

Nueces County, Texas



Comprehensive Annual
Financial Report

For the Fiscal Year Ended
September 30, 2020

NUECES COUNTY, TEXAS

Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2020



Prepared by:

Office of the County Auditor
Nueces County

NUECES COUNTY, TEXAS
Comprehensive Annual Financial Report
Year Ended 2020
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AIDEE HERNANDEZ, MBA
FIRST ASSISTANT

ELVA FUENTES, CFE
INTERNAL AUDIT SUPERVISOR

DALE ATCHLEY, CPA
COUNTY AUDITOR

LOURDES RIVERA
EXECUTIVE ACCOUNTANT

ANNA VELAZQUEZ, CPP
GRANTS / PAYROLL SUPERVISOR

901 LEOPARD STREET, RM. 304
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PHONE: (361) 88-0556 • FAX: (361) 888-0584

March 26, 2021

Honorable District Judges of Nueces County
Honorable Members of the Nueces County Commissioners Court
Citizens of Nueces County

The Comprehensive Annual Financial Report of Nueces County, Texas, for the fiscal year ended September 30, 2020, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

This report consists of management’s representations concerning the finances of Nueces County, Texas “The County”. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to protect the government’s assets, to compile sufficient reliable information for the preparation of the County’s financial statements, to manage operations in compliance with governing statutes and regulations, and to improve efficiency and effectiveness. Because the cost of internal controls should not outweigh their benefit, the County’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statement will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pattillo, Brown & Hill, LLP a firm of licensed certified public accountants, has audited the County’s financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County’s financial statements for the fiscal year ended September 30, 2020 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader federally mandated “Single Audit” as well as a state mandated “Single Audit” designed to meet the special needs of federal and

state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are located in the Federal and State Awarded Program section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of Nueces County

Nueces County has a long, unique history beginning in 1591 with the Spanish exploration of the New World. Alonso Alvarez de Piñeda founded what is now Corpus Christi Bay into which the Nueces River flows. The first permanent settlement on the Corpus Christi Bay was a trading post established by Colonel Henry Lawrence Kinney in 1838. It remained small and relatively unknown until July 1844 when General Zachary Taylor and his troops camped there for the winter. The army marched south to the Rio Grande for the beginning of the Mexican War in March 1845. Nueces County was formed from San Patricio County in 1846 the year after Texas became the 28th state. The geographic location of the County on the Gulf of Mexico and the Intercostal Waterway gives it one of the most strategic locations in the southwest as the home of the fifth largest port in the nation in cargo tonnage, major military installations, petrochemical industries and tourist attractions.

Nueces County is a public corporation and political subdivision of the State of Texas. The county seat is the City of Corpus Christi, the eighth largest city in the State. The general governing body of the County is the elected five-member Commissioners court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The county judge is elected at large to serve a four-year term.

The Commissioners court sets the tax rates, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the county auditor. The Commissioners court is also responsible for development of policies and orders pertaining to the approval of financial commitments and appointment of various department heads. The management and leadership provided by members of the Commissioners court and the elected and appointed officials of other departments are crucial to the success of the County's financial management and growth.

The county auditor has the responsibility of prescribing the systems and procedures for handling the finances of the County and "examining, auditing and approving" all disbursements from County funds prior to their submission to the Commissioners court for approval. The county auditor is appointed by the council of district judges for a two year term.

The County provides a variety of services to the public it serves. These services include operation of the district, county and justices of the peace judicial courts, voting operations for national, state and local elections, maintenance on and construction of county owned roads and bridges, recording functions relating to property rights and vital statistics, operation of the law enforcement agencies (sheriff and constables), operation of the county jail, operation of the public health department in conjunction with the City of Corpus Christi, operation of park and beach services department, operation of the county fairgrounds, operation of the county library, assistance to indigents, the provision of juvenile health and education and welfare services involving the care and correction of dependent or delinquent children, and managing the central property tax collections for multiple agencies.

The County has a significant operational and financial relationship with one legally separate entity: the Nueces County Hospital District is reported separately within the County's financial statements as a component unit. Additional information on the legally separate entity can be found in Note I.A. in the notes to the financial statements. The County does not have any blended component units included in this report.

The annual budget serves as the foundation for the County's financial planning and control. The county auditor serves as the County's budget officer. After requests have been submitted by County departments, a base line budget is presented to the Office of Commissioners Court Administration (OCCA) without any tax increases or personnel changes. The Commissioners court reviews the requests, adjusts budget requests to final form and conducts a public hearing. One copy of the proposed budget must be filed with the county clerk. Copies must be available to the public for inspection. The Commissioners court must hold a public hearing on the budget on some date within seven calendar days after the filing of the proposed budget and prior to October 31 of the current year.

Annual budgets are adopted for all governmental funds except for the Grants Fund and Capital Projects Fund which are project length budgets. Budgetary integration is not employed for the internal service fund because expenses are not controllable by management. The amounts budgeted for expenditures in various funds may not exceed the fund balances in those funds as of the first day of the fiscal year plus anticipated revenue for the fiscal year as estimated by the county auditor.

An appropriated budget is prepared by line item for the following expenditures: personnel expenditures (salaries and overtime), special personnel services (court appointed attorneys for example), insurance premiums, and other specific expenditures designated by Commissioners court in the general fund, road, airport, inland parks and coastal parks funds. Remaining expenditures, (non-personnel items mainly), are controlled at the category level. For all other special revenue funds, the legal level of control is at the fund level.

Budget transfers may be made among the line items, categories and departments only with the approval of the Commissioners court. Such transfers were made during the fiscal year but did not increase the County's overall budget. The budgets are prepared on a basis consistent with generally accepted accounting principles. The final budgets presented in this report reflect the budget amendments for all appropriation transfers processed during the fiscal year.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, the comparison is presented on page 41 as part of the basic financial statements for the governmental funds. For governmental funds with appropriated annual budgets, other than the general fund, and the U.S. Marshal contract, the comparisons are presented in the Supplemental Non-major Governmental Funds subsection of this report.

Local Economy

The County is the fifteenth largest county in the State of Texas with an estimated population of 362,562. The County has a varied manufacturing and industrial base. Major industries located within the County include industrial, petrochemical, health care, meat processing, banking and financial services.

New residential permits rose from 880 permits issued in 2011 to 1086 permits issued in 2020. The number of new commercial permits went from 214 permits issued in 2011 to 185 permits issued in 2020 with a value increase from \$172 million in 2011 to \$345.5 million in 2020. Employment in the region showed a slight decrease. There were 3,318 less jobs in the Corpus Christi area. September 2020 the unemployment rate in the region is 8.7% versus the State of Texas at 6.8% and the nation at 7.9%.

Future Economic Developments

The County experienced a pandemic on March 15, 2020, resulting from the coronavirus COVID -19. All financial activity related to COVID 19 is recorded in the Disaster Recovery department under the Special Revenue Fund. The Disaster Recovery department is used to account for disaster related expenditures, insurance proceeds, and Coronavirus Aid, Relief and Economic Security Act (CARES) grant distributions as well as other grants that are available. The County continues to evaluate the pandemics effects and anticipates reimbursements from the CARES Act and other federal agencies through Texas Department of Emergency Management (TDEM).

The fiscal impact of COVID-19 is aiming to be significant across the country. As the disaster evolves, the impact on counties bottom line will be driven not only by overall economic conditions but the parts of the economy where revenue is generated. The National Association of Counties released on May 05, 2020 an analysis of the financial impact of COVID-19 on County finances estimating an overall \$144 billion budgetary hit across all U.S. counties. Nueces County had to adjust regular operations and budgets in response to the pandemic. Increase on unexpected expenditures and loss in revenue will impact the county's finances.

Hurricane Hanna made landfall as a Category 1 hurricane on July 26, 2020 along the Gulf Coast of southern Texas causing serious flash flooding. Portion of the Padre Island's Bob Hall Pier structure collapsed due to the hurricane. A structural analysis will be required to determine the degree of the damage.

On July 28, 2020, the Texas Division of Emergency Management (TDEM) requested the Federal Emergency Management Agency (FEMA) conduct Joint Preliminary Damage Assessments (PDA) to assess damages to public infrastructure from Hurricane Hanna in Nueces County. The goal of the assessment was to determine if the level of damages met or exceeded county and state thresholds for the FEMA Public Assistance (PA) Grant Program. In order to be eligible for the FEMA PA program the state must incur uninsured damages that exceed the fiscal year 2021 threshold of \$38,975,620. In addition, each county must also prove uninsured damages that exceed a population-based threshold. Nueces County exceeded the county threshold of \$1,323,467 in eligible damages; however, the state threshold was not met for total damages. The request for a major disaster declaration and FEMA assistance was denied.

On February 10, 2021, the commissioners court requested Texas Governor Abbott to appeal the FEMA denial of Texas' Major Disaster Declaration request for Public Assistance for the affected Texas' counties, including Nueces County, following the Hurricane Hanna's landfall on July 26, 2020.

The State of Texas has begun construction of a new Harbor Bridge investing \$1 billion which will bring in many new construction jobs. Looking forward, our outlook is strong for continued growth in the near future. The Commissioners court continues to plan expenditures in a conservative manner. The 2019/2020 budget kept expenditures at or near the same levels as the prior budget with a few exceptions.

Long-term Financial Planning

Many factors were considered in preparing the County's budget for the 2019/2020 fiscal year. Through the budget process, the County Commissioners set the goals for the County. The County reaffirmed the policy of setting aside adequate financial resources in the fund balance of the general fund to ensure that current and future services or operations would not be severely impacted by any economic slowdown, emergency, national disaster or any unforeseen circumstance. The priorities inherent to the 2019/2020 budget and future budgets are to make county government: (1) communicative and open to the public and departmental staff; (2) have attainable county and realistic budgets to enhance accountability; (3) recognize employee talent by awarding a

continuance pay for every three years of service, (4) establish procedures that are in compliance with statutory requirements and (5) utilize technology to improve efficiency.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Nueces County for its comprehensive annual financial report (annual report) for the fiscal year ended September 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual report, whose contents conform to program standards. The annual report must satisfy both accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last twenty-seven years (fiscal years ended 1993 through 2019). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA on March 31, 2021.

Additionally, Nueces County received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the 2019 fiscal year beginning October 1, 2018. This is the fifth year that the government has achieved this award. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories, including a policy statement, a financial plan, an operations guide, and a communications device. A Distinguished Budget Presentation Award is valid for a period of one year only.

The preparation of the AR could not have been possible without the efficient and dedicated services of the entire staff of the Office of County Auditor. I also thank the members of the Commissioners court and their staff and all other county officials, department heads, and employees who have given their support in planning and conducting the financial operations of the County in a responsible manner.

Finally, I would like to thank the Board of District Judges for their support and guidance in matters relating to the discharge of my duties as county auditor. I am honored to serve the citizens of this County and to work with the outstanding officials and employees that help make Nueces County a great place to live.

Respectfully submitted,
NUECES COUNTY AUDITOR

A handwritten signature in blue ink that reads "Dale Atchley, CPA". The signature is written in a cursive style.

Dale Atchley, CPA



Government Finance Officers Association

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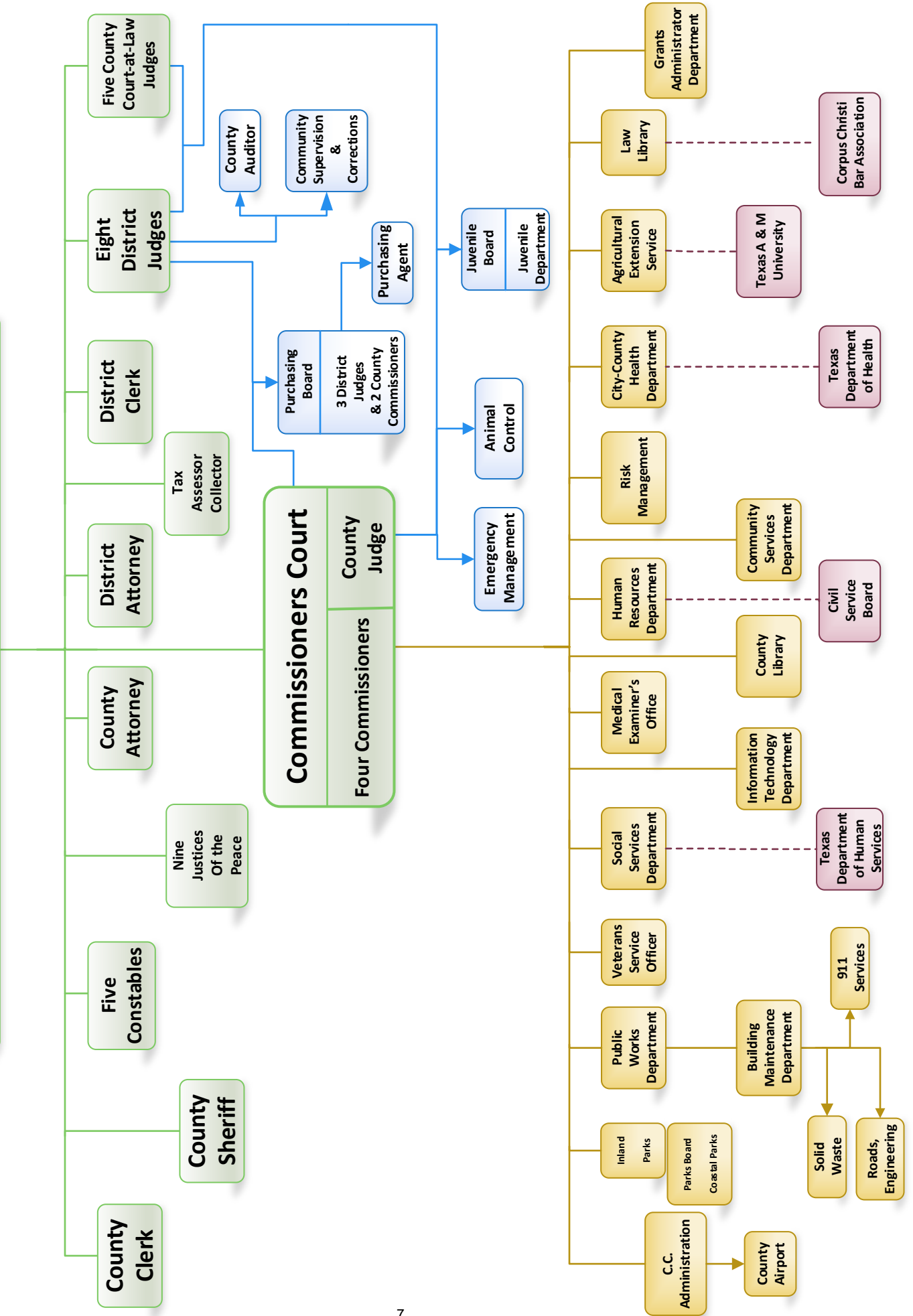
for its Comprehensive Annual Financial Report
for the Fiscal Year Ended

September 30, 2019

Executive Director/CEO

Christopher P. Morrill

Citizens of Nueces County



Nueces County, Texas

List of Principal Officials

Elected Officials		Appointed Officials & Dept. Directors	
Barbara Canales	County Judge	Ida G, Garza	County Librarian
Carolyn Vaughn	County Commissioner Pct. 1	Norma Alicia Davila	County Extension Agent
Joe A. Gonzalez	County Commissioner Pct. 2	Lance Murphy	Chief Information Officer
John Marez	County Commissioner Pct. 3	Jason Ott	County Extension Agent
Brent Chesney	County Commissioner Pct. 4	Timothy Everest	Risk Manager
Laura A. Jimenez	County Attorney	Juan J. De La Cerda, Jr.	Veteran's Service Officer
Kara Sands	County Clerk	Adel Shaker	Medical Examiner
Kevin Kieschnick	Tax Assessor-Collector	Julie Guerra	Director of Human Services
Robert J. Vargas	County Court at Law 1	Dale Atchley, CPA	County Auditor
Lisa Gonzales	County Court at Law 2	Edward Herrera	Director of Community Services & Inland Parks
Deeanne Galvan	County Court at Law 3		Grants Administrator
Mark Woerner	County Court at Law 4	Maria Bedia	Court Administrator
Timothy McCoy	County Court at Law 5	Marilee Roberts	Director of Social Services
Nanette Hasette	28th District Court	Rebecca Rach	Director of Coastal Parks
Bobby Galvan	94th District Court	Scott Cross	Director of Public Health
Jack Pulcher	105th District Court	Annette Rodriguez	Purchasing Agent
Sandra Watts	117th District Court	Michael R. Robinson	County Road Engineer
Carlos Valdez	148th District Court	Juan Pimentel	Legal Advisor, Director
Inna Klein	214th District Court	Rebecca G. Flanigan	Chief Juvenile Probation Officer
David Stith	319th District Court	Homer Flores	NC Commissioner Court Manager
Missy Medary	347th District Court	Tyner Little, III	Emergency Management Coord.
Mark Gonzales	District Attorney	Melissa Munguia	
Anne E. Lorentzen	District Clerk		
Joe Benavides	Justice of the Peace 1-1		
Henry A. Santana	Justice of the Peace 1-2		
Luz Rubio	Justice of the Peace 1-3		
Jo Woosley	Justice of the Peace 2-1		
Thelma Rodriguez	Justice of the Peace 2-2		
Larry Lawrence	Justice of the Peace 3		
Daniel D. Neblett, Jr.	Justice of the Peace 4		
Roberto H. Gonzalez, Jr.	Justice of the Peace 5-1		
Armondo B. Gonzalez, Jr.	Justice of the Peace 5-2		
John C. Hooper	Sheriff		
Robert Cisneros	Constable Pct. 1		
Mitchell Clark	Constable Pct. 2		
Jimmy Rivera	Constable Pct. 3		
Robert W. Sherwood	Constable Pct. 4		
Frank Flores, III	Constable Pct. 5		

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable County Judge and
Commissioners' Court
Nueces County, Texas

Report of the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Nueces County Hospital District whose assets were \$131,226,083 and revenues were \$124,466,886. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Nueces County Hospital District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Nueces County, Texas, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the U.S. Marshal Contract Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information 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 Nueces County, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, statistical section and the schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basis financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021, on our consideration of the Nueces County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Nueces County, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nueces County, Texas' internal control over financial reporting and compliance.

