governmental activities					
General administration	\$ 2,869,670	\$ 449,396	\$ -	\$ -	\$ (2,420,274)
Legal	359,569	7,168	-	-	(352,401)
Judicial	1,465,168	598,621	-	-	(866,547)
Financial administration	766,045	835,802	-	-	69,757
Public facilities	339,922	19,406	-	-	(320,516)
Public safety	7,830,296	926,630	184,317	-	(6,719,349)
Public transportation	13,283,416	3,302,449	19,222	-	(9,961,745)
Culture and recreation	500,518	-	-	-	(500,518)
Health and welfare	62,331	-	-	-	(62,331)
Conservation - agriculture	169,654	-	-	-	(169,654)
Total primary government	<u>\$ 27,646,589</u>	<u>\$ 6,139,472</u>	<u>\$ 203,539</u>	<u>\$ -</u>	<u>(21,303,578)</u>
General revenues					
Taxes:					
Property taxes, levies for general purposes					20,665,431
Sales tax					5,541,990
Unrestricted investment earnings					603,263
Gain (loss) on sale of assets					6,914
Royalties					252,409
Miscellaneous					929,034
Total general revenues					<u>27,999,041</u>
Change in net position					6,695,463
NET POSITION - BEGINNING					<u>86,026,406</u>
RESTATEMENT OF BEGINNING NET POSITION					<u>231,295</u>
NET POSITION - ENDING					<u>\$ 92,953,164</u>

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

FUND FINANCIAL STATEMENTS



KARNES COUNTY, TEXAS

BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2020

	GENERAL FUND	ROAD AND BRIDGE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 33,665,789	\$ 19,071,830	\$ 7,980,167	\$ 60,717,786
Receivables - net of allowance for uncollectibles	818,382	141,737	50,451	1,010,570
Other receivables	-	-	40,000	40,000
Due from others	25,905	5,347	235,346	266,598
Due from other funds	1,992	-	12,365	14,357
Prepaid expenses	<u>63,659</u>	<u>15,194</u>	<u>-</u>	<u>78,853</u>
 Total assets	 <u>\$ 34,575,727</u>	 <u>\$ 19,234,108</u>	 <u>\$ 8,318,329</u>	 <u>\$ 62,128,164</u>
LIABILITIES				
Accounts payable	386,851	1,140,059	142,346	1,669,256
Accrued wages	343,154	73,133	23,684	439,971
Due to other funds	12,365	-	1,992	14,357
Unearned revenues	<u>-</u>	<u>-</u>	<u>150,342</u>	<u>150,342</u>
Total liabilities	<u>742,370</u>	<u>1,213,192</u>	<u>318,364</u>	<u>2,273,926</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues - taxes	<u>818,382</u>	<u>141,737</u>	<u>50,451</u>	<u>1,010,570</u>
FUND BALANCES				
Nonspendable				
Prepays	63,659	15,194	-	78,853
Restricted				
Debt service	-	-	7,178	7,178
Special revenue funds	-	3,528,404	2,348,345	5,876,749
Law enforcement	22,453	-	-	22,453
Committed				
Special revenue funds	-	14,335,581	5,593,991	19,929,572
Unassigned	<u>32,928,863</u>	<u>-</u>	<u>-</u>	<u>32,928,863</u>
Total fund balances	<u>33,014,975</u>	<u>17,879,179</u>	<u>7,949,514</u>	<u>58,843,668</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 34,575,727</u>	 <u>\$ 19,234,108</u>	 <u>\$ 8,318,329</u>	 <u>\$ 62,128,164</u>

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

KARNES COUNTY, TEXAS

**RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

September 30, 2020

Total fund balances - governmental funds		\$ 58,843,668
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not reported in the funds.		34,022,785
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		227,605
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles in the amount of \$91,559).		1,010,570
Recognition of the County's net pension liability and the changes in deferred outflows of resources related to the TCDRS liability is not reported in the funds.		
Net pension liability	\$ (1,249,212)	
Deferred inflows of resources - pension	(667,123)	
Deferred outflows of resources - pension	<u>1,019,605</u>	(896,730)
Recognition of the County's OPEB liability related to the TCDRS liability is not reported in the funds.	(184,866)	
Deferred inflows of resources - OPEB	(523)	
Deferred outflows of resources - OPEB	<u>18,615</u>	(166,774)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.		
Compensated absences		<u>(87,960)</u>
Net position of governmental activities		<u>\$ 92,953,164</u>

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

KARNES COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS**

For the year ended September 30, 2020

	GENERAL FUND	ROAD AND BRIDGE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes				
Property	\$ 6,640,589	\$ 12,044,238	\$ 1,903,738	\$ 20,588,565
Sales	5,541,990	-	-	5,541,990
Intergovernmental	325,579	19,222	144,227	489,028
Donations	-	-	40,090	40,090
Licenses and permits	45,492	683,259	-	728,751
Charges for services	2,160,209	-	20,901	2,181,110
Charges for fees	-	-	122,359	122,359
Fines and forfeitures	491,678	-	-	491,678
Interest	325,078	211,942	66,243	603,263
Royalties	252,409	2,392,757	-	2,645,166
Miscellaneous	495,813	277,325	155,940	929,078
Total revenues	16,278,837	15,628,743	2,453,498	34,361,078
EXPENDITURES				
Current				
General administration	2,187,743	-	67,874	2,255,617
Legal	367,071	-	-	367,071
Judicial	1,421,072	-	62,532	1,483,604
Financial administration	783,263	-	-	783,263
Public facilities	344,238	-	-	344,238
Public safety	6,231,955	-	965,142	7,197,097
Public transportation	-	12,821,205	-	12,821,205
Culture and recreation	-	-	518,480	518,480
Health and welfare	57,214	-	-	57,214
Conservation - agriculture	169,659	-	-	169,659
Capital projects				
Capital outlay	959,850	433,721	-	1,393,571
Debt service				
Interest retirement	1,673	-	1,673	3,346
Total expenditures	12,523,738	13,254,926	1,615,701	27,394,365
Excess (deficiency) of revenues over (under) expenditures	3,755,099	2,373,817	837,797	6,966,713
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	409,356	409,356
Proceeds from sale of assets	6,914	-	-	6,914
Transfer out	(409,356)	-	-	(409,356)
Total other financing sources	(402,442)	-	409,356	6,914
Net change in fund balances	3,352,657	2,373,817	1,247,153	6,973,627
FUND BALANCES - BEGINNING	29,662,318	15,505,362	6,471,066	51,638,746
PRIOR PERIOD ADJUSTMENT	-	-	231,295	231,295
FUND BALANCES - BEGINNING, AS RESTATED	29,662,318	15,505,362	6,702,361	51,870,041
FUND BALANCES - ENDING	\$ 33,014,975	\$ 17,879,179	\$ 7,949,514	\$ 58,843,668

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

KARNES COUNTY, TEXAS

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

September 30, 2020

Net changes in fund balances - total governmental funds		\$ 6,973,627
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures (\$1,393,571). However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$1,928,972). This is the amount by which capital outlays exceeded depreciation expense in the current period.		(535,401)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.		
Increase in warrants receivable	\$ (88,057)	
Increase in EMS receivable	<u>(14,749)</u>	(102,806)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		76,866
The change in compensated absences is not expensed in the funds		59,947
The change in net pension liability and deferred outflows related to the County's net pension liability is not expensed in the funds.		227,607
The change in OPEB liability related to the County's OPEB liability that is not expensed in the funds.		<u>(4,377)</u>
Change in net position of governmental activities - statement of activities		<u>\$ 6,695,463</u>

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

KARNES COUNTY, TEXAS

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property	\$ 6,880,171	\$ 6,880,171	\$ 6,640,589	\$ (239,582)
Sales	4,500,000	4,500,000	5,541,990	1,041,990
Intergovernmental	238,533	238,533	325,579	87,046
Licenses and permits	20,000	20,000	45,492	25,492
Charges for services	1,731,000	1,731,000	2,160,209	429,209
Fines and forfeitures	530,000	530,000	491,678	(38,322)
Interest	435,120	435,120	325,078	(110,042)
Royalties	-	-	252,409	252,409
Miscellaneous	64,775	64,775	495,813	431,038
Total revenues	<u>14,399,599</u>	<u>14,399,599</u>	<u>16,278,837</u>	<u>1,879,238</u>
EXPENDITURES				
Current				
General administration				
County judge	157,402	157,402	153,162	4,240
County commissioners	293,994	293,994	266,801	27,193
County clerk	343,423	343,423	330,907	12,516
Elections office	141,416	141,416	124,980	16,436
Information technology	162,072	162,072	160,239	1,833
Waste/recycle	98,794	98,794	105,964	(7,170)
Non-departmental	2,181,732	2,094,957	1,045,690	1,049,267
Legal				
County attorney	326,802	326,802	309,280	17,522
Victim services coordinator	66,239	66,239	57,791	8,448
Judicial				
District clerk	281,100	281,100	263,114	17,986
Justices of the peace	540,896	540,896	520,724	20,172
Judicial court	826,281	827,626	637,234	190,392
Financial administration				
County auditor	241,195	241,195	215,075	26,120
County treasurer	201,483	201,483	197,753	3,730
Tax assessor-collector	379,478	379,478	370,435	9,043
Public facilities				
Courthouse and buildings	335,881	352,438	344,238	8,200
Public safety				
EMS	2,326,048	2,351,106	2,424,260	(73,154)
Constables	202,110	202,110	191,587	10,523
DPS	45,402	45,402	37,674	7,728
Sheriff	4,314,996	4,402,161	3,578,434	823,727