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

Waco, Texas
March 26, 2021



Nueces County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Nueces County, Texas (County), offers readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here and in conjunction with the additional information we are furnishing in our letter of transmittal, which can be found beginning on page of this report, the basic financial statements, and the accompanying notes to those financial statements. This management discussion and analysis (MD&A) includes comparative data for the prior year.

FINANCIAL HIGHLIGHTS

- The County's government-wide total assets and deferred outflows (excluding component units) at fiscal year-end exceeded its liabilities and deferred inflows of resources by \$96,996,494. Net position increased by \$1,671,629 or 1.75% compared to the prior year.
- The County's governmental funds in contrast to the government-wide statements reports a combined ending fund balance of \$108,586,375; an increase of \$27,351,312 in comparison with the prior year.
- The general fund total fund balance of \$25,001,104 reflects a increase of \$2,306,494 from the previous year. The total remaining in unassigned is 0 after adjusting for amounts for prepaid items and inventories (non-spendable) and the minimum general fund reserve of fund balance (committed).
- The County's general obligation debt increased by \$84,070,000 due to a new bond issuance of \$40,310,000 and a refunding issuance of \$43,760,000. The balance of general obligation debt at year end is \$146,094,043. The debt service fund balance is \$4,038,134 or 29.99% of next year's debt service requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other information in addition to the basic financial statements. Please see the supplementary information and statistical sections toward the end of this report.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. They present the financial picture of the County from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets of the County and all liabilities. Additionally, certain adjustments have occurred to eliminate duplications in regard to inter-fund activity such as premiums charged by the self-insurance fund, transfers, receivables and payables.

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

The *Statement of Activities* presents information showing how the government's net position changed during 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 produce cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, buildings and facilities, administration of justice, law enforcement and corrections, social services, health, safety and

sanitation, agriculture, education and consumer sciences, roads, bridges and transportation (includes rural airport), and parks and recreation.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate hospital district for which the County is financially accountable. Financial information for *component units* is reported separately from the financial information for the *primary government*.

The government-wide financial statements can be found on pages 33-35 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County maintains twenty-seven governmental funds (excluding proprietary and fiduciary funds): twenty-four special revenue funds, a debt service fund, a capital projects fund, and the general fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund, U.S. Marshal Contract fund, and capital projects fund, which are all considered major funds under the classification guidelines issued by GASB. Although the debt service fund did not meet the criteria to be reported as a major fund, the County has voluntarily elected to report as such. Data from the other twenty-three special revenue 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 the report.

The County adopts annual appropriated budgets for all its governmental funds except for its capital projects and grant funds. A budgetary comparison statement has been provided for the general fund and the U.S. Marshal Contract fund to demonstrate budgetary compliance. A budget comparison statement is not presented for the capital projects fund because an annual budget is not adopted on the capital projects fund. Multi-year individual project budgets are adopted and maintained instead. Schedules of budget to actual are presented for all remaining funds elsewhere in the report except the grants fund for which an annual budget is not adopted similar to the capital projects fund. The governmental fund financial statements can be found on pages 36-45 of this report followed by the *Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual* for the general fund and the U.S. Marshal Contract fund.

Proprietary funds. The County maintains one type of proprietary fund, an internal service fund. The internal service fund is used to report activities of the County's self-insurance program. Because these services predominantly benefit governmental rather than business-type functions, the internal service fund is reported with *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is presented as a single presentation in the proprietary fund financial statements. Individual fund data for the internal

service fund is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found on pages 46-48 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The funds in custody are held for community supervision and corrections department (CSCD), metropolitan planning organization (MPO), dispute resolutions center, the district clerk court registry, and the permanent school fund.

The basic fiduciary fund financial statements can be found on page 49 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 beginning on page 51 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 84-88 of this report.

Immediately following the notes and the required supplementary information on pensions are the combining statements referred to earlier in connection with the nonmajor governmental funds, the internal service fund, debt service fund, and the fiduciary funds. Combining and individual fund statements and schedules can be found on pages 89-116 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government’s financial position as stated earlier. The County’s assets plus the deferred outflows of resources exceeded liabilities plus deferred inflows of resources at the close of the fiscal year by \$96,996,494 and are summarized below along with comparative data from the previous year.

	Governmental Activities	
	Fiscal Year 19/20	Fiscal Year 18/19
Current and other Assets	\$154,419,406	\$125,686,082
Capital Assets(net of depreciation)	<u>168,066,237</u>	<u>166,311,826</u>
Total Assets	322,485,642	291,997,908
Loss on refunding debt	1,552,344	1,661,450
Deferred pension	<u>6,798,630</u>	<u>26,841,651</u>
Total deferred outflow of resources	8,350,974	28,503,101
Current and other liabilities	34,077,473	37,758,828
Long term liabilities	<u>188,490,250</u>	<u>185,618,443</u>
Total liabilities	222,567,723	223,377,271
Deferred pensions	<u>11,272,399</u>	<u>1,798,872</u>
Total deferred inflows of resources	11,272,399	1,798,872
Net Position		
Invested in capital assets	48,568,147	44,804,731
Restricted	19,295,802	21,384,157
Unrestricted	<u>29,132,545</u>	<u>29,135,977</u>
Total net position - restated	\$96,996,494	\$95,324,865

Current and other assets increased by \$28,733,324 or 22.86%. For governmental activities, there was an increase of \$11,670,902 million in cash and cash equivalents, largely due to the improved cash position of the County's general fund and the U.S. Marshal Contract Fund. In addition, receivables showed an increase of \$10,821,7287 million due to reimbursement request for COVID 19 expenses.

Capital assets (net of depreciation) increased by \$1,754,411 or 1.05%. For 2020, capital assets additions were \$13,243,925, offset by accumulated depreciation of \$(11,448,198) and net loss on disposal of capital asset of \$(41,316).

Deferred outflows of resources decreased by \$(20,152,127) attributable to pension related deferrals in fiscal year 2020 including an additional \$958,724 in employer contributions made subsequent to measurement date, offset with (\$411,008) in changes of assumptions or other inputs, and (\$11,183,877) in the net difference between projected and actual earnings on pension plan investments. The decrease also includes (\$485,525) of amortization from the loss on refunding of debt.

Current and other liabilities decreased by \$(3,681,355) or -9.75%. Long-term liabilities increased by \$2,871,807 or 1.55% compared to the prior year.

The total pension related deferred inflows increased by \$9,473,527 from the prior year. These amounts vary year to year due to differences between projected and actual experience, assumption changes and changes in proportion, as required by GASB 68. Pension matters are discussed in more detail in Note V.C in the notes to the financial statements.

The largest portion of the County's net position 50.07% reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, software systems, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding.

The County's investment in its capital assets is reported net of related debt. It should be noted that the resources needed to repay this debt must be provided for from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Restricted net position totaled \$19,295,802 and comprised 19.89% of total net position. Restricted resources are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and grant conditions. The remaining balance of net position is *unrestricted net position* which totaled \$29,132,545 and may be used to meet any county obligations. The County is able to report positive balances in all three categories of net position at the end of the current fiscal year.

Governmental activities. Governmental activities decreased the County's net position. Total revenues increased by \$11,867,370 and total expenses increased by \$7,917,988 in comparison to the prior year. The change in net position for this current fiscal year was a net increase of \$1,338,795 making the ending balance of net position equal to \$96,996,494. Key elements of this increase are discussed below.

The governmental activities change in net position is displayed in a table on the following page. The previous year comparative data is also shown.

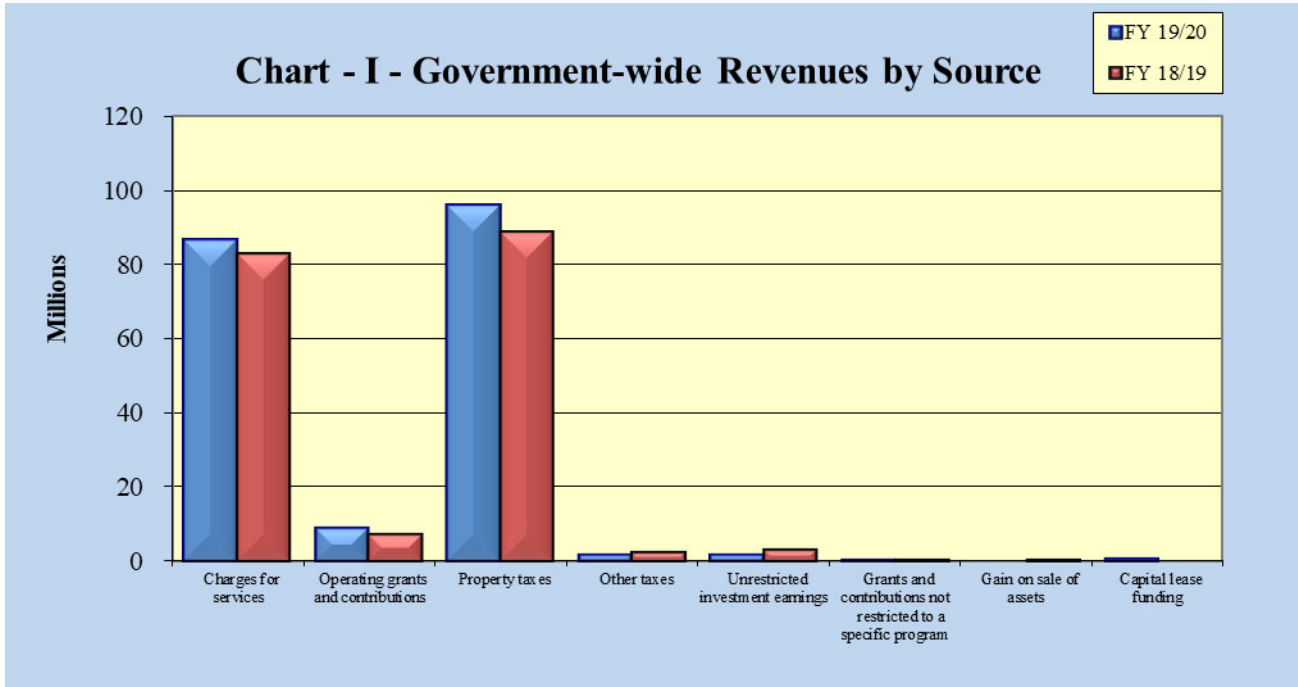
Changes in Net Position
Governmental Activities

	FY 19/20	Percent of Total	FY 18/19	Percent of Total	Difference	Percent of Change
Revenues:						
Program revenues:						
Charges for services	\$86,847,745	44.27%	\$83,039,170	45.06%	\$3,808,575	4.59%
Operating grants and contributions	8,473,372	4.32%	6,996,324	3.80%	1,477,048	21.11%
Capital grants and contributions	556,508	0.28%	-	0.00%	556,508	0.00%
General Revenues:						
Property taxes	96,151,297	49.02%	88,816,056	48.19%	7,335,241	8.26%
Other taxes	1,721,910	0.88%	2,190,080	1.19%	(468,170)	-21.38%
Unrestricted Investment earnings	1,741,570	0.89%	2,951,559	1.60%	(1,209,989)	-40.99%
Grants and contributions not restricted to specific programs	230,139	0.12%	289,232	0.16%	(59,093)	-20.43%
		0.00%		0.00%		-
Gain on sale of assets	-		8,250		(8,250)	100.00%
Miscellaneous	435,500	0.22%	-	0.00%	435,500	0.00%
Total revenues	<u>196,158,042</u>	100.00%	<u>184,290,672</u>	100.00%	<u>11,867,370</u>	6.44%
Expenses:						
General government:						
Buildings and facilities	12,898,889	6.62%	12,014,510	6.43%	884,379	7.36%
Administration of justice	27,982,796	14.36%	27,811,936	14.88%	170,860	0.61%
Law enforcement and corrections	92,594,848	47.53%	88,918,333	47.58%	3,676,515	4.13%
Social services	3,321,094	1.70%	3,033,084	1.62%	288,010	9.50%
Health, safety and sanitation	2,628,750	1.35%	2,376,992	1.27%	251,758	10.59%
Agriculture, education and consumer sciences	1,068,151	0.55%	990,476	0.53%	77,675	7.84%
Roads, bridges and transportation	12,500,063	6.42%	13,029,411	6.97%	(529,348)	-4.06%
Parks and recreation	8,677,562	4.45%	6,672,520	3.57%	2,005,042	30.05%
Interest on long-term debt	6,805,569	3.49%	5,970,534	3.19%	835,035	13.99%
Total Expenses	<u>194,819,246</u>	100.00%	<u>186,901,258</u>	100.00%	<u>7,917,988</u>	4.24%
Increase (Decrease) in net position	1,338,795		(2,610,587)		3,949,381	151.28%
Net position - beginning	<u>95,657,699</u>		<u>98,268,286</u>		<u>(2,610,587)</u>	-2.66%
Net position - ending restated	<u>\$96,996,494</u>		<u>\$95,657,699</u>		<u>\$1,338,795</u>	1.40%

REVENUES - Total revenues increased by \$11,867,370 as shown in the table above. Property taxes increased by \$7,335,241, due to adopting a tax rate above the effective tax rate, and an increase in the property valuation.

Gain on the sale of assets decreased by \$(8,250). Operating grants and contributions decreased by \$1,477,048 which is mainly due to a decrease in grant funding. Other taxes reflect an increase of \$(468,170). Grants and contributions not restricted to specific programs increased by \$(59,093).

Investment earnings were \$(1,209,989) higher than the prior year. This increase was mainly attributable to higher than average monthly rates in one of the County's external investment pools as compared to the prior year.



The County’s government-wide revenue sources are graphically presented in Chart-I. Countywide, 49.02% of total revenues come from property taxes. The second largest revenue source, 44.27% comes from charges for services, which in addition to the fees collected in conjunction with the US Marshal Contract also includes fees of office, medical examiner fees, fine collections, motor vehicle registrations and intergovernmental tax collection fees. Operating grants and contributions comprise 4.60% of the County’s total revenues and cover juvenile, senior community services, law enforcement, child support, and other operations.

Chart IIA compares the net of program revenues and expenses for fiscal year 2019.