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

KARNES COUNTY, TEXAS

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES (CONTINUED)				
Health and welfare				
County welfare	\$ 45,500	\$ 45,500	\$ 7,581	\$ 37,919
Health	38,904	38,904	38,944	(40)
Veterans office	22,672	22,672	10,689	11,983
Conservation - agriculture				
Agriculture extension service	171,568	171,568	169,659	1,909
Capital outlay	916,975	916,975	959,850	(42,875)
Debt service				
Interest	-	-	1,673	(1,673)
Total expenditures	14,662,363	14,705,713	12,523,738	2,181,975
 Excess (deficiency) of revenues over (under) expenditures	 (262,764)	 (306,114)	 3,755,099	 4,061,213
 OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	6,914	6,914
Transfer out	-	-	(409,356)	(409,356)
Total other financing sources (uses)	-	-	(402,442)	(402,442)
 Change in fund balance	 \$ (262,764)	 \$ (306,114)	 3,352,657	 \$ 3,658,771
 FUND BALANCE - BEGINNING			 29,662,318	
 FUND BALANCE - ENDING			 \$ 33,014,975	

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

KARNES COUNTY, TEXAS

**ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property	\$ 8,750,864	\$ 8,750,864	\$ 8,691,147	\$ (59,717)
Licenses and permits	645,000	645,000	683,259	38,259
Interest	150,000	150,000	139,464	(10,536)
Royalties	1,250,000	1,250,000	2,392,757	1,142,757
Miscellaneous	225,000	225,000	277,325	52,325
Total revenues	<u>11,020,864</u>	<u>11,020,864</u>	<u>12,183,952</u>	<u>1,163,088</u>
EXPENDITURES				
Public transportation				
Road and bridge	10,580,496	10,580,496	6,601,149	3,979,347
Capital outlay	<u>927,500</u>	<u>927,500</u>	<u>433,721</u>	<u>493,779</u>
Total expenditures	<u>11,507,996</u>	<u>11,507,996</u>	<u>7,034,870</u>	<u>4,473,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (487,132)</u>	<u>\$ (487,132)</u>	5,149,082	<u>\$ 5,636,214</u>
FUND BALANCE - BEGINNING			<u>9,186,499</u>	
FUND BALANCE - ENDING			<u>\$ 14,335,581</u>	

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

KARNES COUNTY, TEXAS

**ROAD AND BRIDGE SPECIAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property	\$ 3,119,765	\$ 3,119,765	\$ 3,353,091	\$ 233,326
Interest	<u>100,000</u>	<u>100,000</u>	<u>71,631</u>	<u>(28,369)</u>
Total revenues	<u>3,219,765</u>	<u>3,219,765</u>	<u>3,424,722</u>	<u>204,957</u>
EXPENDITURES				
Public transportation				
Road and bridge	<u>7,336,698</u>	<u>7,336,698</u>	<u>6,220,056</u>	<u>1,116,642</u>
Total expenditures	<u>7,336,698</u>	<u>7,336,698</u>	<u>6,220,056</u>	<u>1,116,642</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (4,116,933)</u>	<u>\$ (4,116,933)</u>	(2,795,334)	<u>\$ 1,321,599</u>
FUND BALANCE - BEGINNING			<u>6,241,171</u>	
FUND BALANCE - ENDING			<u>\$ 3,445,837</u>	

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

KARNES COUNTY, TEXAS

**LATERAL ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 19,222	\$ 19,222
Interest	<u>-</u>	<u>-</u>	<u>847</u>	<u>847</u>
Total revenues	<u>-</u>	<u>-</u>	<u>20,069</u>	<u>20,069</u>
EXPENDITURES				
Public transportation				
Road and bridge	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>12,500</u>
Total expenditures	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>12,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u><u>\$ (12,500)</u></u>	<u><u>\$ (12,500)</u></u>	20,069	<u><u>\$ 32,569</u></u>
FUND BALANCE - BEGINNING			<u>77,692</u>	
FUND BALANCE - ENDING			<u><u>\$ 97,761</u></u>	

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

KARNES COUNTY, TEXAS

**STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS**

September 30, 2020

ASSETS

Cash and cash equivalents \$ 14,052,343

LIABILITIES

Due to others \$ 14,052,343

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

NOTES TO THE FINANCIAL STATEMENTS



KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies

Reporting entity

Karnes County operates under a county judge – commissioner’s court type of government and provides the following services throughout the county: public safety (ambulance and law enforcement), environmental protection (sanitation), public transportation (roads and bridges), health and welfare, culture and recreation, public facilities, judicial and legal, election functions, and general and financial administrative services.

Government-wide and fund financial statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

Government-wide financial statements: These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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.

Governmental fund financial statements: Governmental funds 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

The County reports the following major governmental funds:

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

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

In addition, the County reports the following fund types:

Special revenue funds: These funds are used to account for funds related to grants and contracts and other general government resources that are restricted by law or contractual agreement to specific purposes other than debt service or capital projects.

Fiduciary funds: These funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements. The County uses agency funds to account for assets held in the agent capacity. These funds are used to report other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, liabilities, and net position or equity

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.

The method used to value investments for financial reporting purposes is dependent upon the type of investment and the time remaining to maturity. Investments are valued at amortized cost if they have a remaining maturity at the time of purchase of one (1) year or less and the fair value of the investments is not affected by the impairment or the credit standing of the issuer or by other factors. All other investments are valued at fair value.

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Assets, liabilities, and net position or equity (continued)

Local government investment pools in Texas are established under the government of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition, to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the County has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the asset.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the County believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Assets, liabilities, and net position or equity (continued)

Receivables and payables (continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at September 30, 2020 and 10 percent of the delinquent outstanding property taxes at September 30, 2020.

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review, and judicial review. Traditionally, property taxes are levied October 1st, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

Inventories and prepaid items

Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The prepaid items at September 30, 2020 are reflected in the accompanying financial statements.

Restricted assets

There were no restricted assets at September 30, 2020.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair 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.

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Assets, liabilities, and net position or equity (continued)

Capital assets (continued)

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

<u>ASSET</u>	<u>YEARS</u>
Buildings	15-50 years
Building improvements	20 years
Infrastructure	30 years
Large equipment	7-10 years
Vehicles	5 years
Office equipment	5 years
Computer equipment	5 years

Compensated absences

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

Long-term obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, and gain/loss on refunding, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium, bond discount, and gain/loss on refunding.

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

Fund balances

The County implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Assets, liabilities, and net position or equity (continued)

Fund balances (continued)

Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation; an example includes grants.

Committed fund balance – amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance – amounts intended to be used by the government for specific purposes; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed; this indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance – amounts in the residual classification of the general fund and includes all amounts not contained in other classifications; unassigned amounts are technically available for any purpose.

The County’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Deferred inflows/outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from property taxes as deferred inflows of resources. The amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Assets, liabilities, and net position or equity (continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County & 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.

Other postemployment benefits

The County adopted GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". The OPEB liabilities have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the OPEB liabilities, deferred outflows of resources, and deferred inflows of resources related to the OPEB liabilities and OPEB expenses.

(2) Stewardship, compliance, and accountability

Budgetary information

The original budget is adopted by the commissioner's court and filed with the county clerk. Amendments are made during the year on approval by the commissioner's court.

Both the original and final amended budget are presented in this report.

The budget should not be exceeded in any expenditure category under state law. Unused appropriations lapse at the end of each year.

The county judge is, by statute, the budget officer of the County. The county judge usually requests and relies on the assistance of the county auditor to prepare the annual budget. After being furnished budget guidelines by the county judge, the county auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the commissioner's court.

The county judge invites all department heads to appear for a meeting concerning the departments' budget requests. Before determining the final budget, the commissioner's court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the county auditor's estimate of revenues and available cash.

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(2) Stewardship, compliance, and accountability (continued)

Budgetary information (continued)

When the budget has been adopted by commissioner's court, the county auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of commissioner's court advised of the condition of the various funds and accounts.