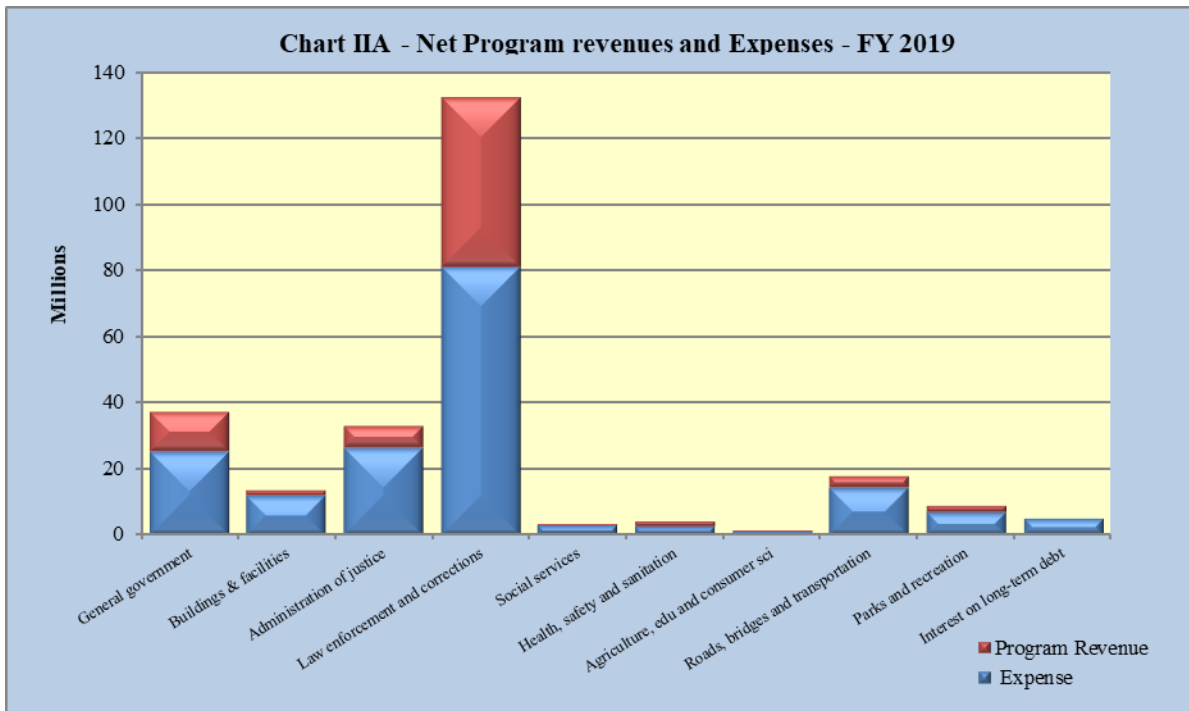
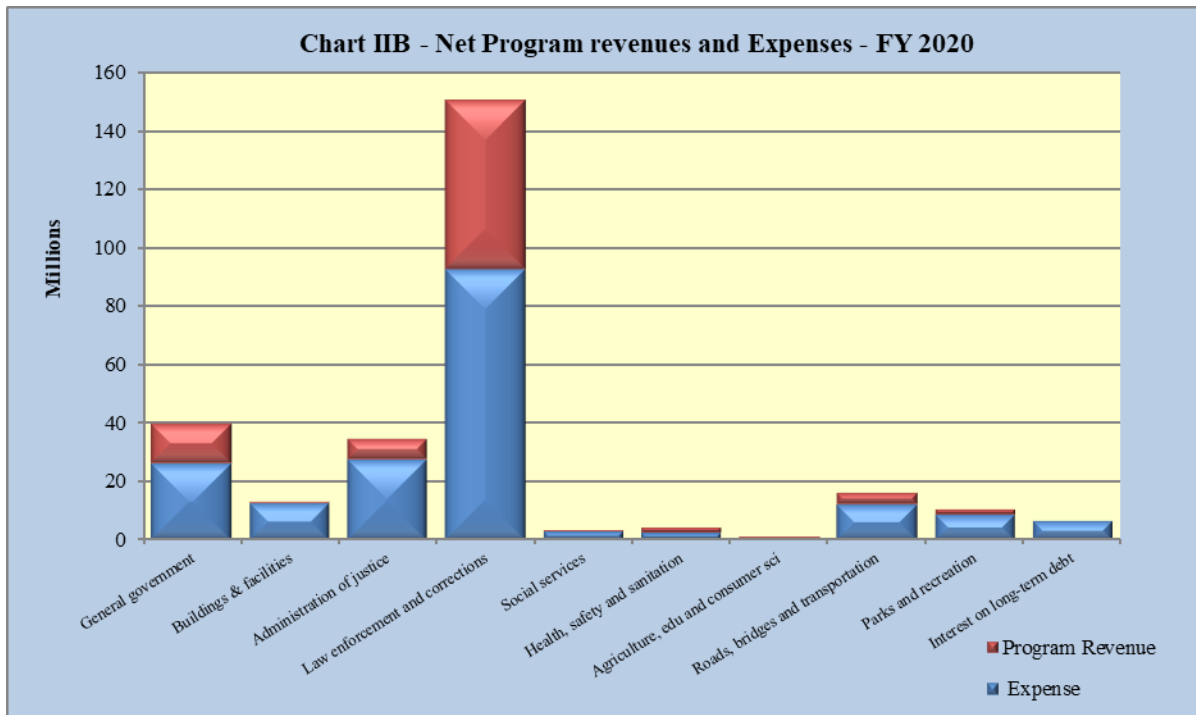


Chart IIB compares the net of program revenues and expenses for fiscal year 2020. In comparing Chart IIA and Chart IIB, they appear to remain very similar.



EXPENSES - Expenses increased by \$7,917,988 or 4.24%. The largest increases in expenses were in law enforcement and administration of justice. The increases in law enforcement and administration of justice were due to increases in personnel expenses for each function.

Program revenues in Chart IIB are matched up with the corresponding governmental activity to show what activities are most dependent on property taxes. As Chart IIB shows, the activity with the lowest net program expense is agriculture, education, and consumer sciences. A large portion of the activity costs of law enforcement, administration of justice, and general government are paid for with program revenues. No excess program revenues are noted in any governmental activity. All governmental activities rely on property tax revenue to maintain services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements as noted earlier. Fund accounting and budget controls are the framework of the County's fiscal management system and for recording accountability. On November 26, 2019 Moody's issued their rating to the County. Moody's increased their credit rating on the County's outstanding bonds to "Aa2". The negative outlook was removed due to improvements to the County financial position in fiscal 2019.

Governmental funds. The focus on the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements.

The County's governmental funds reported combined ending fund balances of \$108,586,375 at the end of the current fiscal year, an increase by \$27,351,312 in comparison with the prior year. Ending balances of governmental funds decreased by \$(462,733) excluding capital projects fund.

The general fund is the chief operating fund of the County. The total general fund balance at the end of the current fiscal year was \$25,001,104. The total fund balance increased by \$2,306,494 compared to the previous year. The total fund balance represents 25% of the sum of total general fund budgeted and transfer in revenues. The Commissioners court adopted a resolution and order on August 28, 2019, establishing the financial guidelines for the minimum general fund reserve of 25% of general fund 2019-2020 budgeted revenues and transfers in to maintain sound fiscal policies and an excellent bond rating. The 25% fund balance reserve was considered necessary since Nueces County is a coastal county and as such has a higher exposure to risk. The minimum general fund reserve for the year ended September 30, 2020, was expected to be \$25,137,021. However, the actual ending general fund balance was \$25,001,104. Applying the total fund balance toward the general fund expenditures and transfers out approximates 3.77 months of operating expenditures.

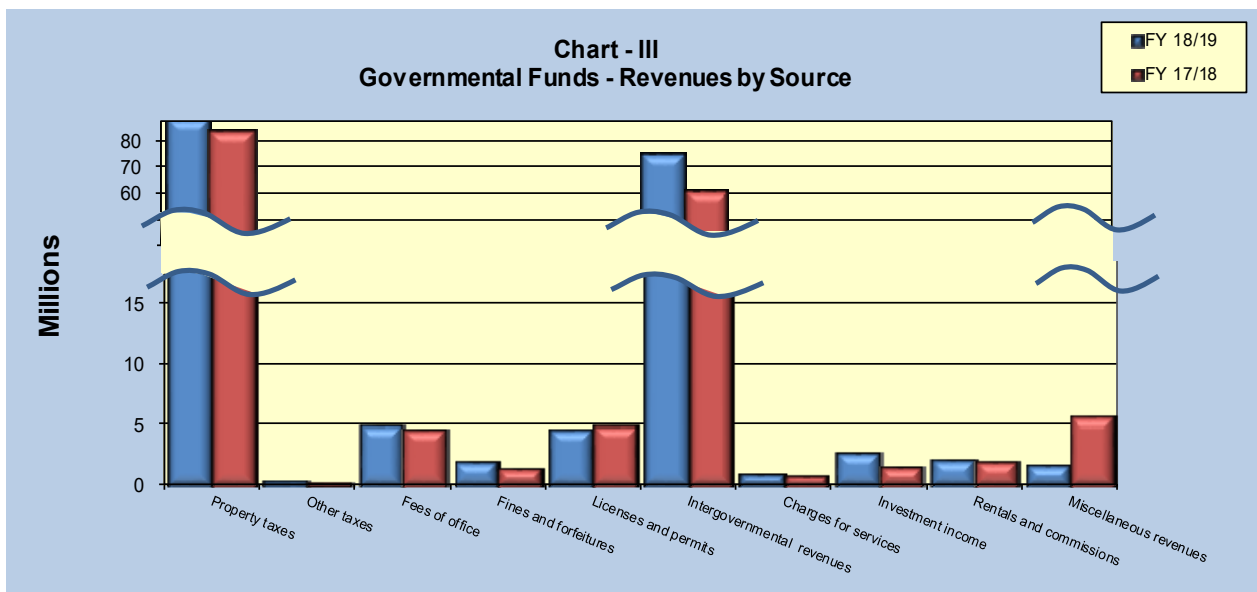
The debt service fund is considered a major fund because the liabilities revenues and expenditures each exceeded 10% of total liabilities of all governmental funds. The debt service fund closed with an ending fund balance of \$4,038,134 which resulted in a net decrease of \$(681,172) as compared to prior year. The reduction in fund balance was due to the interest paid on the issuance of addition debt within the year. Debt service payments and transfers out totaled \$63,943,275 and revenues and transfers in totaled \$13,469,389. The debt service tax rate of 0.042126 appears correct for practical purposes when comparing the revenues to debt service requirements. The ending fund balance in the debt service fund at year end will be applied to future debt payments.

The U.S. Marshal Contract fund is considered a major fund consistent with previous years, because the liabilities revenues and expenditures each exceeded 10% of total liabilities of all governmental funds. This special revenue fund accounts for the federal inmates that the County houses under a contract with the U.S. Marshal Service. However, the County sub-contracts with a private prison for placing the federal inmates instead of housing the inmates in the county jail. Several modifications to the per-diem and guard/transportation rates with the U.S. Marshal Services as well as with the private prison operators were effective during the fiscal year ended September 30, 2020, to adjust the wages for department of labor wage determinations and to reflect the annual wage rate of the collective bargaining agreement; however, there were no changes to the County’s negotiated fee. The remaining fund balance was \$274,162. There was a net decrease in fund balance of \$(20,855) at the end of the fiscal year. Note D.8 in the notes to the financial statements contains additional information regarding fund balance matters.

The capital projects fund is used to account for all of the major capital projects that are funded by either debt instruments or the general fund. The remaining fund balance at fiscal year-end was \$57,823,451, which is a net increase of \$27,814,046 when compared to prior fiscal year. The funds received and subsequently distributed and are included in issuance of debt under other financing sources and the roads, bridges and airport expenditure function, respectively, on the *Statement of Revenues, Expenditures, and Changes in Fund Balances*.

Other governmental funds have a total combined fund balance of \$21,449,524. The road and bridge fund is included within this category, as well as the other funds restricted to specific purposes. The total combined other governmental fund balance decreased by \$(2,067,201).

Please refer to next page Chart III, Revenues by Source, for a graphic presentation of the table. Revenues are comparably constant in all categories, except for intergovernmental revenue, rentals and commissions and miscellaneous revenues.



The table on the next page presents revenues by source with comparisons to the prior year. All the funds are included but most of the changes are due to the general fund and U.S. Marshal Contract fund.

Governmental Funds – Revenues by Source

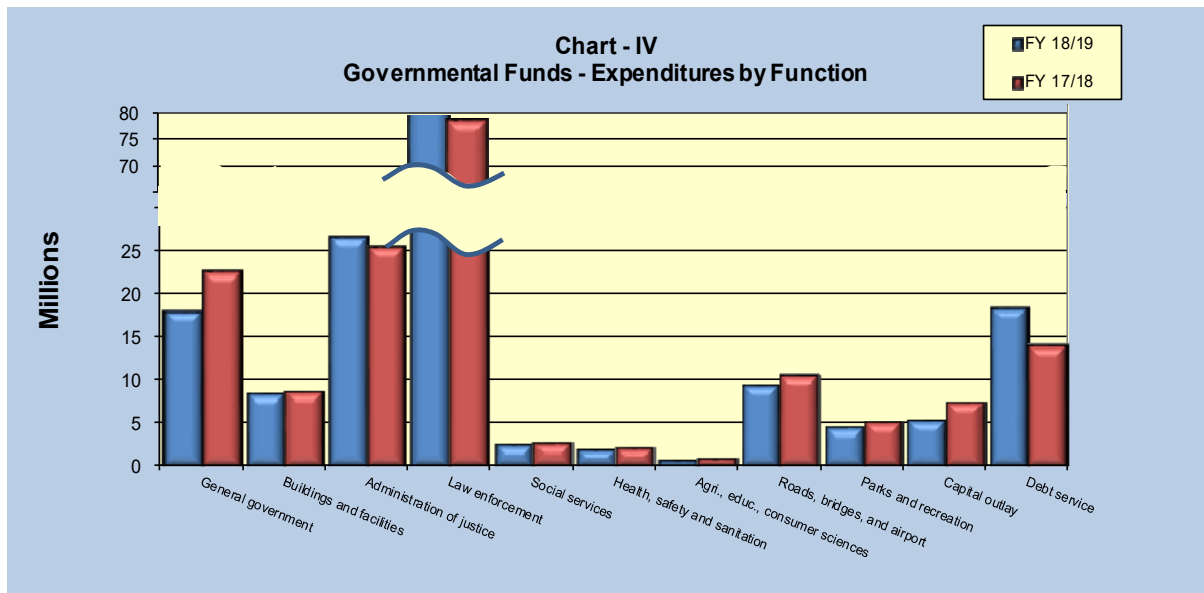
	FY 19/20	Percent of Total	FY 18/19	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$94,257,070	32.70%	\$89,025,606	42.86%	\$5,231,464	5.88%
Other taxes	395,492	0.14%	394,386	0.19%	1,107	0.28%
Fees of office	4,685,913	1.63%	5,050,127	2.43%	(364,214)	-7.21%
Fines and forfeitures	1,435,559	0.50%	2,115,743	1.02%	(680,183)	-32.15%
Licenses and permits	4,312,637	1.50%	4,725,400	2.28%	(412,762)	-8.73%
Intergovernmental revenues	73,044,595	25.34%	75,078,027	36.15%	(2,033,433)	-2.71%
Charges for services	875,377	0.30%	1,065,156	0.51%	(189,779)	-17.82%
Investment income	1,689,195	0.59%	2,834,809	1.36%	(1,145,614)	-40.41%
Rentals and commissions	2,040,316	0.71%	2,182,014	1.05%	(141,698)	-6.49%
Miscellaneous revenues	<u>2,093,969</u>	<u>0.73%</u>	<u>1,758,729</u>	<u>0.85%</u>	<u>335,239</u>	19.06%
Total revenues	184,830,123	64.12%	184,229,997	88.70%	600,126	0.33%
Other Financing Sources						
Sale of Assets	-	0.00%	8,250	0.00%	(8,250)	-100.00%
Transfers in	12,869,466	4.46%	12,328,518	5.94%	540,948	4.39%
Capital lease funding	-	0.00%	-	0.00%	-	0.00%
Issuance of debt	84,505,500	29.32%	11,125,000	5.36%	73,380,500	659.60%
Premium(discount) on sale of bonds	<u>6,032,714</u>	<u>2.09%</u>	<u>-</u>	<u>0.00%</u>	<u>6,032,714</u>	0.00%
Total revenues & other financing sources	<u>\$288,237,803</u>	100.00%	<u>\$207,691,765</u>	100.00%	<u>\$80,546,038</u>	38.78%

Some observations on the revenues are as follows:

- The increase in property tax revenues of \$5,231,464 an increase of 5.88%, is attributed to an increase in the net taxable value and adopting a tax rate above the effective rate.
- The decrease of (\$680,183) in fines and forfeitures is mainly attributable to decreases in collections due to the coronavirus pandemic closing of the courtrooms and other park activities.
- The decrease of \$(412,762) in licenses and permits is due to decreases in motor vehicle registration commissions and decreases in car title commissions. There was also decreases in motor vehicle registration handling fees
- The decrease of (\$2,033,430) in intergovernmental revenues is the result of reduction in revenues collected under the U.S. Marshal Service contract.
- The decrease in investment income, (\$1,145,614) is mainly attributable to the lowering of average monthly rates in one of the County's external investment pools as compared to the prior year due to the coronavirus.
- The \$540,948 increase in transfers in is due to increases in funding needed by other funds within the county.
- Issuance of debt on sale of bonds increased by \$84,070,000, due to a new bond issuance of \$40,310,000 and a refunding issuance of \$43,760,000 Series 2019.

The remaining revenue categories show no significant change from the previous year.

Please refer to Chart IV, Governmental Funds - Expenditures by Function, below for a graphic presentation of the table shown below.



The table below presents a comparison of expenditures by function with the prior year. All the funds are included but as with revenues, most of the changes are due to the general fund and U.S. Marshal Contract Fund.