Budgets for all budgeted general, debt service, and special revenue funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP).

During the year the general fund's overall budgeted expenditures exceeded the actual expenditures by \$2,181,974. There were three segments of the general fund's budget whose actual expenditures exceeded the budgeted expenditures. Actual expenses for capital outlay exceeded the budget by \$42,875, EMS department exceeded the budget by \$73,154, and the health department exceeded the budget by \$40.

(3) Detailed notes on all funds

Deposits and investments

Legal and contractual provisions governing deposits and investments

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

Policies governing deposits and investments:

The County has adopted a deposit and investment policy and the County does address the following risks:

Custodial credit risk – deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County has a deposit policy for custodial credit risk. As of September 30, 2020, the County's bank balance of \$744,715 with Falls City National Bank was not exposed to custodial credit risk because it was fully insured and collateralized with securities held by the pledging financial institution's trust department or agent, in the County's name. The fair market value of the securities pledged is \$17,301,799 and the FDIC coverage equals the amount held on deposit for all non-interest bearing accounts. The County's bank balance at Karnes County National Bank of \$19,791 was fully insured by FDIC coverage. The County also has cash equivalent balances equal to \$3,408,251 that are held at a cash management institution which are fully covered by FDIC coverage.

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(3) Detailed notes on all funds (continued)

Deposits and investments (continued)

As of September 30, 2020, the investments are comprised of the following:

INVESTMENT TYPE	FAIR VALUE	WEIGHTED AVERAGE MATURITY (YEARS)	PERCENT OF TOTAL INVESTMENTS
Investments measured at net asset value:			
Money Market Mutual Fund - DWS Government Cash Inst Shares	\$ 3,246	0.05	0.0%
External investment pools - Texas CLASS	<u>57,003,618</u>	0.15	100.0%
Total investments at net asset value	<u>57,006,864</u>		
Cash deposits and cash on hand	<u>3,710,922</u>		
Total cash and cash equivalents	<u>\$ 60,717,786</u>		
Portfolio weighted average maturity		0.15	

Interest rate risk – The County manages its exposure to declines in fair values by limiting the weighted average maturity of its operating investment portfolio to no more than 6 months.

Credit risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. However, investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. Standard & Poor’s has designated Texas Class with a credit rating of AAAM and DWS Government Cash Inst Shares with a credit rating of AAAM.

Concentration of credit risk – Disclosure is required for investments in any one issuer that represent 5% or more of total investments. However, investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The County’s investments in external investment pools and mutual funds exceeding 5% are excluded from this requirement.

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(3) Detailed notes on all funds (continued)

Deposits and investments (continued)

Investment valuation – The County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of assets. The County’s investments for all funds at fiscal year end are listed below at fair value, net of accruals. The government has the following recurring fair value measurements as of September 30, 2020:

INVESTMENT TYPE	FAIR VALUE
Investments measured at net asset value:	
Money Market Mutual Fund - DWS Government Cash Inst Shares	\$ 3,246
External investment pools - Texas CLASS	<u>57,003,618</u>
Total investments at net asset value	<u><u>\$ 57,006,864</u></u>

Receivables

Receivables as of September 30, 2020 for the County’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	GENERAL FUND	ROAD AND BRIDGE	OTHER GOVERNMENTAL FUNDS	TOTAL
RECEIVABLES				
Ad valorem taxes	\$ 891,857	\$ 153,929	\$ 55,014	\$ 1,100,800
Other	<u>25,905</u>	<u>5,347</u>	<u>275,346</u>	<u>306,598</u>
Gross receivables	917,762	159,276	330,360	1,407,398
Less: allowance for uncollectibles	<u>(73,475)</u>	<u>(12,192)</u>	<u>(4,563)</u>	<u>(90,230)</u>
Net total receivables	<u><u>\$ 844,287</u></u>	<u><u>\$ 147,084</u></u>	<u><u>\$ 325,797</u></u>	<u><u>\$ 1,317,168</u></u>

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(3) Detailed notes on all funds (continued)

Capital assets

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

	BALANCE 10/1/2019	INCREASES	DECREASES	BALANCE 9/30/2020
Governmental activities				
Capital assets not being depreciated				
Land	\$ 175,432	\$ -	\$ -	\$ 175,432
Construction in progress	15,383	267,012	(268,262)	14,133
Total capital assets not being depreciated	190,815	267,012	(268,262)	189,565
Capital assets being depreciated				
Building and improvements	30,727,648	268,262	-	30,995,910
Machinery, equipment, and vehicles	9,605,313	892,738	(59,554)	10,438,497
Infrastructure	4,805,431	233,821	-	5,039,252
Total capital assets being depreciated	45,138,392	1,394,821	(59,554)	46,473,659
Less accumulated depreciation for:				
Building and improvements	(2,224,129)	(990,916)	-	(3,215,045)
Machinery, equipment, and vehicles	(7,179,298)	(858,519)	59,554	(7,978,263)
Infrastructure	(1,367,594)	(79,537)	-	(1,447,131)
Total accumulated depreciation	(10,771,021)	(1,928,972)	59,554	(12,640,439)
Total capital assets being depreciated - net	34,367,371	(534,151)	-	33,833,220
Governmental activities capital assets -net	\$ 34,558,186	\$ (267,139)	\$ (268,262)	\$ 34,022,785

The major capital asset events during the current fiscal year were the completion of the jail and the purchases of vehicles and pieces of equipment.

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

Governmental activities	
General administration	\$ 631,167
Financial administration	2,294
Public safety	777,570
Public transportation	512,491
Health and welfare	5,450
Total depreciation expense - governmental activities	\$ 1,928,972

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(3) Detailed notes on all funds (continued)

Long-term liabilities

Changes in long-term liabilities:

	BALANCE 10/1/2019	ADDITIONS	REDUCTIONS	BALANCE 9/30/2020	DUE WITHIN ONE YEAR	DUE AFTER ONE YEAR
<u>Governmental activities</u>						
Compensated absences	\$ 147,907	\$ 14,007	\$ (73,954)	\$ 87,960	\$ 43,980	\$ 43,980

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2019-20 year is \$43,980.

(4) Other information

Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County contracts with the Texas Association of Counties Risk Management Pool (TACRMP) that provides insurance for all such risks. Contributions are set annually by TACRMP. Liability by the County is generally limited to the contributed amounts. During the year ended September 30, 2020, settled claims resulting from these risks did not exceed commercial insurance coverage.

Contingent liabilities

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

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(5) Pension plan

Plan description

The County's pension plan is a non-traditional, joint contributory, defined benefit plan. The County, as an employer, provides retirement, disability, and death benefits for all its full-time employees through a nontraditional defined-benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The plan is a statewide, multi-employer, public employee retirement system. The system serves nearly 800 participating counties and districts throughout Texas. TCDRS, in the aggregate, issues a comprehensive annual financial report (CAFR) on a calendar basis. The CAFR is available upon written request from the Board of Trustees at Post Office Box 2034, Austin, Texas 78768-2034.

Benefits provided

The plan provisions for the County are adopted by the County Commissioners within the options available in the Texas state statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their ages and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer financed benefit. Members who withdraw their personal contributions in a lump sum prior to retirement are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the restricting 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	100
Inactive employees entitled to but not yet receiving benefits	273
Active employees	<u>204</u>
Total	<u>577</u>

Contributions

The contributions rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employees gross earnings, as adopted by the employer's governing body. The contribution rate is determined annually by the actuary, using the entry age normal actuarial cost method. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available to the TCDRS Act.

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(5) Pension plan (continued)

The County has elected the 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 County contributed using the actuarially determined rate of 10.95% and 11.07% for the year ending December 31, 2020 and 2019, respectfully, of annual covered payroll. The Commissioners' Court, within the options available in the TCDRS Act, may change the employee deposit rate and the County contribution rate. The deposit rate payable by all employee members for the 2020 fiscal year was the rate of 7% of their annual covered payroll.

For the employer's accounting year ending September 30, 2020, the annual actuarially determined required contribution for the TCDRS Plan for its employees was \$946,700 and the actual contributions were \$946,700.

Net pension liability

The annual required contributions were actuarially determined as a percent of covered payroll of the participating employees, and were in compliance with the GASB Statement No. 68 parameters based on the actuarial valuations as of December 31, 2017 and December 31, 2018, the basis for determining the contribution rates for calendar years 2019 and 2020, respectively.