Governmental Funds – Expenditures By Function

	FY 19/20	Percent of Total	FY 18/19	Percent of Total	Increase (Decrease)	Percent of Change
General government	\$24,443,981	9.31%	\$18,362,556	9.29%	\$6,081,424	33.12%
Buildings and facilities	9,497,084	3.62%	8,613,720	4.36%	883,363	10.26%
Administration of justice	26,138,798	9.95%	26,851,792	13.59%	(712,994)	-2.66%
Law enforcement	88,786,134	33.81%	86,459,335	43.76%	2,326,798	2.69%
Social services	3,120,263	1.19%	2,910,993	1.47%	209,270	7.19%
Health, safety and sanitation	2,370,410	0.90%	2,220,852	1.12%	149,558	6.73%
Agri., educ., consumer sciences	979,208	0.37%	918,032	0.46%	61,176	6.66%
Roads, bridges, and airport	8,946,443	3.41%	9,611,281	4.86%	(664,838)	-6.92%
Parks and recreation	6,547,503	2.49%	4,877,635	2.47%	1,669,868	34.24%
Capital outlay	13,243,924	5.04%	5,778,846	2.92%	7,465,078	129.18%
Debt service	65,695,430	25.01%	18,656,231	9.44%	47,039,199	252.14%
Total expenditures	249,769,179	95.10%	185,261,274	93.76%	64,507,905	34.82%
Other financing uses						
Transfers out	12,869,466	4.90%	12,328,518	6.24%	540,948	4.39%
Refunding escrow payments	-	0.00%	-	0.00%	-	0.00%
Total expenditures and transfers out	\$262,638,645	100.00%	\$197,589,793	100.00%	\$65,048,852	32.92%

Total expenditures increased by \$64,507,905 or by 34.82% compared to the prior year. The largest increases were from debt service, capital outlay, general government, law enforcement, and parks and recreation. Debt service increased by \$47,039,199 or 252.14% due to the refunding of prior debt.

Capital outlay increased by \$7,465,078 due to the completion of several capital projects started and completed this fiscal year.

The \$6,081,424 increase in general government is due to increases in expenditures due to the COVID-19 pandemic.

The \$1,669,868 increase in parks and recreation is due to increases in personnel costs from the 2.5% continuance pay for eligible employees and increases in the cost of building insurance incurred during the year.

Other significant increases in expenditures across functions were due to increases in personnel costs from the 2.5% continuance pay for eligible employees, the increase in the retirement costs, the overtime specifically in the law enforcement function.

In summary, total governmental fund balances increased by \$27,351,312. Combined fund balances for all governmental funds totaled \$108,235,335.

Proprietary funds. The County's only type of proprietary fund is an internal service fund, commonly referred to as the self-insurance fund. The proprietary fund is not included in with the governmental funds just described, but is combined with financial results presented on the government-wide basis. The self- insurance fund reports all liabilities on the full accrual basis. Complete details on each fund can be found on pages 110-112.

Unrestricted net position of the self-insurance fund at the end of the year amounted to \$1,310,716 with \$344,391 belonging to the workers compensation fund, \$116,556 belonging to the general liability fund, and \$849,769 belonging to the group health insurance fund.

GENERAL FUND

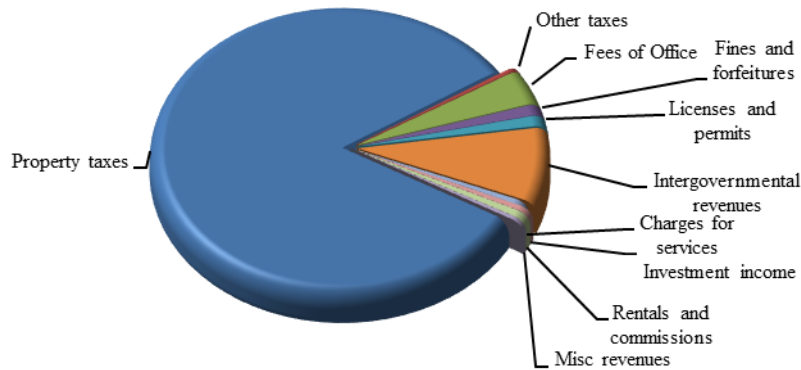
Financial analysis

Previous discussions on the results of operations under the governmental activities and governmental funds sections are also relevant to the general fund in most areas since it is the main operating major fund. The following two tables compare general fund prior year to current for the revenues and expenditures. Two pie charts are also included as a representation of the general fund revenues and expenditures for the current year.

General Fund Actual Revenues Comparison to Prior Year Actual

	FY 19/20	Percent of Total	FY 18/19	Percent of Total	Variance Increase	Percentage of Change
Property taxes	\$80,325,982	81.21%	\$75,288,213	78.62%	\$5,037,769	6.69%
Other taxes	395,492	0.40%	384,474	0.40%	11,018	2.87%
Fees of Office	3,822,679	3.86%	4,106,529	4.29%	(283,851)	-6.91%
Fines and forfeitures	1,188,124	1.20%	1,553,869	1.62%	(365,744)	-23.54%
Licenses and permits	1,179,573	1.19%	1,419,056	1.48%	(239,483)	-16.88%
Intergovernmental revenues	8,236,845	8.33%	8,614,760	9.00%	(377,915)	-4.39%
Charges for services	520,303	0.53%	555,545	0.58%	(35,241)	-6.34%
Investment income	547,001	0.55%	1,167,906	1.22%	(620,905)	-53.16%
Rentals and commissions	725,470	0.73%	777,629	0.81%	(52,159)	-6.71%
Misc revenues	385,502	0.39%	315,770	0.33%	69,732	22.08%
Total revenues	<u>97,326,972</u>	<u>98.40%</u>	<u>94,183,750</u>	<u>98.35%</u>	<u>3,143,222</u>	<u>3.34%</u>
Other Financing Sources						
Transfers-in	1,584,057	1.60%	1,584,376	1.65%	(319)	-0.02%
Total Revenues & Other Financing Sources	<u>\$98,911,029</u>	<u>100.00%</u>	<u>\$95,768,126</u>	<u>100.00%</u>	<u>\$3,142,903</u>	<u>3.28%</u>

FY 19/20 General Fund Revenues



Some observations of the general fund revenues when compared to the prior year are as follows:

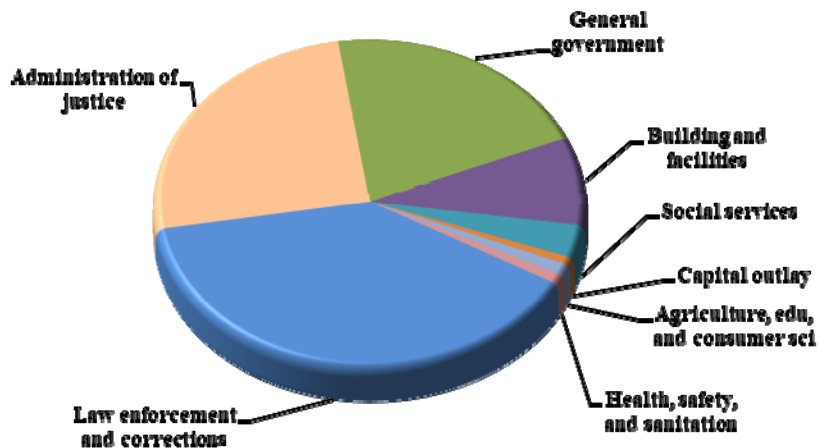
- The 6.69% increase in property tax revenues is attributable to an increase in the net taxable value and adopting a tax rate above the effective tax rate to cover increase in appropriations for the fiscal year.
- Fees of office decreased by \$(283,851) or -6.91% due to increases in Justice of the Peace deferred adjudication and filing fees followed by constable serving paper fees.
- Fines and forfeitures decreased by \$(365,744) or -23.54% due to an increase in the County Clerk collections as the result of a shift in the continuous focus of resources from a software conversion.
- Licenses and permits decreased by \$(239,483) or -16.88% due to decreases in motor vehicle registration commissions and decreases in car title commissions. There was also decreases in motor vehicle registration handling fees.
- Intergovernmental revenues decreased by \$(377,915) or -4.39% due to the decline of Texas Hazardous fees received.
- Charges for services decreased by \$(35,241) or -6.34% due to an increase medical examiner autopsies and other fees.
- Miscellaneous revenue increased by \$69,732 or 22.08% due to a reimbursement from certificate of obligation for election equipment purchased in the previous year.
- Investment income decreased by \$(620,905) or -53.16% mostly due to higher than average monthly rates in the County's external investment pools and depository accounts as compared to the prior year.
- Rentals and commissions decreased by \$(52,159) or -6.71% mostly due to decreases in telephone commissions.

All other general fund revenues reflect stable and consistent performance.

**General Fund
Actual Expenditures Comparison to Prior Year Actual**

	FY 19/20	Percent of Total	FY 18/19	Percent of Total	Variance Increase (Decrease)	Percentage of Change
Law enforcement and corrections	\$34,346,880	35.55%	\$31,628,147	34.36%	\$2,718,733	8.60%
Administration of justice	22,293,766	23.08%	22,942,773	24.92%	(649,007)	-2.83%
General government	18,566,141	19.22%	16,715,480	18.16%	1,850,661	11.07%
Building and facilities	7,636,713	7.91%	7,506,990	8.16%	129,723	1.73%
Social services	2,844,916	2.94%	2,653,815	2.88%	191,101	7.20%
Capital outlay	647,944	0.67%	621,091	0.67%	26,853	4.32%
Agriculture, edu, and consumer sci	956,235	0.99%	915,028	0.99%	41,207	4.50%
Health, safety, and sanitation	845,336	0.88%	723,128	0.79%	122,208	16.90%
Total expenditures	88,137,930	90.01%	83,706,452	89.56%	4,431,478	5.29%
Transfers-out	8,466,603	8.76%	8,341,885	9.06%	124,718	1.50%
Total expenditures and transfers-out	<u>\$96,604,533</u>	100.00%	<u>\$92,048,336</u>	100.00%	<u>\$4,556,197</u>	4.95%

FY 19/20 General Fund Expenditures



Total expenditures and transfers out increased by \$4,556,197 or 4.95% from the prior year. In comparison to the national consumer price index (CPI) over the last twelve months, electricity per the CPI increased 2.2% while electricity paid for by the general fund decrease -6%. This is mainly attributable to the COVID-19 pandemic since County employees whose positions enabled them to work remotely were encouraged to telecommute to support social distancing measures and several departments were closed during the outbreak of the novel coronavirus respiratory disease.

The highest increases in the general fund expenditures were in law enforcement and corrections and general government with \$2,718,733 or 8.60% and \$1,850,661 or 11.07%, respectively. Offsetting the increases was a large dollar decrease in administration of justice with \$(649,007) or -2.83%. Increases in law enforcement and corrections and general government are due to increase in personnel cost associated in the collective bargaining agreement and continuance pay to other personnel. The decrease in administration of justice was due to decreases in court related expenditures caused by the coronavirus pandemic.

Budgetary highlights

The original budget and the final amended budget in total were equal. Minor budgetary shortfalls occurred within budget categories of some departments. These minor shortfalls were covered by budget transfers within each department to offset the shortfall. Actual expenditures and transfers out for this fiscal year (budget basis) ended \$8,441,363 under total budgeted appropriations for an expenditure level of 91.96%. Actual revenues and transfers were \$1,637,054 under budget, or 98.37% of budget.

The variance in revenues is primarily attributable to:

- An increase in property taxes of \$5,037,269 due to an increase net taxable values and adopting a tax rate above the effective tax rate.
- A decrease in fines and forfeitures of \$(365,744) due to a decrease in overall collections, specifically with County Clerk collections as the result of the coronavirus.
- A decrease in licenses and permits of \$(239,483) due to a decrease in motor vehicle registration commission and a decrease in car title commission.
- An increase in miscellaneous revenues of 69,732 is due to increases in refunds.
- A decrease in investment income of \$(620,905) is due to lower than average monthly rates in the County's external investment pools and depository accounts as compared to the prior year due to the coronavirus.
- A decrease in rentals and commissions of \$(52,159) is due to small decrease in the telephone commission received from the County's inmate telephone service provider.

The variance in expenditures is primarily attributable to:

- A decrease in court appointed attorney's fees led to a significant cost savings for the district and county courts at law.
- Several employee vacancies throughout the year that led to significant cost savings for those departments that did not have to compensate with vacancies with additional overtime for existing positions.
- The full amount of the budgeted contingency in the general administration department was not necessary and professional fees were down for the year.
- The continuance of an online jury administration resulted in a significant cost savings to the County.
- Capital outlay, office expenses, and professional services were controlled during the year leading to positive budget variances.

Last fiscal year actual revenues and transfers in equaled 101.67% of budgeted revenues and expenditures and transfers out equaled 92.99% the budgeted expenditures.

Non-major Governmental Funds

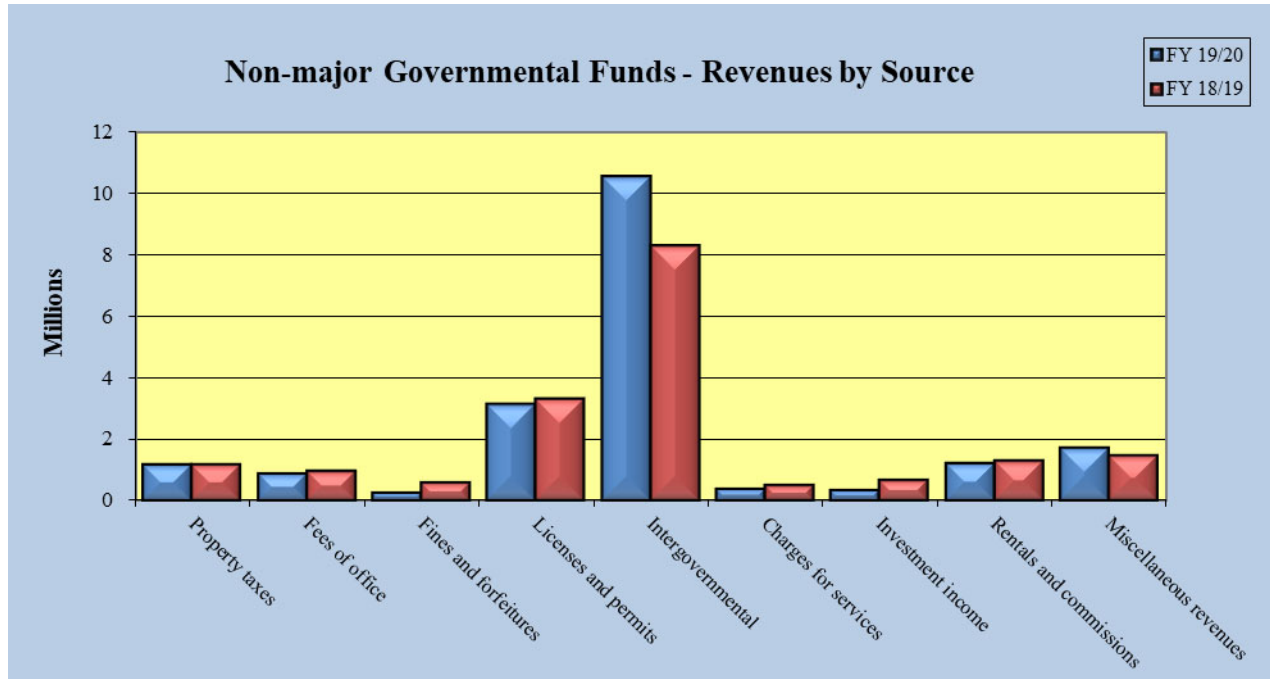
Twenty-three non-major governmental funds are reported in combining statements and individually elsewhere in this report. Most of these funds are subject to restrictions and can be used for only specified purposes.