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

Actuarial valuation information:

The total pension liability in the December 31, 2019 actuarial valuations was determined using the following actuarial assumptions:

Actuarial valuation date	12/31/2019
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	10.6 years
Asset valuation method	5 year smoothed market
Actuarial assumptions:	
Investment return	8.00%
Projected salary increase	4.90%
Inflation	2.75%

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(5) Pension plan (continued)

Net pension liability (continued)

Actuarial valuation information (continued)

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee. Mortality rates for active members were based on gender-distinct RP-2014 Active Employee Mortality Table at 90% for males and females projected with 110% of the MP-2014 Ultimate scale after 2014. Mortality rates for retirees, beneficiaries, and non-active members were based on 130% of the RP-2014 Healthy Annuitant Mortality Tables 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.

The long-term expected rate of return on pension plan investments is 8.1%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on TCDRS assets is calculated by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS's investment consultants and are based on April 2020 information for a 10 year time horizon.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return (Expected Minus Inflation)</u>
U.S. Equities	14.5%	5.20%
Private Equity	20.0%	8.20%
Global Equities	2.5%	5.50%
International Equities - Developed	7.0%	5.20%
International Equities - Emerging	7.0%	5.70%
Investment-Grade Bonds	3.0%	-0.20%
Strategic Credit	12.0%	3.14%
Direct Lending	11.0%	7.16%
Distressed Debt	4.0%	6.90%
REIT Equities	3.0%	4.50%
Master Limited Partnerships (MLPs)	2.0%	8.40%
Private Real Estate Partnerships	6.0%	5.50%
Hedge Funds	8.0%	2.30%
Total	<u>100.0%</u>	

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(5) Pension plan (continued)

Net pension liability (continued)

Discount rate

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

Changes in the net pension liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2018	\$ 20,981,380	\$ 18,359,196	\$ 2,622,184
Changes for the year:			
Service Cost	1,055,403	-	1,055,403
Interest on Total Pension Liability (1)	1,738,727	-	1,738,727
Effect of Plan Changes (2)	-	-	-
Effect of Economic/Demographic Gains or Losses	351,895	-	351,895
Effect of Assumptions Changes or Inputs	-	-	-
Refund of Contributions	(136,779)	(136,779)	-
Benefit Payments	(1,027,931)	(1,027,931)	-
Administrative Expense	-	(16,546)	16,546
Member Contributions	-	583,486	(583,486)
Net Investment Income	-	3,014,599	(3,014,599)
Employer Contributions	-	922,742	(922,742)
Other (3)	-	14,717	(14,717)
Net Changes	1,981,316	3,354,289	(1,372,972)
Balance at December 31, 2019	\$ 22,962,696	\$ 21,713,485	\$ 1,249,212

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

(2) No plan changed valued.

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

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(5) 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 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-point higher (9.1%) than the current rate:

	1% Decrease in Discount Rate (7.1%)	Current Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
Total pension liability	\$ 25,950,868	\$ 22,962,696	\$ 20,464,242
Fiduciary net position	21,713,484	21,713,484	21,713,484
County's net pension liability (asset)	\$ 4,237,384	\$ 1,249,212	\$ (1,249,242)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

Pension expense and deferred inflows/outflows of resources related to pensions

For the year ended September 30, 2020, the County recognized pension expense of \$719,092. The breakdown of the components of pension expense follows:

Pension Expense / (Income)	January 1, 2019 through December 31, 2019
Service cost	\$ 1,055,403
Interest on total pension liability ¹	1,738,727
Effect of plan changes	-
Administrative expenses	16,546
Member contributions	(583,486)
Expected investment return net of investment expenses	(1,500,584)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(144,093)
Recognition of assumption changes or inputs	31,878
Recognition of investment gains or losses	119,418
Other ²	(14,717)
Pension expense / (income)	\$ 719,092

(1) Reflects the change in the liability due to the time value of money.

TCDRS does not charge fees or interest.

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

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(5) Pension plan (continued)

Pension expense and deferred inflows/outflows of resources related to pensions (continued)

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

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual economic experience	\$ 176,416	\$ 263,921
Changes in actuarial assumptions	-	63,757
Net difference between projected and actual investment earnings	490,707	-
Contributions made subsequent to the measurement date	-	691,927
Total	\$ 667,123	\$ 1,019,605

The County reported \$691,927 as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ (82,932)
2022	(108,485)
2023	154,775
2024	(302,803)
2025	-
Total	\$ (339,445)

(6) Other postemployment benefits

Postemployment health care coverage

Plan description and benefits provided

The County provides medical insurance benefits to eligible retirees on a fully contributory basis. The same level of benefit is provided for eligible retirees as to active employees. Retirees pay 100% of the monthly premium for elected coverage. All active employees who retire directly from the County and meet the eligibility criterion may participate.

The eligibility requirements to participate in this plan require the retiree to have the earlier of a) 30 years of service without regard to age, and b) the sum of age plus service equals 75. In addition, the retiree must have at least 8 years of continuous service at retirement.

Retirees are eligible for medical benefits as provided in the plan until age 65. Medical coverage for Medicare eligible retirees is provided through the Silver Choice plan. Since this plan is based on retiree rates and is 100% paid for by the retiree, there is no cost to the County.

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

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(6) Other postemployment benefits (continued)

Postemployment health care coverage (continued)

Contributions

Contributions for postemployment benefits were recognized on a pay-as-you-go basis in the past. Contributions paid by retirees during the fiscal year ended September 30, 2020, were \$22,307.

Employees covered by benefit terms

At the September 30, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	4
Inactive, nonretired members	0
Active members and beneficiaries	<u>177</u>
	<u>181</u>

OPEB liability

The County's OPEB liability of \$184,866 was measured as of September 30, 2020, and was determined by an actuarial valuation as of September 30, 2020.

Actuarial valuation information:

Actuarial assumptions and other inputs - the OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual entry age normal cost method – level percentage of projected salary
Inflation	2.50%
Salary scale	3.50%
Discount rate	2.25% as of September 30, 2030
Mortality	RPH-2014 Total Table with Projection MP-2019
Healthcare cost trend rates	Level trend rate of 4.50%
Participants rates	It was assumed that 25% of all actives who currently have healthcare coverage will continue with coverage upon retirement. For those with family coverage 5% will elect to continue with coverage including the spouse and the remainder will elect individual coverage.

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(6) Other postemployment benefits (continued)

Postemployment health care coverage (continued)

Changes in the OPEB liability

Balance at October 1, 2019	\$ 162,397
Changes for the year:	
Service cost	10,197
Interest on the OPEB liability	6,697
Changes of benefit terms	-
Difference between expected and actual experience	(603)
Change in assumptions	21,470
Benefit payments	<u>(15,292)</u>
Net changes	<u>22,469</u>
Balance at September 30, 2020	<u><u>\$ 184,866</u></u>

Sensitivity of the OPEB liability to changes in the discount rate and healthcare cost trend rates:

The following presents the OPEB liability of the County, calculated using the discount rate of 2.25%, as well as what the County's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.25%) or 1 percentage point higher (3.25%) than the current rate.

1% Decrease in Discount Rate (1.25%)	Discount Rate (2.25%)	1% Increase in Discount Rate (3.25%)
\$ 199,571	\$ 184,866	\$ 171,521

The following presents the OPEB liability of the County, calculated using the current healthcare cost trend rates of 4.5% as well as what the County's OPEB liability would be if it were calculated using the trend rates that are 1 percentage point lower (3.5%) or 1 percentage point higher (5.5%) than the current trend rates.

1% Decrease in Health Trend Rate (3.5%)	Current Health Trend Rate (4.5%)	1% Increase in Health Trend Rate (5.5%)
\$ 166,777	\$ 184,866	\$ 207,008

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:

For the year ended September 30, 2020, the County recognized an OPEB expense of \$19,669.

KARNES COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

(6) Other postemployment benefits (continued)

Postemployment health care coverage (continued)

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

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual economic experience	\$ -	\$ 523
Changes in actuarial assumptions	18,615	-
Net difference between projected and actual investment earnings	-	-
Contributions made subsequent to the measurement date	-	-
Total	\$ 18,615	\$ 523

Amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2021	\$	2,775
2022		2,775
2023		2,775
2024		2,775
2025		2,775
Thereafter		4,217
Total	\$	18,092

(7) Prior period adjustment

During 2020, it was noted that four County library bank accounts were not recorded in the prior year. This restatement increased the beginning net position in the governmental activities by \$231,295 and increased the beginning fund balance of the County library fund by \$231,295.

(8) Subsequent events

The County has evaluated subsequent events through April 30, 2021, the date which the financial statements were available to be issued. There are no subsequent events for disclosure.