Non-major Governmental Funds – Revenues by Source

	FY 19/20	Percent of Total	FY 18/19	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$1,176,589	4.14%	\$1,148,475	4.09%	\$28,114	2.45%
Fees of office	863,234	3.04%	943,598	3.36%	(80,363)	-8.52%
Fines and forfeitures	247,435	0.87%	561,874	2.00%	(314,439)	-55.96%
Licenses and permits	3,133,065	11.02%	3,302,094	11.76%	(169,029)	-5.12%
Intergovernmental	10,532,825	37.04%	8,277,433	29.49%	2,255,391	27.25%
Charges for services	355,074	1.25%	509,612	1.82%	(154,538)	-30.32%
Investment income	312,845	1.10%	654,758	2.33%	(341,912)	-52.22%
Rentals and commissions	1,203,597	4.23%	1,300,162	4.63%	(96,565)	-7.43%
Miscellaneous revenues	1,708,466	6.01%	1,452,271	5.17%	256,195	17.64%
Total revenues	19,533,130	68.69%	18,150,276	64.65%	1,382,854	7.62%
Other Financing Sources						
Transfers in	8,903,254	31.31%	9,914,143	35.32%	(1,010,888)	-10.20%
Capital Lease Funding	-	0.00%	-	0.00%	-	0.00%
Sale of Assets	-	0.00%	8,250	0.03%	(8,250)	-100.00%

Total Revenues & Other Financing Sources	<u>\$28,436,385</u>	100.00%	<u>\$28,072,669</u>	100.00%	<u>\$363,716</u>	1.30%
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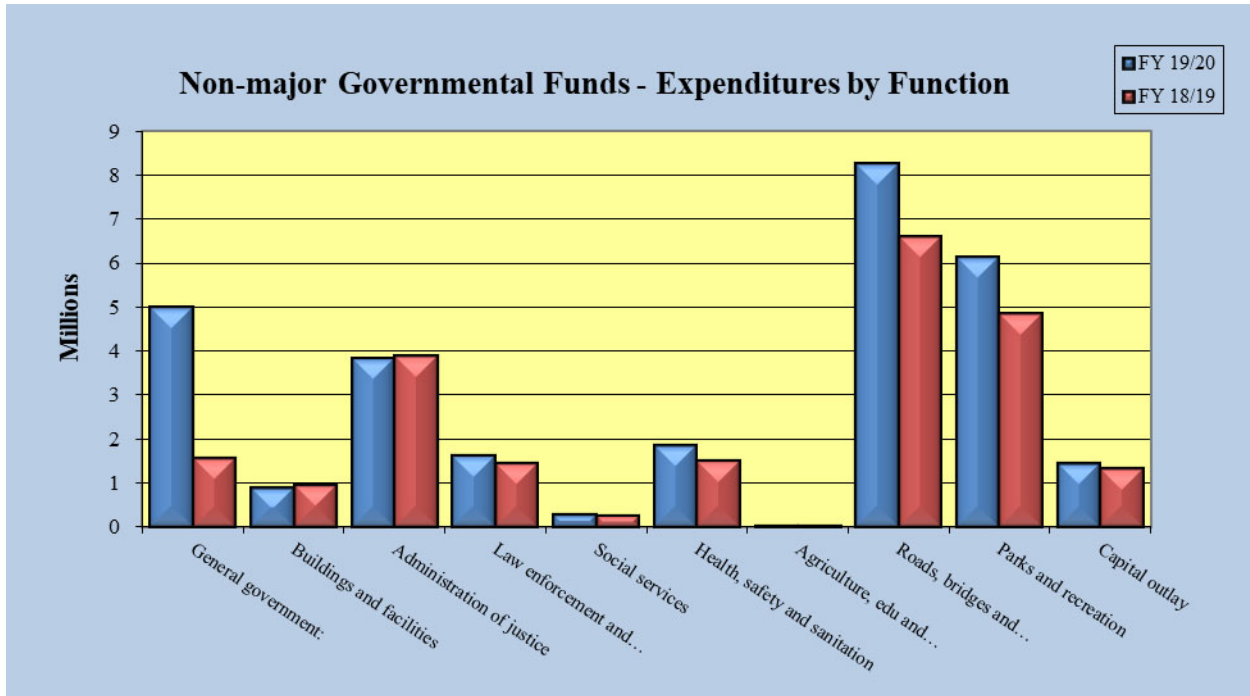
Total revenues for the non-major governmental funds increased by \$1,382,854 when compared to the previous year. The majority of the \$1,382,854 increase was due to the new grants awarded to the county during the year. Other changes included increases in miscellaneous revenue and property taxes and decreases in all other revenue sources.



Non-major Governmental Funds – Expenditures by Function

	FY 19/20	Percent of Total	FY 18/19	Percent of Total	Increase (Decrease)	Percent of Change
General government:	\$5,003,546	16.40%	\$1,571,174	6.55%	\$3,432,373	218.46%
Buildings and facilities	898,527	2.95%	945,044	3.94%	(46,517)	-4.92%
Administration of justice	3,845,033	12.61%	3,909,019	16.31%	(63,987)	-1.64%
Law enforcement and corrections	1,636,232	5.36%	1,441,815	6.02%	194,417	13.48%
Social services	275,348	0.90%	257,178	1.07%	18,170	7.07%
Health, safety and sanitation	1,867,368	6.12%	1,497,724	6.25%	369,644	24.68%
Agriculture, edu and Consumer Science	22,973	0.08%	3,004	0.01%	19,969	664.66%
Roads, bridges and transportation	8,282,844	27.15%	6,609,481	27.57%	1,673,363	25.32%
Parks and recreation	6,150,272	20.16%	4,875,795	20.34%	1,274,477	26.14%
Capital outlay	1,445,385	4.74%	1,334,283	5.57%	111,102	8.33%
Total expenditures	<u>29,427,528</u>	<u>96.47%</u>	<u>22,444,517</u>	<u>93.64%</u>	<u>6,983,011</u>	<u>31.11%</u>
Transfers Out	<u>\$1,076,058</u>	3.53%	<u>\$1,525,287</u>	6.36%	(449,228)	-29.45%
Total expenditures and transfers out	<u><u>\$30,503,586</u></u>	100.00%	<u><u>\$23,969,804</u></u>	100.00%	<u><u>\$6,533,782</u></u>	27.26%

Expenditures and transfers out for the non-major governmental funds increased by \$6,533,782 from the prior year. General government had the largest dollar increase of \$3,432,373. The increase in general government is due to increases in expenditures due to the COVID-19 pandemic. The increase in road, bridges and transportation and parks and recreation is due to the increase in capital outlay is due to the completion of several capital projects in the prior year.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The County’s investment in capital assets for its governmental activities as of September 30, 2020, amounts to \$168,066,237 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress.

Total investment in the County’s net capital assets increased by \$1,754,411 or 1.05%.

Nueces County Capital Assets (net of depreciation)

	2,020	2,019
Land	\$5,007,306	\$5,007,306
Land improvements	47,664	49,398
Building and improvements	85,394,658	85,678,044
Furniture, equipment and machinery	10,948,966	10,896,391
Computer software systems	1,169,538	696,130
Infrastructure	46,835,079	43,913,869
Construction in progress	18,663,026	20,070,688
	<u>\$168,066,237</u>	<u>\$166,311,826</u>

Additional information on the County’s capital assets can be found in note C in the notes to the financial statement beginning on page 51 of this report.

Long-term debt. At September 30, 2020, the County had general obligation debt outstanding in the amount of \$146,094,043. This amount is the total of certificates of obligation, revolving loans and State Infrastructure Bank loan through the State of Texas. This total debt is backed by the full faith and credit of the County. Chapter 1301, as amended, of the Texas Government Code, limits the amount of bonds that is payable from the \$0.80 Constitution Tax Rate issued for the purposes as follows:

Courthouse Bonds	2% of Assessed Valuation
Jail Bonds	1 ½% of Assessed Valuation
Courthouse Bonds and Jail Bonds	3 ½% of Assessed Valuation
Road and Bridge Bonds	1 ½% of Assessed Valuation

Therefore, the County’s total indebtedness may not be increased by the issuance of bonds to an amount that exceeds five percent of the County’s taxable values, which are according to the most recent appraisal roll. The current applicable limit for the county is \$1,461,504,293. This puts the County’s net debt applicable to debit limit of \$146,094,043 at 9.99% of this legal limit.

NUECES COUNTY’S OUTSTANDING DEBT
Governmental Activities

	2,020	2,019
Combination revenue and certificates of obligation	\$134,829,951	\$107,859,660
State Infrastructure Bank loans	<u>11,264,092</u>	<u>11,638,430</u>
Sub-total	146,094,043	119,498,090
Premium on debt	<u>11,773,064</u>	<u>7,326,477</u>
Total	<u><u>\$157,867,107</u></u>	<u><u>\$126,824,567</u></u>

On November 26, 2019 Moody’s issued their rating to the County. Moody’s increased their credit rating on the County’s outstanding bonds to “Aa2”.

Additional information on the County’s long-term debt can be found in section IV note E-3 in the notes to the financial statement beginning on page 51 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- As explained in Note E, the County experienced a substantial natural disaster on August 25, 2017, resulting from Hurricane Harvey. The County has filed insurance claims and submitted its Public Assistance Project list with the Federal Emergency Management Agency (FEMA) and the State of Texas, seeking reimbursement for its estimated loss from damages.
- As explained in Note F, the County experienced a national emergency due to COVID-19 pandemic. The county had to adjust regular operations and budget in response to the pandemic. Increases in unexpected expenditures and loss in revenue will impact the county finances. The county has requested reimbursement from several federal and state agencies.
- The unemployment rate for Nueces County as of September 30, 2020 is 9.8%, which represents a 5.9% increase from last year. The increase is due in large part to coronavirus pandemic within the County. The County’s unemployment rate is higher than the State’s unemployment rate which was 8.3 percent at September 2020. The State of Texas is slightly higher than the national rate of 7.9 percent for the same time period; however, the County was 1.9% higher than the national rate.
- School enrollment decreased by (373) students from last year, for 2020 the enrollment is 60,143.
- Retail sales went up this year by 3.26% as compared to prior year for a total increase of \$179,920,437.
- Net taxable value (NTV) increased by 4.31%. In the previous year, there was also an increase of 4.18%.
- Port tonnage increased by 28.01% from the prior year to \$117,548,299 in 2020.

- It is estimated that population of the County increased by 2.91%.

All these factors were considered in preparing the County's budget for the 2019/2020 fiscal year. Through the budget process, the Commissioners court set the goals for the County. The priorities inherent to the 2019/2020 budget were to make county government: (1) more transparent; (2) have attainable and realistic budgets to enhance accountability; (3) recognize employee service and dedication by funding the continuance pay policy for the tenth year in a row, and (4) make county government more efficient and effective by establishing procedures that are in compliance with statutory requirements and utilizing technology to maximize performance.

The issues affecting the 2019-2020 budget included: countering cuts in state and federal funding, funding pay increases for law enforcement according to collective bargaining agreement, funding continuance pay increases to several employees, and trying to maintain the fund balance at 25% of the sum of General fund revenues and transfer in.

The County budget for FY 2019/2020 included the following to enact the priorities within the current economic conditions:

- Commissioners court adopted the current tax rate above the no new revenue tax rate. The adopted tax rate is 0.311588 per \$100 value.
- Provided salary increases for employees including a salary increase for law enforcement personnel under the Nueces County Sheriff's officers Association Collective Bargaining Agreement. There is also a continuance pay increase for approximately 273 employees. Continuance pay is a 2.5% pay increase every 3 years of service.
- Provided \$814,505 in funding for an increase in employer contribution rate for the pension plan.
- Provided \$321,397 in continuance pay for approximately 273 non-law enforcement employees.
- Sets aside \$1,000,000 as a contingency funding related to possible principle taxpayer property tax protests.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances including the component units. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Nueces County Auditor
901 Leopard, Room 304
Corpus Christi, TX 78401
Telephone: (361) 888-0556
Fax: (361) 888-0584

Or visit our website at: www.nuecesco.com

NUECES COUNTY, TEXAS
STATEMENT OF NET POSITION
September 30, 2020

	<u>Primary</u>	<u>Component Unit</u>
	Governmental Activities	Hospital District
ASSETS		
Cash and cash equivalents	\$ 127,170,009	\$ 109,541,142
Investments	2,333,986	12,996,632
Accrued Interest	-	4,737
Receivables (net of allowance for uncollectibles)	23,877,608	1,759,550
Other Receivables	-	3,251
Inventories	92,143	-
Prepaid items	945,660	132,947
Capital assets (not being depreciated):		
Land	5,007,306	3,076,927
Construction in progress	18,663,026	-
Capital assets (net of accumulated depreciation):		
Land improvements	47,664	-
Buildings and improvements	85,394,658	3,710,897
Furniture, equipment and machinery	10,948,966	-
Computer Software Systems	1,169,538	-
Infrastructure	46,835,079	-
Total assets	<u>322,485,642</u>	<u>131,226,083</u>
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding debt	1,552,344	-
Deferred pensions	6,798,630	-
Total deferred outflows of resources	<u>8,350,974</u>	<u>-</u>
LIABILITIES		
Accounts payable and other current liabilities	25,867,756	2,195,828
Accrued payroll payable	4,483,664	234,864
Accrued interest payable	2,420,147	-
Unearned revenue	1,305,906	-
Non-current liabilities:		
Due within one year	10,451,582	-
Due in more than one year	178,038,668	41,354
Total liabilities	<u>222,567,723</u>	<u>2,472,046</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pensions	11,272,399	-
Total deferred inflows of resources	<u>11,272,399</u>	<u>-</u>
NET POSITION		
Invested in capital assets	50,120,491	6,787,824
Restricted for:		
Debt service	4,038,134	-
US marshal contract	273,409	-
Commissioners court purposes	2,831,591	-
County attorney funds	54,356	-
County clerk purposes	2,871,357	-
Tax assessor collector purposes	59,261	-
Juvenile programs	560,182	-
District attorney purposes	143,802	-
District clerk purposes	186,902	-
County sheriff purposes	1,109,891	-
Judicial and law enforcement purposes	1,620,682	-
Law enforcement & district attorney education	123,559	-
Other purposes	5,696,086	-
Unrestricted	27,306,792	121,966,213
Total net position	<u>\$ 96,996,494</u>	<u>\$ 128,754,037</u>

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

NUECES COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<u>Functions/Programs</u>			
Primary government:			
Governmental Activities:			
General government	\$ 26,341,524	\$ 13,724,110	\$ 1,744,453
Buildings and facilities	12,898,889	566,992	11,920
Administration of justice	27,982,796	6,716,793	3,523,787
Law enforcement and corrections	92,594,848	58,069,806	454,211
Social services	3,321,094	215,851	637,371
Health, safety and sanitation	2,628,750	1,867,468	767,912
Agriculture, education and consumer sciences	1,068,151	51,349	37,666
Roads, bridges and transportation	12,500,063	3,842,114	396,874
Parks and recreation	8,677,562	1,793,262	899,177
Interest and fees on long-term debt	6,805,569	-	-
Total primary government	<u>194,819,246</u>	<u>86,847,745</u>	<u>8,473,372</u>
Component Units:			
Hospital district	<u>105,076,467</u>	<u>86,727,740</u>	<u>661,192</u>
Total component units	<u>\$ 105,076,467</u>	<u>\$ 86,727,740</u>	<u>\$ 661,192</u>

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

	Net (Expense) Revenue and Changes in Net Position		
	Program Revenues	Primary Government	
	Capital Grants and Contributions	Governmental Activities	Hospital District
\$	-	\$ (10,872,961)	\$ 2,845,878
	-	(12,319,977)	340,586
	-	(17,742,217)	-
	-	(34,070,831)	-
	-	(2,467,872)	-
	-	6,631	101,890,021
	-	(979,136)	-
	556,508	(7,704,567)	-
	-	(5,985,123)	-
	-	(6,805,569)	-
	<u>556,508</u>	<u>(98,941,621)</u>	<u>105,076,485</u>
	-	-	(17,687,535)
\$	<u>-</u>	<u>-</u>	<u>\$ (17,687,535)</u>

General revenues:

Property taxes	96,151,297	35,591,749
Alcohol beverage and other taxes	1,721,910	-
Unrestricted investment earnings	1,741,570	1,312,193
Grants and contributions not restricted to specific programs	230,139	-
Gain on sale of assets	-	-
Miscellaneous	435,500	174,012
Total general revenues	<u>100,280,416</u>	<u>37,077,954</u>
Change in net position	1,338,795	19,390,419
Net position - beginning	<u>95,657,699</u>	<u>109,363,618</u>
Net position - ending	<u>\$ 96,996,494</u>	<u>\$ 128,754,037</u>

**NUECES COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020**

	General Fund	Debt Service
ASSETS		
Cash and cash equivalents	\$ 30,336,953	\$ 3,912,814
Investments	525,401	125,743
Receivables (net of allowance for uncollectibles)	6,475,360	845,358
Due from other funds	4,336,637	-
Prepaid items	776,231	-
Inventories	65,605	-
Total assets	\$ 42,516,189	\$ 4,883,914
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 8,015,977	\$ 5,001
Accrued payroll	3,768,191	-
Due to other funds	779,351	-
Unearned revenue	343	-
Other liabilities	408	-
Total liabilities	12,564,270	5,001
Deferred inflows of resources:		
Unavailable revenue - property taxes	4,940,412	840,780
Unavailable revenue -other	10,402	-
Total deferred inflows of resources	4,950,814	840,780
Fund balances:		
Nonspendable	841,837	-
Restricted	-	4,038,134
Committed	24,159,267	-
Assigned	-	-
Unassigned	-	-
Total fund balances	25,001,104	4,038,134
Total liabilities, deferred inflows of resources and fund balances	\$ 42,516,189	\$ 4,883,914