REQUIRED SUPPLEMENTARY INFORMATION



KARNES COUNTY, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY
AND RELATED RATIOS**

***Last 10 fiscal years**

	For the measurement year ended December 31,					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 1,055,402	\$ 997,744	\$ 1,038,576	\$ 1,143,857	\$ 865,719	\$ 685,309
Interest on the total pension liability	1,738,727	1,595,093	1,482,025	1,367,975	1,247,626	1,161,338
Effect of plan changes	-	442,312	-	-	(172,224)	-
Effect of assumption changes	-	-	159,391	-	206,651	-
Effect of economic/demographic (gains) or losses	351,895	(197,728)	(193,880)	(575,439)	203,545	40,974
Benefit payments/refunds of contributions	(1,164,709)	(1,080,581)	(1,019,347)	(993,459)	(976,905)	(880,293)
Net change in total pension liability	1,981,316	1,756,841	1,466,765	942,934	1,374,412	1,007,328
Total pension liability - beginning	20,981,380	19,224,539	17,757,774	16,814,840	15,440,428	14,433,100
Total pension liability - ending (a)	\$ 22,962,696	\$ 20,981,380	\$ 19,224,539	\$ 17,757,774	\$ 16,814,840	\$ 15,440,428
Fiduciary net position						
Employer contributions	\$ 922,742	\$ 770,885	\$ 711,087	\$ 784,312	\$ 883,694	\$ 749,548
Member contributions	583,486	528,482	486,092	506,474	520,696	378,833
Investment income, net of investment expenses	3,014,599	(341,999)	2,336,095	1,075,034	14,755	898,729
Benefit payments/refunds of contributions	(1,164,709)	(1,080,581)	(1,019,347)	(993,459)	(976,905)	(880,293)
Administrative expense	(16,546)	(14,746)	(12,296)	(11,911)	(10,450)	(10,539)
Other	14,715	8,375	2,268	(166,687)	130,457	(47,963)
Net change in plan fiduciary net position	3,354,288	(129,583)	2,503,899	1,193,763	562,247	1,088,315
Plan fiduciary net position - beginning	18,359,196	18,488,779	15,984,880	14,791,117	14,228,870	13,140,555
Plan fiduciary net position - ending (b)	\$ 21,713,484	\$ 18,359,196	\$ 18,488,779	\$ 15,984,880	\$ 14,791,117	\$ 14,228,870
Net pension liability (a) - (b)	\$ 1,249,212	\$ 2,622,185	\$ 735,760	\$ 1,772,894	\$ 2,023,723	\$ 1,211,558
Plan fiduciary net position as a percentage of total pension liability	94.56%	87.50%	96.17%	90.02%	87.96%	92.15%
Covered payroll	\$ 8,335,510	\$ 7,448,138	\$ 6,944,176	\$ 7,235,338	\$ 7,438,508	\$ 5,411,897
Net pension liability as a percentage of total covered payroll	14.99%	35.21%	10.60%	24.50%	27.21%	22.39%

*GASB Statement No. 68 requires 10 fiscal years of data to be provided in this schedule. This is the sixth year of implementation of GASB Statement No. 68. The County will develop and present the schedule prospectively.

KARNES COUNTY, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS – NET PENSION LIABILITY**

***Last 10 fiscal years**

<u>Year Ended September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 836,094	\$ 836,094	\$ -	\$ 6,799,850	12.3%
2016	825,105	825,105	-	7,412,004	11.1%
2017	720,776	720,776	-	6,927,236	10.4%
2018	745,412	745,412	-	7,222,469	10.3%
2019	890,196	890,196	-	8,181,167	10.9%
2020	946,700	946,700	-	8,620,438	11.0%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. This is the sixth year of implementation of GASB 68. The County will develop the schedule prospectively.

KARNES COUNTY, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT BENEFIT (OPEB)
LIABILITY – RETIREE HEALTH CARE PLAN**

***Last 10 fiscal years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPEB liability			
Service cost	\$ 10,197	\$ 10,197	\$ 9,799
Interest on the OPEB liability	6,697	6,083	6,134
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(603)	-	-
Change of assumptions	21,470	-	-
Benefit payments	<u>(15,292)</u>	<u>(7,404)</u>	<u>(7,404)</u>
Net change in OPEB liability	22,469	8,876	8,529
OPEB liability - beginning	<u>162,397</u>	<u>153,521</u>	<u>144,992</u>
OPEB liability - ending	<u>\$ 184,866</u>	<u>\$ 162,397</u>	<u>\$ 153,521</u>
Covered payroll	<u>\$ 7,252,139</u>	<u>\$ 6,210,472</u>	<u>\$ 6,210,472</u>
OPEB liability as a percentage of covered payroll	2.55%	2.61%	2.47%

GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the third year of implementation of GASB 75. The County will develop the schedule prospectively.

KARNES COUNTY, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

(1) Schedule of contributions

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 normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	10.6 years
Asset valuation method	5 year smoothed value
Inflation	2.75%
Salary increases	4.9% average over career including inflation
Investment rate of return	8.00%, net of administrative and investment expenses, including inflation.
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in assumptions and methods reflected in the schedule of employer contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in plan provisions reflected in the schedule of employer contributions*	2015/2016: 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: Employer contributions reflect that a 50% CPI COLA was adopted.

*Only changes that affect the benefit amount and that are effective 2015 and later are show in the notes to schedule.

OTHER SUPPLEMENTARY INFORMATION



**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

KARNES COUNTY, TEXAS

COMBINING BALANCE SHEET – ROAD AND BRIDGE FUNDS

September 30, 2020

	ROAD AND BRIDGE FUND	LATERAL ROAD FUND	ROAD AND BRIDGE SPECIAL	TOTAL
ASSETS				
Cash and cash equivalents	\$ 15,139,513	\$ 97,761	\$ 3,834,556	19,071,830
Receivables - net of allowance for uncollectibles	-	-	141,737	141,737
Due from others	5,347	-	-	5,347
Prepaid expenses	-	-	15,194	15,194
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 15,144,860</u>	<u>\$ 97,761</u>	<u>\$ 3,991,487</u>	<u>\$ 19,234,108</u>
LIABILITIES				
Accounts payable	\$ 736,146	\$ -	\$ 403,913	\$ 1,140,059
Accrued wages	73,133	-	-	73,133
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	809,279	-	403,913	1,213,192
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues - taxes	-	-	141,737	141,737
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES				
Nonspendable - prepaids	-		15,194	15,194
Restricted	-	97,761	3,430,643	3,528,404
Committed	14,335,581	-	-	14,335,581
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>14,335,581</u>	<u>97,761</u>	<u>3,445,837</u>	<u>17,879,179</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,144,860</u>	<u>\$ 97,761</u>	<u>\$ 3,991,487</u>	<u>\$ 19,234,108</u>

KARNES COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – ROAD AND BRIDGE FUNDS**

For the year ended September 30, 2020

	ROAD AND BRIDGE FUND	LATERAL ROAD FUND	ROAD AND BRIDGE SPECIAL	TOTAL
REVENUES				
Taxes				
Property	\$ 8,691,147	\$ -	\$ 3,353,091	\$ 12,044,238
Intergovernmental	-	19,222	-	19,222
Licenses and permits	683,259	-	-	683,259
Interest	139,464	847	71,631	211,942
Royalties	2,392,757	-	-	2,392,757
Miscellaneous	277,325	-	-	277,325
Total revenues	<u>12,183,952</u>	<u>20,069</u>	<u>3,424,722</u>	<u>15,628,743</u>
EXPENDITURES				
Current				
Public transportation				
Road and bridge	6,601,149	-	6,220,056	12,821,205
Capital outlay	433,721	-	-	433,721
Total expenditures	<u>7,034,870</u>	<u>-</u>	<u>6,220,056</u>	<u>13,254,926</u>
Net change in fund balances	<u>5,149,082</u>	<u>20,069</u>	<u>(2,795,334)</u>	<u>2,373,817</u>
FUND BALANCES - BEGINNING	<u>9,186,499</u>	<u>77,692</u>	<u>6,241,171</u>	<u>15,505,362</u>
FUND BALANCES - ENDING	<u>\$ 14,335,581</u>	<u>\$ 97,761</u>	<u>\$ 3,445,837</u>	<u>\$ 17,879,179</u>