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

U.S. Marshal Contract	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,901,243	\$ 58,463,369	\$ 28,622,110	\$ 123,236,489
-	956,102	691,814	2,299,060
8,239,667	188,851	7,841,697	23,590,933
-	5,546	184,981	4,527,164
753	-	168,675	945,660
-	-	26,538	92,143
<u>\$ 10,141,663</u>	<u>\$ 59,613,868</u>	<u>\$ 37,535,815</u>	<u>\$ 154,691,449</u>
\$ 9,862,752	\$ 1,611,535	\$ 5,407,316	\$ 24,902,582
4,749	-	710,724	4,483,664
-	178,882	2,905,509	3,863,742
-	-	1,305,563	1,305,906
-	-	449,974	450,382
<u>9,867,501</u>	<u>1,790,417</u>	<u>10,779,087</u>	<u>35,006,276</u>
-	-	82,526	5,863,718
-	-	5,224,678	5,235,080
-	-	5,307,204	11,098,798
753	-	181,229	1,023,818
273,409	-	15,257,669	19,569,211
-	57,823,451	-	81,982,719
-	-	6,010,627	6,010,627
-	-	-	-
<u>274,162</u>	<u>57,823,451</u>	<u>21,449,524</u>	<u>108,586,375</u>
<u>\$ 10,141,663</u>	<u>\$ 59,613,868</u>	<u>\$ 37,535,815</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	168,066,237
Property taxes earned in the current fiscal year but are not available to provide for current financial resources, and therefore are unavailable in the funds (GASB 63).	5,863,718
Other revenue earned in the current fiscal year but are not available to provide for current financial resources, and therefore are unavailable in the funds (GASB 65).	5,235,080
Internal service funds are used by management to charge the costs of workers compensation insurance, general liability coverage and group health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,310,716
Unamortized loss on the refunding of bond issues, shown as a deferred outflow of resources on statement of net position (GASB 65).	1,552,344
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(166,520,407)
Recognition of the County's proportionate share of the net pension liability is not reported in the funds (GASB 68).	(22,623,801)
Deferred Resource Outflows related to the pension plan are not reported in the funds (GASB 68).	6,798,630
Deferred Resource Inflows related to the pension plan are not reported in the funds (GASB 68).	(11,272,399)
Net position of governmental activities	<u>\$ 96,996,494</u>

NUECES COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the year ended September 30, 2020

	General Fund	Debt Service	U.S. Marshal Contract
REVENUES			
Property taxes	\$ 80,325,982	\$ 12,754,498	\$ -
Other taxes	395,492	-	-
Fees of office	3,822,679	-	-
Fines and forfeitures	1,188,124	-	-
Licenses and permits	1,179,573	-	-
Intergovernmental revenue	8,236,845	-	54,274,925
Charges for services	520,303	-	-
Investment income	547,001	84,891	-
Rentals and commissions	725,470	-	-
Miscellaneous revenues	385,502	-	-
Total revenues	97,326,972	12,839,389	54,274,925
EXPENDITURES			
Current:			
General government	18,566,141	-	-
Buildings and facilities	7,636,713	-	-
Administration of justice	22,293,766	-	-
Law enforcement and corrections	34,346,880	-	52,795,780
Social services	2,844,916	-	-
Health, safety and sanitation	845,336	-	-
Agriculture, education and consumer sciences	956,235	-	-
Roads, bridges and airport	-	-	-
Parks and recreation	-	-	-
Capital outlay	647,944	-	-
Debt Service:			
Principal retirement	-	57,474,047	-
Bond issuance costs	-	452,345	-
Interest and other fees	-	6,016,884	-
Total expenditures	88,137,930	63,943,275	52,795,780
Excess (deficiency) of over (under) expenditures	9,189,041	(51,103,886)	1,479,145
OTHER FINANCING SOURCES (USES)			
Transfers in	1,584,057	630,000	-
Transfers out	(8,466,603)	-	(1,500,000)
Sale of assets	-	-	-
Issuance of debt	-	43,760,000	-
Premium (Discount) on sale of bonds	-	6,032,714	-
Total other financing sources and	(6,882,546)	50,422,714	(1,500,000)
Net change in fund balances	2,306,495	(681,172)	(20,855)
Fund balances - beginning	22,694,609	4,719,305	295,017
Fund balances - ending	\$ 25,001,104	\$ 4,038,134	\$ 274,162

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

	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$	-	\$ 1,176,589	\$ 94,257,070
	-	-	395,492
	-	863,234	4,685,913
	-	247,435	1,435,559
	-	3,133,065	4,312,637
	435,500	10,532,825	73,480,095
	-	355,074	875,377
	744,458	312,845	1,689,195
	111,249	1,203,597	2,040,316
	-	1,708,466	2,093,969
	<u>1,291,207</u>	<u>19,533,130</u>	<u>185,265,623</u>
	1,233,415	5,003,546	24,803,103
	911,953	898,527	9,447,193
	-	3,845,033	26,138,798
	7,242	1,636,232	88,786,134
	-	275,348	3,120,263
	-	1,867,368	2,712,704
	-	22,973	979,208
	663,599	8,282,844	8,946,443
	397,231	6,150,272	6,547,503
	10,199,071	1,445,385	12,292,400
	-	-	57,474,047
	300,000	-	752,345
	-	-	6,016,884
	<u>13,712,511</u>	<u>29,427,528</u>	<u>248,017,024</u>
	<u>(12,421,305)</u>	<u>(9,894,397)</u>	<u>(62,751,402)</u>
	-	8,903,254	11,117,311
	(74,650)	(1,076,058)	(11,117,311)
	-	-	-
	40,310,000	-	84,070,000
	-	-	6,032,714
	<u>40,235,350</u>	<u>7,827,196</u>	<u>90,102,714</u>
	27,814,046	(2,067,201)	27,351,312
	<u>30,009,406</u>	<u>23,516,725</u>	<u>81,235,063</u>
\$	<u><u>57,823,451</u></u>	<u><u>21,449,524</u></u>	<u><u>108,586,375</u></u>

**NUECES COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Amounts reported for governmental activities in the statement of activities (page 34 through 35) are different because:

Net change in fund balances---total governmental funds (page 39)	27,351,312
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	1,795,727
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	(41,316)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (GASB 63).	6,581,076
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas only the premium and discount are deferred and amortized in the statement of activities, per (GASB 65). This amount is the net effect of these differences in the treatment of long-term debt and related items.	(30,771,220)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(981,776)
The net revenue of certain activities of internal service funds is reported with governmental activities.	(1,518,978)
Pension expense relating to (GASB 68) is recorded in the Statement Of Activities but not in the funds.	<u>(1,076,031)</u>
Change in net position of governmental activities (page 35).	<u><u>\$1,338,795</u></u>

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

Nueces County, Texas
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to
Actual Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - to Actual GAAP Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property Taxes	\$81,225,843	\$81,225,843	\$80,325,982	\$(899,861)
Other Taxes	443,000	443,000	395,492	(47,508)
Fees of Office	3,974,100	3,974,100	3,822,679	(151,421)
Fines & Forfeitures	1,340,000	1,340,000	1,188,124	(151,876)
Licenses & Permits	1,740,000	1,740,000	1,179,573	(560,427)
Intergovernmental Revenue	8,127,216	8,127,216	8,236,845	109,629
Charges For Services	500,000	500,000	520,303	20,303
Investment Income	850,000	850,000	547,001	(302,999)
Rentals and Commissions	725,000	725,000	725,470	470
Other Income	286,500	286,500	385,502	99,002
Total Revenues	99,211,659	99,211,659	97,326,972	(1,884,687)
Expenditures				
<u>General Government</u>				
County Commissioner Pct. 1	172,640	176,640	166,619	10,021
County Commissioner Pct. 2	186,085	196,085	186,395	9,690
County Commissioner Pct. 3	194,660	197,660	187,978	9,682
County Commissioner Pct. 4	165,657	173,657	163,663	9,994
County Judge	325,683	349,683	339,344	10,339
Commissioners Court Management	474,502	448,894	374,475	74,419
Grants Administration	213,662	253,662	240,703	12,959
Risk Management	194,947	206,447	193,679	12,768
County Attorney	1,648,458	1,650,096	1,624,841	25,255
County Clerk	806,087	808,434	719,582	88,852
County Clerk-Treasury	373,419	371,072	336,004	35,068
County Clerk Collections	334,685	334,685	275,139	59,546
Election Expense	933,353	933,353	641,904	291,449
Tax Assessor-Collector	3,630,427	3,640,427	3,615,521	24,906
Information Technology	3,497,883	3,497,883	3,062,300	435,583
Human Resources	479,778	497,778	487,904	9,874
County Auditor	2,178,134	2,178,134	2,136,979	41,155
County Purchasing	639,157	639,157	610,745	28,412
Veteran's Service	146,328	155,328	145,397	9,931
General Employee Benefits	202,986	202,986	97,614	105,372
General Administration	5,767,830	4,377,330	2,905,342	1,471,988
Total General Government	22,566,361	21,289,391	18,512,128	2,777,263
<u>Building and Facilities</u>				
Courthouse General Repairs	98,306	98,306	62,856	35,450
Ronnie H. Polston Bldg	69,112	69,712	59,167	10,545
Bill Bode County Building	74,174	74,174	62,375	11,799
Robert N Barnes Regional Juvenile Facility	267,402	267,402	243,665	23,738
Broadway Warehouse	7,173	9,173	6,243	2,930
Records Management Department	636,953	636,953	614,521	22,432
CSCD Cook Building	177,197	178,197	157,848	20,349

(continued)

Nueces County, Texas
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted		Actual Amounts	Variance with Final Budget - to Actual GAAP
	Original	Final		Positive (Negative)
Expenditures				
Mechanical Maintenance	1,905,422	1,909,922	1,451,667	458,255
Agua Dulce Building	47,804	49,804	43,089	6,715
Bishop Building	46,222	46,522	28,655	17,867
Port Aransas Building	40,228	40,228	20,063	20,165
Johnny S Calderon Building	257,088	285,338	246,896	38,442
Keach Library Building	225,661	226,761	145,948	80,813
Agricultural Building - Robstown	28,906	28,906	2,863	26,043
Medical Examiner Building	27,393	27,993	17,911	10,082
Building Superintendent	3,390,204	3,628,054	3,446,326	181,728
Welfare Building - Robstown	21,912	22,412	8,966	13,446
Hilltop Facility	204,610	204,610	160,970	43,640
Precinct III Yard Buildings	17,781	20,581	11,575	9,006
McKenzie Annex	783,326	805,826	722,664	83,162
Robstown Community Center	80,070	62,070	45,110	16,960
Senior Community Service Buildings	63,447	60,547	43,737	16,810
David Berlanga, Sr. Building	31,691	31,691	20,520	11,171
Total Buildings and Facilities	8,502,082	8,785,182	7,623,635	1,161,547
<u>Administration of Justice</u>				
County Court at Law 1	705,849	705,860	651,786	54,074
County Court at Law 2	682,067	682,067	616,902	65,165
County Court at Law 3	660,250	660,261	599,798	60,463
County Court at Law 4	646,787	646,798	568,785	78,013
County Court at Law 5	1,114,372	1,494,562	1,319,875	174,687
Legal Aid	102,866	112,866	104,884	7,982
Magistrate/Drug/DWI	132,408	178,333	168,783	9,550
Court Administration	1,057,937	818,424	782,479	35,945
Title IV-D Court	191,033	209,443	200,555	8,888
28th District Court	632,231	632,242	490,485	141,757
94th District Court	630,575	630,586	493,696	136,890
105th District Court	431,083	435,607	344,776	90,831
117th District Court	651,441	651,452	554,905	96,547
148th District Court	623,677	623,688	467,914	155,774
214th District Court	587,482	587,493	538,686	48,807
319th District Court	606,807	606,818	413,168	193,650
347th District Court	660,241	660,252	472,878	187,374
Juvenile Probation	2,703,714	2,703,714	2,642,009	61,705
Juvenile Detention	1,566,844	1,566,844	1,503,675	63,169
Juvenile Justice Post Adjudication	1,779,045	1,779,045	1,708,664	70,381
District Clerk - Jury Administration	846,622	846,622	347,681	498,941
District Clerk	3,237,900	3,237,900	3,187,785	50,115
Justice of the Peace 1-1	301,760	322,760	312,443	10,317
Justice of the Peace 1-2	284,924	289,924	280,696	9,228
Justice of the Peace 1-3	246,817	246,817	234,060	12,757
Justice of the Peace 2-1	362,217	380,217	369,727	10,490
Justice of the Peace 2-2	273,988	294,988	284,872	10,116

(continued)

Nueces County, Texas
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Justice of the Peace 3	212,669	212,669	201,939	10,730
Justice of the Peace 4	208,657	217,657	207,867	9,790
Justice of the Peace 5-1	279,486	279,486	244,278	35,208
Justice of the Peace 5-2	215,645	220,645	210,946	9,699
Medical Examiner	1,706,107	1,816,107	1,755,256	60,851
Total Administration of Justice	24,343,501	24,752,147	22,282,253	2,469,894
<u>Law Enforcement & Corrections</u>				
District Attorney	5,270,647	5,270,971	4,899,402	371,569
County Sheriff	6,664,290	6,814,290	6,708,581	105,709
Id Bureau	910,528	910,528	898,492	12,036
Jail	17,588,185	17,888,185	17,790,393	97,792
Constable 1	849,834	871,834	860,153	11,681
Constable 2	843,072	843,072	817,805	25,267
Constable 3	599,809	599,809	580,106	19,703
Constable 4	673,286	673,286	608,883	64,403
Constable 5	1,102,615	1,102,615	1,067,187	35,428
Total Law Enforcement & Corrections	34,502,266	34,974,590	34,231,003	743,587
<u>Social Services</u>				
Social Services - Administration	1,154,920	1,154,920	1,080,440	74,480
Social Services - Social Services	565,014	565,014	446,111	118,903
Children Protective Services	113,929	113,929	102,781	11,148
Senior Community Services	1,039,514	1,065,414	1,053,417	11,997
Hilltop Community Services	60,389	69,389	60,512	8,877
Social Mental Services	142,061	152,061	97,573	54,488
Total Social Services	3,075,827	3,120,727	2,840,834	279,893
<u>Health, Safety and Sanitation</u>				
Emergency Services	39,540	39,540	18,090	21,450
Emergency Management	255,401	310,401	267,868	42,533
911 Program	53,850	66,850	56,893	9,957
Code Enforcement	143,800	143,800	131,237	12,563
Animal Control	387,726	387,726	367,902	19,824
Total Health, Safety and Sanitation	880,317	948,317	841,990	106,327
<u>Agriculture, Education & Consumer Sciences</u>				
Agricultural Extension	304,561	304,561	273,702	30,859
Family & Consumer Sciences	96,599	96,599	88,589	8,010
County Library	615,751	615,751	588,100	27,651
Total Agriculture, Education & Consumer	1,016,911	1,016,911	950,391	66,520
<u>Capital Outlay</u>				
Capital Outlay greater than \$5,000	1,057,695	1,057,695	855,697	201,998
Total Capital Outlay	1,057,695	1,057,695	855,697	201,998
Total Expenditures	95,944,960	95,944,960	88,137,930	7,807,030
Excess (deficiency) of revenues over (under) expenditures	3,266,699	3,266,699	9,189,041	5,922,342

(continued)

Nueces County, Texas
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Budget and Actual
For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - to Actual GAAP Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Transfers in	1,336,424	1,336,424	1,584,057	247,633
Transfers out	<u>(9,100,936)</u>	<u>(9,100,936)</u>	<u>(8,466,603)</u>	<u>634,333</u>
Total other financing sources (uses)	<u>(7,764,512)</u>	<u>(7,764,512)</u>	<u>(6,882,546)</u>	<u>881,966</u>
Net change in fund balances	(4,497,813)	(4,497,813)	2,306,495	6,804,308
Fund balances - beginning	<u>22,079,875</u>	<u>22,079,875</u>	<u>22,694,609</u>	<u>614,734</u>
Fund balances - ending	<u><u>\$17,582,062</u></u>	<u><u>\$17,582,062</u></u>	<u><u>\$25,001,104</u></u>	<u><u>\$7,419,042</u></u>

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

NUECES COUNTY, TEXAS
U. S. MARSHAL CONTRACT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental revenue	\$ 44,954,102	\$ 44,954,102	\$ 54,274,925	\$ 9,320,823
Total revenues	44,954,102	44,954,102	54,274,925	9,320,823
 EXPENDITURES				
Law Enforcement:				
Personnel services	65,392	65,392	74,218	(8,826)
Reserve appropriations	53,044	53,044	-	53,044
Other services and charges	43,664,975	43,664,975	52,721,562	(9,056,587)
Total expenditures	43,783,411	43,783,411	52,795,780	(9,012,369)
Excess (deficiency) of revenues over (under) expenditures	1,170,691	1,170,691	1,479,145	308,454
 OTHER FINANCING SOURCES (USES)				
Transfers out	(1,200,000)	(1,200,000)	(1,500,000)	(300,000)
Total other financing sources (uses)	(1,200,000)	(1,200,000)	(1,500,000)	(300,000)
Net change in fund balances	(29,309)	(29,309)	(20,855)	8,454
Fund balances - beginning	29,309	29,309	295,017	265,708
Fund balances - ending	\$ -	\$ -	\$ 274,162	\$ 274,162