KARNES COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2020

							SPECIAL
	COUNTY AND DISTRICT CLERK FEES	GENERAL RECORDS MANAGE- MENT	JURY FUND	PRETRIAL FUND	COUNTY LIBRARY	COURTHOUSE MAINTENANCE FUND	COURT- HOUSE SECURITY FUND
ASSETS							
Cash and cash equivalents	\$ 750,660	\$ 89,855	\$ 59,612	\$ 57,608	\$ 377,426	\$ 4,263,868	\$ 317,076
Receivables - net of allowance for uncollectibles	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from others	-	-	10	-	231,633	-	146
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 750,660</u>	<u>\$ 89,855</u>	<u>\$ 59,622</u>	<u>\$ 57,608</u>	<u>\$ 609,059</u>	<u>\$ 4,263,868</u>	<u>\$ 317,222</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 400	\$ -	\$ 8,998	\$ 1,404	\$ -
Accrued wages payable	-	-	-	-	14,652	-	9,032
Due to other funds	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>23,650</u>	<u>1,404</u>	<u>9,032</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenues - taxes	-	-	-	-	-	-	-
FUND BALANCES							
Restricted							
Debt service	-	-	-	-	-	-	-
Special revenue funds	750,660	89,855	59,222	57,608	-	-	308,190
Committed							
Special revenue funds	-	-	-	-	585,409	4,262,464	-
Total fund balances	<u>750,660</u>	<u>89,855</u>	<u>59,222</u>	<u>57,608</u>	<u>585,409</u>	<u>4,262,464</u>	<u>308,190</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 750,660</u>	<u>\$ 89,855</u>	<u>\$ 59,622</u>	<u>\$ 57,608</u>	<u>\$ 609,059</u>	<u>\$ 4,263,868</u>	<u>\$ 317,222</u>

REVENUE

FEDERAL ASSET FORFEITURE	CONTRACT ELECTION FUND	KARNES COUNTY EMS DONATION FUND	HOT CHECK ESCROW	HOT CHECK FUND	EMERGENCY MANAGEMENT FUND	J.P. COURT FEES	KCGF FUND	CONTRIBUTION SHERIFF DEPARTMENT	LAW LIBRARY
\$ 2,710	\$ 47,798	\$ 29,518	\$ 3,046	\$ 1,310	\$ 428,635	\$ 187,116	\$ 422,673	\$ 21,772	\$ 49,263
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	54	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 2,710</u>	<u>\$ 47,798</u>	<u>\$ 29,518</u>	<u>\$ 3,046</u>	<u>\$ 1,310</u>	<u>\$ 428,689</u>	<u>\$ 187,116</u>	<u>\$ 422,673</u>	<u>\$ 21,772</u>	<u>\$ 49,263</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 508	\$ 3,117	\$ 200	\$ 2,138	\$ 515
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,992	-	-	-	-
-	-	-	-	-	-	-	150,342	-	-
-	-	-	-	-	2,500	3,117	150,542	2,138	515
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,710	-	29,518	3,046	1,310	-	183,999	-	19,634	48,748
-	47,798	-	-	-	426,189	-	272,131	-	-
<u>2,710</u>	<u>47,798</u>	<u>29,518</u>	<u>3,046</u>	<u>1,310</u>	<u>426,189</u>	<u>183,999</u>	<u>272,131</u>	<u>19,634</u>	<u>48,748</u>
<u>\$ 2,710</u>	<u>\$ 47,798</u>	<u>\$ 29,518</u>	<u>\$ 3,046</u>	<u>\$ 1,310</u>	<u>\$ 428,689</u>	<u>\$ 187,116</u>	<u>\$ 422,673</u>	<u>\$ 21,772</u>	<u>\$ 49,263</u>

KARNES COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2020

	SPECIAL REVENUE					DEBT SERVICE		TOTAL NON- MAJOR GOVERN- MENTAL
	COURT GUARDIANSHIP	COURT RECORDS PRESERVATION	COUNTY ATTORNEY SEIZURE	COURT REPORTER FEES	HAVA FUND	EMERGENCY SERVICES DISTRICT RURAL FIRE FUND	INTEREST AND SINKING	
ASSETS								
Cash and cash equivalents	\$ 5,940	\$ 2,972	\$ 58,599	\$ 27,175	\$ -	\$ 768,357	\$ 7,178	\$ 7,980,167
Receivables - net of allowance for uncollectibles	-	-	-	-	-	50,451	-	50,451
Other receivables	-	-	-	-	40,000	-	-	40,000
Due from others	-	-	3,485	18	-	-	-	235,346
Due from other funds	-	-	-	-	12,365	-	-	12,365
Total assets	\$ 5,940	\$ 2,972	\$ 62,084	\$ 27,193	\$ 52,365	\$ 818,808	\$ 7,178	\$ 8,318,329
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,066	\$ -	\$ 142,346
Accrued wages payable	-	-	-	-	-	-	-	23,684
Due to other funds	-	-	-	-	-	-	-	1,992
Unearned revenues	-	-	-	-	-	-	-	150,342
Total liabilities	-	-	-	-	-	125,066	-	318,364
DEFERRED INFLOWS OF RESOURCES								
Deferred revenues - taxes	-	-	-	-	-	50,451	-	50,451
FUND BALANCES								
Restricted								
Debt service	-	-	-	-	-	-	7,178	7,178
Special revenue funds	5,940	2,972	62,084	27,193	52,365	643,291	-	2,348,345
Committed								
Special revenue funds	-	-	-	-	-	-	-	5,593,991
Total fund balances	5,940	2,972	62,084	27,193	52,365	643,291	7,178	7,949,514
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,940	\$ 2,972	\$ 62,084	\$ 27,193	\$ 52,365	\$ 818,808	\$ 7,178	\$ 8,318,329



KARNES COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

For the year ended September 30, 2020

							SPECIAL
	COUNTY AND DISTRICT CLERK FEES	GENERAL RECORDS MANAGE- MENT	JURY FUND	PRETRIAL FUND	COUNTY LIBRARY	COURTHOUSE MAINTENANCE FUND	COURT- HOUSE SECURITY FUND
REVENUES							
Taxes							
Property	\$ -	\$ -	\$ 16,350	\$ -	\$ 549,918	\$ -	\$ 237,992
Intergovernmental	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	13,113
Charges for fees	103,605	5,256	-	-	-	-	-
Interest	6,297	730	421	-	3,762	36,555	2,895
Miscellaneous	-	-	4,133	9,297	86	9,349	-
Total revenues	<u>109,902</u>	<u>5,986</u>	<u>20,904</u>	<u>9,297</u>	<u>553,766</u>	<u>45,904</u>	<u>254,000</u>
EXPENDITURES							
Current							
General administration							
Records management	64,741	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-
Law library	-	-	-	-	-	-	-
Judicial							
Judicial court	-	-	4,297	-	-	20,165	-
Public safety							
Fire	-	-	-	-	-	-	-
Local emergency planning	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	224,775
EMS	-	-	-	-	-	-	-
Culture and recreation							
Library	-	-	-	-	518,480	-	-
Debt service							
Interest retirement	-	-	-	-	-	-	-
Total expenditures	<u>64,741</u>	<u>-</u>	<u>4,297</u>	<u>-</u>	<u>518,480</u>	<u>20,165</u>	<u>224,775</u>
OTHER FINANCING SOURCES (USES)							
Transfer in	-	-	-	-	-	409,356	-
Net change in fund balances	45,161	5,986	16,607	9,297	35,286	435,095	29,225
FUND BALANCES - BEGINNING	<u>705,499</u>	<u>83,869</u>	<u>42,615</u>	<u>48,311</u>	<u>318,828</u>	<u>3,827,369</u>	<u>278,965</u>
PRIOR PERIOD ADJUSTMENT	-	-	-	-	231,295	-	-
FUND BALANCES - BEGINNING, AS RESTATED	<u>705,499</u>	<u>83,869</u>	<u>42,615</u>	<u>48,311</u>	<u>550,123</u>	<u>3,827,369</u>	<u>278,965</u>
FUND BALANCES - ENDING	<u>\$ 750,660</u>	<u>\$ 89,855</u>	<u>\$ 59,222</u>	<u>\$ 57,608</u>	<u>\$ 585,409</u>	<u>\$ 4,262,464</u>	<u>\$ 308,190</u>

REVENUE

FEDERAL ASSET FORFEITURE	CONTRACT ELECTION FUND	KARNES COUNTY EMS DONATION FUND	HOT CHECK ESCROW	HOT CHECK FUND	EMERGENCY MANAGEMENT FUND	J.P. COURT FEES	KCGF FUND	CONTRIBUTION SHERIFF DEPARTMENT	LAW LIBRARY
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,367	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	91,862	-	-	-	-
-	-	18,500	-	-	-	-	-	21,590	-
-	-	-	-	-	-	-	-	-	5,929
2,093	-	-	-	-	-	8,704	-	-	-
6	417	211	-	-	2,972	1,604	2,266	162	415
-	-	-	-	38	39,125	-	76,180	-	-
<u>2,099</u>	<u>417</u>	<u>18,711</u>	<u>-</u>	<u>38</u>	<u>222,326</u>	<u>10,308</u>	<u>78,446</u>	<u>21,752</u>	<u>6,344</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	3,133
-	-	-	-	-	-	10,306	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	81,031	-	-	-	-
-	-	-	228	-	-	-	36,818	13,519	-
-	-	8,474	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>8,474</u>	<u>228</u>	<u>-</u>	<u>81,031</u>	<u>10,306</u>	<u>36,818</u>	<u>13,519</u>	<u>3,133</u>
-	-	-	-	-	-	-	-	-	-
2,099	417	10,237	(228)	38	141,295	2	41,628	8,233	3,211
<u>611</u>	<u>47,381</u>	<u>19,281</u>	<u>3,274</u>	<u>1,272</u>	<u>284,894</u>	<u>183,997</u>	<u>230,503</u>	<u>11,401</u>	<u>45,537</u>
-	-	-	-	-	-	-	-	-	-
<u>611</u>	<u>47,381</u>	<u>19,281</u>	<u>3,274</u>	<u>1,272</u>	<u>284,894</u>	<u>183,997</u>	<u>230,503</u>	<u>11,401</u>	<u>45,537</u>
<u>\$ 2,710</u>	<u>\$ 47,798</u>	<u>\$ 29,518</u>	<u>\$ 3,046</u>	<u>\$ 1,310</u>	<u>\$ 426,189</u>	<u>\$ 183,999</u>	<u>\$ 272,131</u>	<u>\$ 19,634</u>	<u>\$ 48,748</u>