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

NUECES COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$3,933,519
Investments	34,926
Due from other funds	36,578
Accounts receivable	
Receivables (net of allowance for uncollectibles)	<u>286,675</u>
Total current assets	<u>4,291,698</u>
 LIABILITIES	
Current liabilities	
Accounts payable	965,175
Due to other funds	<u>700,000</u>
Total current liabilities	<u>1,665,175</u>
 Noncurrent liabilities	
Estimated claims liability	<u>1,315,807</u>
Total noncurrent liabilities	<u>1,315,807</u>
Total liabilities	<u>2,980,982</u>
 NET POSITION	
Unrestricted	<u>1,310,716</u>
Total net position	<u><u>\$1,310,716</u></u>

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

NUECES COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Year ended September 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
Operating revenues:	
Premiums and reimbursements	\$15,698,600
Operating expenses:	
Benefit payments	13,066,961
Insurance premiums and bonds	2,858,809
Self-insurance claims	110,094
Administration	<u>1,234,090</u>
Total operating expenses	<u>17,269,954</u>
Operating income (loss)	<u>(1,571,354)</u>
Non-operating revenues:	
Investment income	<u>52,375</u>
Total non-operating revenue	<u>52,375</u>
Change in net position	(1,518,979)
Total net position - beginning	<u>2,829,695</u>
Total net position - ending	<u><u>\$1,310,716</u></u>

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

NUECES COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended September 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$12,372,053
Receipts from employees	1,655,883
Receipts from other participants	660,044
Receipts from reimbursements and refunds	1,110,379
Payments for benefit claims	(13,235,961)
Payments for insurance and bond policies	(2,889,799)
Payments for administration	(1,136,741)
Payments for settlements and claims	<u>(7,125)</u>
Net cash provided (used) in operating activities	<u>(1,471,268)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale (purchase) of investments	61,958
Interest received	<u>52,634</u>
Net cash provided by investing activities	<u>114,592</u>
Net increase in cash and cash equivalents	(1,356,677)
Cash and cash equivalents - beginning	<u>5,290,196</u>
Cash and cash equivalents - ending	<u><u>\$3,933,519</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$(1,571,354)
Adjustments to reconcile operating income to net cash provided:	
(Increase) decrease in accounts receivable	(189,355)
Increase (decrease) in estimated claims liabilities	266,729
Increase (decrease) in accounts payable	<u>22,712</u>
Total adjustments	<u>100,086</u>
Net cash provided by operating activities	<u><u>\$(1,471,268)</u></u>

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

NUECES COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2020

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$15,368,099
Investments	7,412,149
Due from other governments and	836,799
Accounts receivable	204,399
Prepays	<u>35,018</u>
Total assets	<u><u>\$23,856,464</u></u>
Liabilities	
Accounts payable	\$20,541,972
Accrued payroll payable	519,890
Due to other governments and agencies	15,450
Funds held in escrow	<u>2,798,839</u>
Total liabilities	<u><u>\$23,876,152</u></u>

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



I. Summary of significant accounting policies

The accounting and reporting policies of Nueces County, Texas (the “County”) reflected in the accompanying financial statements conform to accounting principles generally acceptable in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB). This financial report has been prepared in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999 and implemented by the County in fiscal year, FY 2003.

The County evaluated four GASB statements for applicable implementation in fiscal year ended September 30, 2020, as follows:

GASB Statement No. 90, *Majority Equity Interest, an amendment of GASB Statements No. 14 and No. 61* (“GASB 90”). This Statement establishes that ownership of a majority equity interest in a legally separated organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as an investment or a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest, accounts for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value, at the acquisition date. Implementation of GASB 90 did not have an impact on the County’s financial statements or disclosures.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders considering the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The County postponed the implementation dates of the GASB’s affected by this standard

A. Reporting entity

Primary Government

The County was created and organized by the State of Texas in 1846 from San Patricio County. The principal city and county seat is the City of Corpus Christi. The County operates as a subdivision of the State of Texas and is governed by the Commissioners court. The County provides the following services as authorized by the statutes of the State of Texas: general government (national and state voting operations, property records, auto registration), judicial (district attorney, courts, juvenile), law enforcement and corrections (sheriff, constables, jail), roads, bridges and transportation (includes rural airport), inland and coastal parks, and social services.

The accompanying basic financial statements present the government and the discretely presented component unit defined according to criteria in GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39 *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*. There are currently no blended component units included in this financial report, including those defined in GASB Statement No. 80.

Component Unit

Nueces County Hospital District (the District), a discretely presented component unit of Nueces County, Texas (the County), was created by an Act of the Legislature of the State of Texas and subsequently approved by the voters of Nueces County, Texas. The District is legally separate from the County, however, members of the District’s governing board (the Board) are appointed by County Commissioners Court.

The District has no component units as defined by Governmental Accounting Standards Board. Although the District and County Commissioners’ Court appoint members of the Board of Trustees of CHRISTUS Spohn Hospital System (“Spohn”) as part of the Spohn Membership Agreement between the two parties, Spohn does not qualify as a component unit. The District does not approve the budget for Spohn, nor have any rights to surpluses of Spohn. However, Spohn shares certain revenues with the District pursuant to the terms of the Agreement.

Additionally, the District serves as the region 4 Anchor and funds voluntary intergovernmental transfers (IGTs) for certain healthcare providers under provisions of the Texas Health and Human Services Commission’s (HHSC) Medicaid Payment Programs. This allows Spohn and certain other Region 4 healthcare providers to participate in supplemental Medicaid Payment Programs.

The District is governed by a Board of Managers, whose members are appointed by the Commissioners Court. The Commissioners Court has final approval of the District’s operating budget and tax rate. The Commissioners Court has the authority to levy on all property subject to District taxation a tax not to exceed seventy-five cents (\$.75) on each \$100 valuation of all taxable property within the District.

The District is a special purpose government engaged in a single governmental program, GASB allows the District to combine the required fund financial statements and government-wide statements.

Complete financial statements for this component unit above may be obtained at the entity's administrative office.

Nueces County Hospital District
Administrative Offices
555 N. Carancahua, Suite 950
Corpus Christi, Texas 78401-0835
<http://www.nchdcc.org/contact.cfm>

B. Government-wide and fund financial statements

Primary Government

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Changes in Net Position*) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, inter-fund activity has been removed from these statements to eliminate duplication. Inter-fund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for the governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The general fund, U.S. Marshals fund, and capital projects fund are major funds. The debt service fund, which did not meet the criteria to be reported as major; however, the County has voluntarily elected to report as such and all are reported in separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon 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. For this purpose, the County considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The County reports four major governmental funds:

The General Fund is the County's primary operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the property tax revenues received which were specifically levied for the purpose of meeting debt service requirements.

The U.S Marshal Contract Fund is used to account for the millions of dollars that the County receives under a contract with the U.S. Marshals and then pays to a private prison company for housing federal inmates.

The Capital Projects Fund is used to account for the proceeds from debt instruments and major capital projects funded with general fund monies.

All other governmental funds are combined and reported as non-major. Non-major funds include grants, road and bridge, stadium and fairgrounds, inland parks, coastal parks, and other special revenue.

Additionally, the County reports the following fund types:

Internal service funds account for and finance the County's uninsured risks of loss from workers compensation coverage, general liability, and group health insurance. Revenues are derived from County contributions, employee and retiree/cobra premiums, investment income,

and premiums from some external entities. Expenses are for benefits, claims and administrative expenses. Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. Activities include payments to medical providers for services provided and payments to litigants related to suits and claims against the County.

Fiduciary funds are classified into private purpose trust and agency funds. The County has only agency funds which are used to account for the assets that are held for the benefit of others or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Activities vary depending on whose funds the County has custody of. Examples of the funds held are: inmate trust funds, district clerk minor trust funds, metropolitan planning organization, dispute resolution, permanent school fund, community supervision and corrections department, contract elections, vector control, and City-County Health District.

D. Assets, liabilities, and net position

1. Deposits and investments

The *Statement of Cash Flows* for proprietary funds presents the change in cash and cash equivalents during the fiscal year. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, short term investments with original maturities of less than 90 days, and local government pools. State statutes and the County's official Investment Policy authorize the County to invest in obligations of the U.S. and its agencies, certificates of deposit, brokered CD's, local government pools, repurchase agreements, and direct obligations of states, agencies, counties, cities, and other political subdivisions of any state rated "A" or its equivalent. The majority of the County's cash and investments are administered using a pooled concept, which combines the monies of various funds for investment purposes.

The County's investments are recorded at fair value and have been categorized based upon a fair value hierarchy in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. GASB 72 requires governments to use valuation techniques in assessing fair value and establishes a hierarchy of three levels used to categorize the inputs that are used to measure fair value. All investment income is recognized as revenue in the appropriate fund's statement of revenues, expenditures and changes in fund balance. Texas local government investment pool (TexPool) meets the criteria for a qualifying external investment pool under GASB 79 and therefore continues to be reported at amortized cost.

The Board of Trustees of The Texas Cooperative Liquid Assets Securities System (Texas CLASS) external investment pool determined that the investment pool does not meet all the criteria in GASB 79 and therefore participants should measure their investments in the pool at fair value as provided in paragraph 11 of GASB 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The fair value hierarchy and valuation techniques for all investments reported at fair value as well as cash and investment limitations are disclosed in Note IV. All investment income is recognized as revenue in the appropriate fund's statement of revenues, expenditures and changes in fund balance. Deposit and Investment Risk Disclosures are in accordance with GASB Statement No. 40.

Component Unit

The District's Cash and Cash Equivalents include currency on hand, demand deposits with banks, and amounts included in pooled cash or liquid investments with a maturity of three months or less when purchased.

Statutes give the District the authority to invest its funds in obligations of the United States, direct obligations of the State of Texas, other obligations guaranteed or insured by the State of Texas or the United States, obligations of states, agencies, counties, or cities of any state that have been rated not less than one or its equivalent by a nationally recognized investment firm; certificates of deposit guaranteed insured or secured by approved obligations, certain commercial paper, fully collateralized repurchase agreements, and Securities & Exchange Commission-registered, no-load money market mutual funds whose assets consist exclusively of approved obligations. Investments are recorded at fair value, except for investments pools which are reported at amortized costs and included in cash and cash equivalents.

2. Receivables and Payables

Primary Government

All trade and property tax receivables are shown net of an allowance for uncollectible. Trade receivables are directly written-off when circumstances indicate a receivable is no longer collectible usually within two years a receivable was incurred. The County estimates the allowance for property tax receivable to include 100 percent of the delinquent balances older than 11 years plus 10 percent of the delinquent balances less than 11 years old which includes the current year's levy. Property taxes are levied prior to September 30 based on taxable value as of January 1 and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivables include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and unearned revenue (a liability) at the time the contracts are approved and signed. Grant revenues are recognized when eligibility requirements established by the grantor have been met at which time unearned revenue (the liability account) is reduced.

Lending or borrowing between funds is reflected as “due to or due from” (current position) or “advances to/from other funds” (non-current). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources. Inter-fund activity reflected in “due to or due from” is eliminated on the government-wide statements.

Component Unit

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide statement of net assets column of the combined financial statements. Tax receivables are shown net of an allowance for uncollectible. The property tax receivable allowance is equal to 3% of the annual tax levy. IGTs are not accrued because they cannot be reasonably estimated and are not legal obligations of the District.

3. Inventories and prepaid items

Primary Government

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories are comprised of expendable supplies and gasoline held for consumption. All inventory items are expensed when used. Reported inventories are offset by a reservation of fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of net position. Inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In the fund financial statements, advances and prepayments are offset by a reservation of fund balance which indicates they do not represent “available spendable resources.”

4. Deferred Outflows/Inflows of Resources

The County reports deferred outflows and inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. On the *Statement of Net Position*, deferred inflows and outflows consist of deferred costs on refunding debt obligations that are applicable to future period(s) and certain changes in net pension liability. Unavailable revenue is reported only on the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The County implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* in fiscal year 2013. This statement establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and also requires related disclosures. In addition to assets/liabilities, the statement of financial position and/or balance sheet reports a separate section called deferred outflows/inflows of resources.

The County put into effect GASB Statement 65, *Items Previously Reported as Assets and Liabilities* (“GASB 65”) in fiscal year 2014. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of GASB 65 is reflected in the financial statements and notes to the financial statements.

With this implementation, deferred charges, consisting of bond issuance costs, which were previously amortized over the term of the bonds, are now accounted for as expenses in the period incurred. Also, GASB 65 required that deferred losses on the refunding of bond issue be reported as a deferred outflow of resources.

5. Capital assets

Capital assets, which include land, buildings and improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years, plus items shown on the exception list. Examples of items on the exception list are computers, radios, tablets, guns, and other items considered necessary.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. . The County has paintings, sculptures and other assets which are insured and are reflected on the statement of insurance coverage. The County has taken the position that these paintings, sculptures and other assets meet the criteria of the GASB 34 exemption which encourages, but does not require governments to capitalize collections that are (a) held for public exhibition, education, or research in furtherance of public service, rather than financial gain; (b) protected, kept unencumbered, cared for, and preserved; and (c) subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire

other items for collections. Therefore, these paintings and sculptures have not been capitalized, nor depreciated and are not reflected in the annual financial statements.

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

GASB Statement No. 51 *Accounting and Financial Reporting for Intangible Assets* requires the County to report and depreciate new software systems with the beginning of the current year. The County has elected to depreciate these systems over 20 years. Millions of dollars are capitalized in construction in progress until completed for a new case management system, jail management system, automated time keeping attendance, and financial system upgrade.

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* (“GASB 42”), establishes standards that define capital asset impairment and specifies how various types of impairment losses will be measured, reported, and disclosed. It also clarifies and establishes reporting and disclosure of all insurance recoveries. Nueces County cannot evaluate the impact affecting capital assets to determinate whether impairment of capital assets has occurred due to Hurricane Harvey, because the amount of insurance recoveries and restoration costs are not known at this time. No impairment losses of capital assets have been recognized during the year ended September 30, 2020.

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

<u>Assets</u>	<u>Life in Years</u>
Buildings	40
Land improvements	30
Building improvements	20
Equipment	10-15
Automotive	6
Furniture	12
Heavy Equipment	15
Computer Equipment	7
Software Systems	20
Infrastructure	30
Infrastructure Improvements	10-30

Component Unit

All fixed assets are valued at historical cost if purchased or constructed. Donated fixed assets are valued at their estimated fair value on the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other cost incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Life in Years</u>
Buildings and Improvements	20-40
Furniture and Equipment	10
Computer Equipment	5

6. Compensated absences

Primary Government

Accumulated vacation and sick leave is accrued when incurred and reported in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All full-time employees accumulate vacation benefits in varying amounts depending on years of service and sick leave benefits accrue at the rate of twelve days per year as determined by the employee's work schedule. On termination and retirement, the County pays employees for unused, accumulated vacation leave time up to maximum of 96 hours for civilian personnel and 102 hours for law enforcement. Unused compensatory time of non-exempt employees is fully paid upon termination or retirement. Sick leave benefits are payable only upon retirement, and not termination of employment. One half of the unused sick leave is paid up to a maximum of thirty days to those employees who retire from the County.

Component Unit

District employees earn paid time off and sick leave. Paid time off accumulates from year to year up to a maximum of two years accrual. Semi-annually, employees can elect to be paid in lieu of utilizing paid time off and sick leave at a rate of 80% of time earned. Sick leave accumulates up to a maximum of 1,440 hours. Upon termination of employment, employees may receive pay for their unused time off. The cost of paid time off and sick leave is recognized when earned by employees.

7. Long-term obligations

Primary Government

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the related debt. Per GASB 65, any gain or loss on refunding of a bond is reported as a Deferred Inflow or Outflow of Resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. Bonds payable are reported net of the applicable bond premiums or discounts. Also per GASB 65, issuance costs are now expensed immediately.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 in the period issued.

8. Fund Balance

Primary Government

As prescribed by GASB 54, governmental funds report fund balance in classifications based on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of September 30, 2020, fund balances for the governmental funds are made up of the following:

Non-spendable Fund Balance – includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term notes receivable.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changes or lifted only with the consent of resource providers. When restricted and unrestricted fund balance exists for the same purpose, restricted fund balance will be used first.

Committed Fund Balance – includes amounts that can be used for specific purposes determined by the Commissioners court. The commitment of fund balance requires the highest-level action of the Commissioners court to constitute a binding constraint on fund balance. This can only be achieved by a majority vote of approval of the Commissioners court. Commitments may only be changed or lifted by a majority vote of approval of the Commissioners court. The proposed action of the Commissioners court with regard to creation or modification of a commitment must also be clearly posted on the Commissioners court agenda in advance of taking any action.

Assigned Fund balance – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. *Intent* is expressed by the Commissioners court or an official to which the Commissioners court has delegated the authority to assign amounts to be used for specific purposes. As of the date of this report the Commissioners court has not authorized any other official to have authority to assign fund balance; therefore, the assignment of fund balance must be made by approval of the Commissioners court.