KARNES COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

For the year ended September 30, 2020

	COURT GUARDIANSHIP	COURT RECORDS PRESERVATION	COUNTY ATTORNEY SEIZURE	COURT REPORTER FEES	HAVA FUND	EMERGENCY SERVICES DISTRICT RURAL FIRE FUND	DEBT SERVICE INTEREST AND SINKING	NON- MAJOR GOVERN- MENTAL
REVENUES								
Taxes								
Property	\$ -	\$ -	\$ -	\$ 29,109	\$ -	\$ 973,151	\$ 8,851	\$ 1,903,738
Intergovernmental	-	-	-	-	52,365	-	-	144,227
Donations	-	-	-	-	-	-	-	40,090
Charges for services	1,239	620	-	-	-	-	-	20,901
Charges for fees	-	-	-	2,701	-	-	-	122,359
Interest	45	22	516	169	-	6,778	-	66,243
Miscellaneous	-	-	17,732	-	-	-	-	155,940
Total revenues	<u>1,284</u>	<u>642</u>	<u>18,248</u>	<u>31,979</u>	<u>52,365</u>	<u>979,929</u>	<u>8,851</u>	<u>2,453,498</u>
EXPENDITURES								
Current								
General administration								
Records management	-	-	-	-	-	-	-	64,741
Elections	-	-	-	-	-	-	-	-
Law library	-	-	-	-	-	-	-	3,133
Judicial								
Judicial court	-	-	11,651	16,113	-	-	-	62,532
Public safety								
Fire	-	-	-	-	-	600,297	-	600,297
Local emergency planning	-	-	-	-	-	-	-	81,031
Sheriff	-	-	-	-	-	-	-	275,340
EMS	-	-	-	-	-	-	-	8,474
Culture and recreation								
Library	-	-	-	-	-	-	-	518,480
Debt service								
Interest retirement	-	-	-	-	-	-	1,673	1,673
Total expenditures	<u>-</u>	<u>-</u>	<u>11,651</u>	<u>16,113</u>	<u>-</u>	<u>600,297</u>	<u>1,673</u>	<u>1,615,701</u>
OTHER FINANCING SOURCES (USES)								
Transfer in	-	-	-	-	-	-	-	409,356
Net change in fund balances	1,284	642	6,597	15,866	52,365	379,632	7,178	1,247,153
FUND BALANCES - BEGINNING	<u>4,656</u>	<u>2,330</u>	<u>55,487</u>	<u>11,327</u>	<u>-</u>	<u>263,659</u>	<u>-</u>	<u>6,471,066</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,295</u>
FUND BALANCES - BEGINNING, AS RESTATED	<u>4,656</u>	<u>2,330</u>	<u>55,487</u>	<u>11,327</u>	<u>-</u>	<u>263,659</u>	<u>-</u>	<u>6,702,361</u>
FUND BALANCES - ENDING	<u>\$ 5,940</u>	<u>\$ 2,972</u>	<u>\$ 62,084</u>	<u>\$ 27,193</u>	<u>\$ 52,365</u>	<u>\$ 643,291</u>	<u>\$ 7,178</u>	<u>\$ 7,949,514</u>

KARNES COUNTY, TEXAS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

For the year ended September 30, 2020

	<u>ACCOUNTS PAYABLE FUND</u>	<u>PAYROLL FUND</u>	<u>COUNTY OFFICER ACCOUNTS</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	<u>\$ 49,502</u>	<u>\$ 283,943</u>	<u>\$ 13,718,898</u>	<u>\$ 14,052,343</u>
LIABILITIES				
Due to others	<u>\$ 49,502</u>	<u>\$ 283,943</u>	<u>\$ 13,718,898</u>	<u>\$ 14,052,343</u>

KARNES COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

For the year ended September 30, 2020

<u>ACCOUNTS PAYABLE FUND</u>	<u>BALANCE 10/1/2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE 9/30/2020</u>
ASSETS				
Cash and cash equivalents	\$ 126,588	\$ 14,482,559	\$ (14,559,645)	\$ 49,502
LIABILITIES				
Due to others	\$ 126,588	\$ 14,482,559	\$ (14,559,645)	\$ 49,502
<u>PAYROLL FUND</u>	<u>BALANCE 10/1/2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE 9/30/2020</u>
ASSETS				
Cash and cash equivalents	\$ 278,102	\$ 11,776,412	\$ (11,770,571)	\$ 283,943
LIABILITIES				
Due to others	\$ 278,102	\$ 11,776,412	\$ (11,770,571)	\$ 283,943
<u>COUNTY OFFICER ACCOUNTS</u>	<u>BALANCE 10/1/2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE 9/30/2020</u>
ASSETS				
Cash and cash equivalents	\$ 11,219,938	\$ 77,462,253	\$ (74,963,293)	\$ 13,718,898
LIABILITIES				
Due to others	\$ 11,219,938	\$ 77,462,253	\$ (74,963,293)	\$ 13,718,898
<u>TOTAL</u>	<u>BALANCE 10/1/2019</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE 9/30/2020</u>
ASSETS				
Cash and cash equivalents	\$ 11,624,628	\$ 103,721,224	\$ (101,293,509)	\$ 14,052,343
LIABILITIES				
Due to others	\$ 11,624,628	\$ 103,721,224	\$ (101,293,509)	\$ 14,052,343

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**



KARNES COUNTY, TEXAS

**COUNTY AND DISTRICT CLERK FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for fees	\$ 62,000	\$ 62,000	\$ 103,605	\$ 41,605
Interest	1,500	1,500	6,297	4,797
Total revenues	63,500	63,500	109,902	46,402
EXPENDITURES				
General administration				
Records management	-	-	64,741	(64,741)
Net change in fund balance	\$ 63,500	\$ 63,500	45,161	\$ (18,339)
FUND BALANCE - BEGINNING			705,499	
FUND BALANCE - ENDING			\$ 750,660	

KARNES COUNTY, TEXAS

**GENERAL RECORDS MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for fees	\$ 5,000	\$ 5,000	\$ 5,256	\$ 256
Interest	<u>500</u>	<u>500</u>	<u>730</u>	<u>230</u>
Total revenues	5,500	5,500	5,986	486
EXPENDITURES				
General administration				
Records management	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net change in fund balance	<u><u>\$ 500</u></u>	<u><u>\$ 500</u></u>	5,986	<u><u>\$ 5,486</u></u>
FUND BALANCE - BEGINNING			<u>83,869</u>	
FUND BALANCE - ENDING			<u><u>\$ 89,855</u></u>	

KARNES COUNTY, TEXAS

**JURY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property	\$ 16,463	\$ 16,463	\$ 16,350	\$ (113)
Interest	550	550	421	(129)
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>4,133</u>	<u>1,633</u>
Total revenues	19,513	19,513	20,904	1,391
EXPENDITURES				
Current				
Judicial				
Jury	<u>19,500</u>	<u>19,500</u>	<u>4,297</u>	<u>15,203</u>
Net change in fund balance	<u>\$ 13</u>	<u>\$ 13</u>	16,607	<u>\$ 16,594</u>
FUND BALANCE - BEGINNING			<u>42,615</u>	
FUND BALANCE - ENDING			<u>\$ 59,222</u>	

KARNES COUNTY, TEXAS

**COUNTY LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property	\$ 553,696	\$ 553,696	\$ 549,918	\$ (3,778)
Interest	<u>6,500</u>	<u>6,500</u>	<u>3,762</u>	<u>(2,738)</u>
Total revenues	560,196	560,196	553,766	(6,430)
EXPENDITURES				
Current				
Culture and recreation				
Library	<u>553,611</u>	<u>548,611</u>	<u>518,480</u>	<u>30,131</u>
Net change in fund balance	<u>\$ 6,585</u>	<u>\$ 11,585</u>	35,286	<u>\$ 23,701</u>
FUND BALANCE - BEGINNING			<u>318,828</u>	
PRIOR PERIOD ADJUSTMENT			<u>231,295</u>	
FUND BALANCES - BEGINNING, AS RESTATED			<u>550,123</u>	
FUND BALANCE - ENDING			<u>\$ 585,409</u>	

KARNES COUNTY, TEXAS

**COURTHOUSE MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ 12,000	\$ 12,000	\$ 36,555	\$ 24,555
Miscellaneous	<u>6,000</u>	<u>6,000</u>	<u>9,349</u>	<u>3,349</u>
Total revenues	18,000	18,000	45,904	27,904
EXPENDITURES				
Public facilities				
Courthouse and buildings	<u>45,000</u>	<u>45,000</u>	<u>20,165</u>	<u>24,835</u>
Excess of revenues over expenditures	(27,000)	(27,000)	25,739	52,739
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>-</u>	<u>-</u>	<u>409,356</u>	<u>409,356</u>
Net change in fund balance	<u>\$ (27,000)</u>	<u>\$ (27,000)</u>	435,095	<u>\$ 462,095</u>
FUND BALANCE - BEGINNING			<u>3,827,369</u>	
FUND BALANCE - ENDING			<u>\$ 4,262,464</u>	

KARNES COUNTY, TEXAS

**COURTHOUSE SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property	\$ 241,947	\$ 241,947	\$ 237,992	\$ (3,955)
Charges for services	15,750	15,750	13,113	(2,637)
Interest	<u>3,000</u>	<u>3,000</u>	<u>2,895</u>	<u>(105)</u>
Total revenues	260,697	260,697	254,000	(6,697)
EXPENDITURES				
Public safety				
Sheriff	<u>259,755</u>	<u>259,755</u>	<u>224,775</u>	<u>34,980</u>
Total expenditures	259,755	259,755	224,775	34,980
Net change in fund balance	<u>\$ 942</u>	<u>\$ 942</u>	29,225	<u>\$ 28,283</u>
FUND BALANCE - BEGINNING			<u>278,965</u>	
FUND BALANCE - ENDING			<u>\$ 308,190</u>	

KARNES COUNTY, TEXAS

**EMERGENCY MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property	\$ 88,976	\$ 88,976	\$ 88,367	\$ (609)
Intergovernmental	-	-	91,862	91,862
Interest	3,250	3,250	2,972	(278)
Miscellaneous	<u>-</u>	<u>-</u>	<u>39,125</u>	<u>39,125</u>
Total revenues	92,226	92,226	222,326	130,100
EXPENDITURES				
Public safety				
Local emergency planning committee	<u>92,222</u>	<u>169,684</u>	<u>81,031</u>	<u>88,653</u>
Net change in fund balance	<u>\$ 4</u>	<u>\$ (77,458)</u>	141,295	<u>\$ 218,753</u>
FUND BALANCE - BEGINNING			<u>284,894</u>	
FUND BALANCE - ENDING			<u>\$ 426,189</u>	

KARNES COUNTY, TEXAS

**JUSTICE OF THE PEACE COURT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Charges for fees	\$ 15,700	\$ 15,700	\$ 8,704	\$ (6,996)
Interest	1,800	1,800	1,604	(196)
Total revenues	17,500	17,500	10,308	(7,192)
EXPENDITURES				
Judicial				
Court	15,775	15,775	10,306	5,469
Net change in fund balance	\$ 1,725	\$ 1,725	2	\$ (1,723)
FUND BALANCE - BEGINNING			183,997	
FUND BALANCE - ENDING			\$ 183,999	

KARNES COUNTY, TEXAS

**KCGF FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ 125	\$ 125	\$ 2,266	\$ 2,141
Miscellaneous	-	-	76,180	76,180
Total revenues	125	125	78,446	78,321
EXPENDITURES				
Public safety				
Sheriff	125,000	125,000	36,818	88,182
Capital outlay	-	-	-	-
Total expenditures	125,000	125,000	36,818	88,182
Net change in fund balance	<u>\$ (124,875)</u>	<u>\$ (124,875)</u>	41,628	<u>\$ 166,503</u>
FUND BALANCE - BEGINNING			<u>230,503</u>	
FUND BALANCE - ENDING			<u>\$ 272,131</u>	

KARNES COUNTY, TEXAS

**INTEREST AND SINKING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property	\$ -	\$ -	\$ 8,851	\$ 8,851
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>8,851</u>	<u>8,851</u>
EXPENDITURES				
Debt service				
Principal retirement	-	-	-	-
Interest retirement	-	-	1,673	(1,673)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,673</u>	<u>(1,673)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	7,178	<u>\$ 7,178</u>
FUND BALANCE - BEGINNING			<u>-</u>	
FUND BALANCE - ENDING			<u>\$ 7,178</u>	

KARNES COUNTY, TEXAS

**SHERIFF CONTRIBUTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ 100	\$ 100	\$ 162	\$ 62
Donations	<u> -</u>	<u> -</u>	<u>21,590</u>	<u>21,590</u>
Total revenues	100	100	21,752	21,652
 EXPENDITURES				
Public safety				
Sheriff	<u>3,000</u>	<u>3,000</u>	<u>13,519</u>	<u>(10,519)</u>
 Net change in fund balance	<u><u>\$ (2,900)</u></u>	<u><u>\$ (2,900)</u></u>	8,233	<u><u>\$ 11,133</u></u>
 FUND BALANCE - BEGINNING			<u>11,401</u>	
 FUND BALANCE - ENDING			<u><u>\$ 19,634</u></u>	

KARNES COUNTY, TEXAS

**LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 3,600	\$ 3,600	\$ 5,929	\$ 2,329
Interest	150	150	415	265
Total revenues	3,750	3,750	6,344	2,594
EXPENDITURES				
Current				
General administration				
Law library	5,000	5,000	3,133	1,867
Net change in fund balance	\$ (1,250)	\$ (1,250)	3,211	\$ 4,461
FUND BALANCE - BEGINNING			45,537	
FUND BALANCE - ENDING			\$ 48,748	

KARNES COUNTY, TEXAS

**COURT REPORTER FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property	\$ 29,316	\$ 29,316	\$ 29,109	\$ (207)
Charges for fees	2,900	2,900	2,701	(199)
Interest	<u>120</u>	<u>120</u>	<u>169</u>	<u>49</u>
Total revenues	32,336	32,336	31,979	(357)
 EXPENDITURES				
Current				
Judicial				
Judicial court	<u>32,366</u>	<u>32,366</u>	<u>16,113</u>	<u>16,253</u>
 Net change in fund balance	<u>\$ (30)</u>		15,866	<u>\$ 15,896</u>
 FUND BALANCE - BEGINNING			<u>11,327</u>	
 FUND BALANCE - ENDING			<u>\$ 27,193</u>	

KARNES COUNTY, TEXAS

**CONTRACT ELECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest	<u>500</u>	<u>500</u>	<u>417</u>	<u>(83)</u>
Total revenues	500	500	417	(83)
EXPENDITURES				
Current				
General administration				
Elections	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ 500</u></u>	<u><u>\$ 500</u></u>	417	<u><u>\$ (83)</u></u>
FUND BALANCE - BEGINNING			<u>47,381</u>	
FUND BALANCE - ENDING			<u><u>\$ 47,798</u></u>	

KARNES COUNTY, TEXAS

**EMS DONATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Donations	\$ -	\$ -	\$ 18,500	\$ 18,500
Interest	<u>30</u>	<u>30</u>	<u>211</u>	<u>181</u>
Total revenues	30	30	18,711	18,681
EXPENDITURES				
Current				
Public safety				
EMS	15,000	15,000	8,474	6,526
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	15,000	15,000	8,474	6,526
Net change in fund balance	<u>\$ 30</u>	<u>\$ 30</u>	10,237	<u>\$ 18,681</u>
FUND BALANCE - BEGINNING			<u>19,281</u>	
FUND BALANCE - ENDING			<u>\$ 29,518</u>	

KARNES COUNTY, TEXAS

**EMERGENCY SERVICES DISTRICT / RURAL FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property	\$ 977,523	\$ 977,523	\$ 973,151	\$ (4,372)
Interest	5,000	5,000	6,778	1,778
Total revenues	982,523	982,523	979,929	(2,594)
EXPENDITURES				
Current				
Public safety				
Fire	838,280	838,280	600,297	237,983
Net change in fund balance	\$ 144,243	\$ 144,243	379,632	\$ 235,389
FUND BALANCE - BEGINNING			263,659	
FUND BALANCE - ENDING			\$ 643,291	