Unassigned Fund Balance - is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

County Fund Balance Policy

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The Commissioners court adopted a resolution and order on August 28, 2019 establishing the financial guidelines for the minimum general fund reserve of 25% of general fund 2019-2020 budgeted revenues and transfers in order to maintain sound fiscal policies and an excellent bond rating. The 25% fund balance is considered necessary since Nueces County is a coastal county and as such has a higher exposure to risk. The minimum general fund reserve for the year ended September 30, 2020, was expected to be \$25,137,021; however, the actual ending general fund balance was \$25,001,104.

E. Employee Benefit Plans

The adoption of GASB 68 in fiscal year ended September 30, 2015, replaced the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they related to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria.

GASB Statement 71, *Pension Transition for Contributions Made for Subsequent to the Measurement Date* (“GASB 71”), was an amendment to Statement No. 68, *Accounting and Financial Reporting for Pensions* and was adopted in fiscal year ended September 30, 2015. GASB 71 eliminated the source of a potential significant understatement of restated beginning net position and expense in the first-year implementation of Statement 68 in accrual basis financial statements.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (the “TCDRS”) and additions to/deductions from TCERS’ Fiduciary Net Position have been determined on the same basis as they are reported to 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.

Component Unit

The District has a 403(b)-tax sheltered annuity retirement plan and a deferred compensation plan. The assets, liabilities, fund equity, and operations of this plan are not presented on the District’s financial statements as both plans are independently administered.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund *Balance Sheet* and the government-wide *Statement of Net Position*

Primary Government

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide *Statement of Net Position*. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are presented on the following page:

General obligation debt	\$131,095,000
General obligation debt- Direct Placements	14,999,043
Premium (net)	11,784,582
Capital Lease	4,962
Capital leases-Direct Borrowings	3,751,873
Accrued interest payable	2,420,147
Compensated absences	<u>2,464,800</u>
Net adjustments to reduce <i>fund balance - total governmental fund</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$166,520,407</u></u>

B. Fund Explanation of certain differences between the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* and the government-wide *Statement of Activities*.

The governmental fund *Statement of Revenue, Expenditures, and Change in Fund Balances* includes reconciliation between *net changes in fund balance – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide *Statement of Activities*. One element of that reconciliation indicates, “Governmental funds report capital outlays as expenditures. However, in the *Statement of Activities* the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$1,795,727 difference are as follows:

Capital outlay	\$13,243,925
Depreciation expense	<u>(11,448,198)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at change in <i>net position of governmental activities</i>	<u><u>\$1,795,727</u></u>

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(31,117,857) difference are as follows:

General obligation debt principal repayment	\$56,545,000
General obligation debt- Direct Placements	929,047
Capital lease reconciliation	391,947
Issuance of general obligation debt	(90,102,714)
Amortization of premium and deferred charges	<u>1,118,863</u>
Net adjustment to increase <i>net changes in fund balances- total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$(31,117,857)</u></u>

Another element of that reconciliation states that “Some expenses reported in the *Statement of Activities* do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(981,776) difference are as follows:

Changes in compensated balances	\$(280,537)
Accrued interest	<u>(701,239)</u>
Net adjustment to increase <i>net changes in fund balances- total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$(981,776)</u></u>

III. Stewardship, compliance and accountability

A. Budgetary information

The county auditor serves as the County’s budget officer. After requests have been submitted by County departments, a base line budget is presented to Commissioners court with no tax increase as a starting point. The Commissioners court reviews the requests, adjusts budget requests to final form, and conducts public hearings. One copy of the proposed budget must be filed with the county clerk. Copies must be available to the public for review. The Commissioners court must hold a public hearing on the budget on some date within ten (10) calendar days after the filing of the proposed budget and prior to October 31 of the current year.

Annual budgets are adopted for all governmental funds except for the Main Grants Fund, the Texas Juvenile Justice Department Fund, and Capital Projects Fund. Project length budgets are adopted for these grants and capital project funds. Budgetary integration is not employed for the internal service fund because expenses are not controllable by management. The amounts budgeted for expenditures in various funds may not exceed the fund balances in those funds as of the first day of the fiscal year plus anticipated revenue for the fiscal year as estimated by the county auditor.

An appropriated budget is prepared by line item for the following expenditures: personnel expenditures (salaries and overtime), special personnel services (court appointed attorneys for example), insurance premiums, and other specific expenditures designated by Commissioners court in the general fund, road fund, airport, inland parks, and coastal parks funds. Remaining expenditures, non-personnel items mainly, are controlled at the category level. For all other special revenue funds, the legal level of control is at the fund level.

Budget transfers may be made among the line items, categories, and departments only with the approval of the Commissioners court. Such transfers were made during the fiscal year but did not increase the County’s overall budget. The budgets are prepared on a basis consistent with generally accepted accounting principles. The final budgets presented in this report reflect the budget amendments for all appropriation transfers processed during the fiscal year.

Component Unit

The Board adopts an annual budget for all funds. The annual budget and revisions must be approved by the Board of Managers and then the County Commissioners Court.

B. Encumbrances

Primary Government

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized in the governmental funds to the extent - under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation. Encumbrances outstanding at fiscal year-end do not constitute expenditures or liabilities

because the commitments will be honored during the subsequent year. As of September 30, 2020, the encumbrance balances for the governmental funds are reported as follows:

	Restricted	Committed	Assigned	Unassigned	Total
General Fund	\$ -	\$ 111,896	\$ -	\$ -	\$ 111,896
US Marshal Contract	-	-	-	19,933,947	19,933,947
Capital Projects Fund	-	5,040,835	-	-	5,040,835
Non-major Governmental	1,291,273	-	-	-	1,291,273
Total	<u>\$ 1,292,023</u>	<u>\$ 5,152,731</u>	<u>\$ -</u>	<u>\$ 19,933,947</u>	<u>\$ 26,378,701</u>

IV. Detailed notes on all funds

A. Deposits and Investments

Deposits

The County’s investment policy is in accordance with the laws of the State of Texas. The policy identifies authorized investments and investment terms, collateral requirements, and safekeeping requirements for collateral. Chapter 2257 of the Texas Government Code is known as the Public Funds Collateral Act provides guidelines for the amount of collateral that is required to secure the deposit of public funds. Federal Depository Insurance Corporation (FDIC) is available for funds deposited at any financial institution up to a maximum of \$250,000 each for demand deposits, time and savings deposits, and deposits pursuant to indenture. The Public Funds Collateral Act requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of FDIC insurance available. Our policy requires that at all times the market value of collateral must be equal to or greater than 102% of the par value of the certificate of deposit plus accrued interest and equal to or greater than 102% of the bank deposit less amount insured by the Federal Deposit Insurance Corporation.

The County’s demand deposits are fully covered by collateral held in the County’s name by the County’s agents, the Federal Reserve Bank of Boston, and the Federal Home Loan Bank of Dallas. The County’s collateral agreements require the market value of securities held by its agents to exceed the total amount of cash and investments held by Frost Bank (the County depository bank) and Wells Fargo Bank and American Bank continue to collateralize our demand deposits. The Treasury is required to monitor the adequacy of collateral at least weekly but in practice is monitored daily.

Pooled Cash and Investments

The County maintains a cash and investment pool fund that is internal and is used primarily for investment purposes. Participation in the internal pooled fund is limited to the funds or departments with the larger cash available balances. The other funds that do not have excess funds or smaller fund balances are not in the pooled fund invest in Texas Class, an external pool, because monies are more readily available for longer term investment. Earnings from the Pool are allocated to the individual funds based upon its equity position of the funds in the Pool. A summary of balances in pooled and non-pooled accounts can be found below.

	Total Cash and Cash Equivalents	Investments	Total Cash and Investments	Pooled Funds	Non-Pooled
Governmental Funds:					
General	\$ 30,336,953	\$ 525,401	\$ 30,862,354	\$ 7,383,191	\$ 23,479,163
Debt Service	3,912,814	125,743	4,038,557	1,767,001	2,271,556
U.S. Marshall Contract	1,901,243	-	1,901,243	-	1,901,243
Capital Projects Fund	58,463,369	956,102	59,419,471	14,817,190	44,602,282
Other Governmental Funds	28,622,110	691,814	29,313,924	9,721,120	19,592,805
	<u>123,236,489</u>	<u>2,299,060</u>	<u>125,535,550</u>	<u>33,688,501</u>	<u>91,847,049</u>
Proprietary Funds:					
Internal Service Funds	3,933,519	34,926	3,968,445	490,798	3,477,647
	<u>3,933,519</u>	<u>34,926</u>	<u>3,968,445</u>	<u>490,798</u>	<u>3,477,647</u>
Fiduciary Funds:					
Agency Funds	15,368,099	7,412,149	22,780,248	-	22,780,248
	<u>15,368,099</u>	<u>7,412,149</u>	<u>22,780,248</u>	<u>-</u>	<u>22,780,248</u>
TOTAL ALL FUNDS	<u>\$ 142,538,108</u>	<u>\$ 9,746,135</u>	<u>\$ 152,284,243</u>	<u>\$ 34,179,299</u>	<u>\$ 118,104,945</u>

In February 2015, GASB issued Statement No. 72 (GASB 72), designed to enhance the comparability of governmental financial statements by requiring market value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. GASB 72 amended the definitions of market value and investments, provided guidance for determining a market value measurement for assets and liabilities required to be reported at market value, provided guidance for applying market value to investments required to be reported at market value, and provided for disclosures in addition to those already required by GASB Statements No. 3, 31, 40, and 53 for all investments measured at market value.

GASB 72 redefined investments as securities or other assets that governments hold primarily for the purpose of income or profit having a present service capacity based solely on its ability to generate cash or to be sold to generate cash. According to GASB 72, the investment designation must be made when the asset is acquired and would remain over the life of the asset, even if the use of the asset changes over time. GASB 72 further redefined fair value as the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. By expanding how governments define investments, GASB 72 expands the scope of fair value reporting to include investments that were not previously reported at fair value.

In addition to expanding the definitions of fair value and investments, the standard provides requirements for the valuation and disclosure of assets and liabilities reported at fair value. Governments are to use valuation techniques that are appropriate and for which sufficient data is available to measure assets and liabilities at fair value. Valuation techniques should be applied consistently from one accounting period to the next and should maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach.

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. Methods consistent with the market approach include quoted market prices, the market multiples technique and the matrix pricing.
- The cost approach reflects the amount that would be required to replace the present service capacity of an asset or its current replacement cost.
- The income approach converts future amounts (such as cash flows or income and expenses) to a single current (discounted) amount. Income approach methods include present value techniques, option-pricing models, binomial or lattice models that incorporate present value techniques and the multi-period excess earnings method

Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

To help financial statement users better understand the quality of the inputs used in determining fair value, GASB 72 establishes a three-tier fair value hierarchy that prioritizes the inputs based on relative reliability, as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities. An active market is identified as a market where transactions for the financial instrument occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, either directly or indirectly.
- Level 3 inputs are inputs that are unobservable and only used when relevant Level 1 or 2 inputs are unobservable such as nonbinding quotes on interest rate swaps that cannot be corroborated by observable market data.

GASB 72 requires disclosure of the fair value level and valuation technique for each type of asset or liability measured at fair value. GASB 72 requires that these disclosures be organized by type of asset or liability as opposed to reporting entity segment. Also, for investments in certain entities that calculate the use net asset value per share or its equivalent as a measure of fair value, GASB 72 requires additional disclosures on any unfunded commitments and redemption terms.

None of the County's investments are valued using Level 1 and Level 3 inputs. The Pool uses the market approach as a valuation technique in the application of GASB 72. This method uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets.

The following chart summarizes pooled investments recurring fair value measurements and the fair value hierarchy at September 30, 2020.

	<u>Total Value</u>	Quoted Prices in Active Markets for Identical Assets			Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
		(Level 1 Inputs)				
Investments by Fair Value Level						
Negotiable Certificates of Deposit	\$ 1,273,986	\$ -	\$ -	\$ 1,273,986	\$ -	
Municipal Bonds	1,060,000	-	-	1,060,000	-	
Total Investments by Fair Value Level	\$ 2,333,986	\$ -	\$ -	\$ 2,333,986	\$ -	
Investments Measured at Amortized Cost						
External Investment Pool-Texas Class	\$ 93,370,397					
Total Investments at Amortized Cost	\$ 93,370,397					
TOTAL ALL INVESTMENTS	\$ 95,704,383					

The County’s investments are comprised of an external investment pool with ratings no lower than AAAM or AAA-, brokered CD’s, and US Agencies and Municipal Bonds with ratings no lower than the County’s AA+. Total pooled investments as of September 30, 2020, were valued at \$95.70 million. The fair value of pooled investments categorized according to the GASB Statement No. 72 fair value hierarchy totaled \$2.33 million and are all classified as Level 2. Pooled investments also include external investment fund Texas CLASS. The County’s total investment in Texas CLASS is \$ million, which is valued at fair value.

The County uses Frost Bank as the custodian of securities including its negotiable certificates of deposit, municipal bonds, and government sponsored enterprise (GSEs) obligations. Unlike Treasury securities, government agency bonds are expressly backed by the full faith and credit of the U.S. government, but they do carry and implied backed due the continuing ties the agencies and the U.S. government. Frost Bank uses Interactive Data as its primary securities data provider. Interactive Data’s evaluations are based on market data. Interactive Data utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information and for structured securities, cash flow, and when available, loan performance data. Because many fixed income securities do not trade on a daily basis, Interactive Data’s evaluated pricing application apply available information as applicable through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing to prepare evaluations. The securities were valued using matrix pricing, which is consistent with the market approach. The matrix pricing technique is used to value some types of financial instruments, such as debt securities, without relying exclusively on quoted prices for the specific securities. Instead, matrix pricing relies on the securities’ relationship to other benchmark quoted securities.

At year end, the County’s governmental investment balances and weighted average were as follows:

	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Four Years</u>	<u>Weighted Average Days to Maturity</u>
External Investment Pools	\$ 93,370,397	\$ 93,370,397	\$ -	1
Brokered CD's	1,273,986	-	1,273,986	237
Municipal Bonds	1,060,000	-	1,060,000	517
	<u>\$ 95,704,383</u>	<u>\$ 93,370,397</u>	<u>\$ 2,333,986</u>	<u>9</u>

Credit risk

Nueces County seeks to control the risk of loss of a security issuer or grantor by purchasing only eligible investments and requiring prior approval of investment vendors with which it transacts business and by having the bank collateralize deposits account at greater than 100% at the market value. In addition, Nueces County executes the purchase of individual eligible investments only on the “delivery versus payment” (DVP) method through Frost Bank serving as Nueces County’s depository for the safekeeping of collateral with both Nueces County and a third party safekeeping agent to define Nueces County’s rights to the collateral in case of default.

Texas statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a Federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed, insured by, or backed by the full faith and credit of this State or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state (rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent.); and certificates of obligations issued by a state or national bank domiciled in Texas.

A certificate of deposit that is purchased through a brokerage firm, or a sales representative other than a bank is called a brokered CD. Each invested brokered CD is guaranteed or insured by the Federal Deposit Insurance Corporation up to \$250,000 per investment instrument. House Bill 2226 (effective 6/17/2011) amends Section 2256.010(b) of the Government Code which allows the County to invest in certificates of deposit through a broker or depository institution. This allows the broker or depository institution to arrange investing for certificates of deposit in one or more federally insured depository institutions, wherever located. Currently the County is investing in brokered certificate of deposits.

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (PFIA), Chapter 2256.016 of the Texas Government Code. In addition to other provision of the PFIA designed to promote liquidity and safety of principal, the (PFIA) 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. All investments noted above are rated AAAM by Standard & Poor’s.

Concentration of credit risk

The County’s investment policy states that the investment committee must maintain diversity in the type of eligible investments purchased by limiting the percentage of the combined portfolios for each type from a range of 10% to 85%. Nueces County also maintains diversity of vendors by purchasing from more than one vendor. The County strives to obtain more than one bid when purchasing investments.

Interest rate risk

In accordance with the County’s investment policy, the County manages exposure to declines in the market value by laddering its investment portfolio and by limiting its weighted average days to maturity to less than 365 days. With the declining interest rates the County has shortened our investment ladder and cash equivalents have increased. As a result, we were 9 weighted average days to maturity. Due to the low interest environment the County has been investing toward the lower end of the range of the ladder in order to reduce the interest rate risk. Nueces County mitigates the interest rate risk by having several different bonds that have varying maturation schedules.

Component Unit

The District’s investment policies and types of investments are governed by the Texas Public Funds Investment Act (“PFIA”). The District’s management believes that it has complied with the requirements of the PFIA and the District investment policies. At September 30, 2020, the District segmented time distribution analysis of the portfolio by market sector including the Health Benefit Trust:

	TOTAL	INVESTMENT MATURITIES IN YEARS	
		LESS THAN ONE YEAR	ONE TO THREE YEARS
Cash and Equivalents			
Collateralized Bank Accounts	1,147,218	1,147,218	-
Money Market Mutual Funds			
Fiduciary Funds	117,584	117,584	-
Petty Cash	150	150	-
AAA-Rate Local Government Investment Pools:			
Texpool	72,927,315	72,927,315	-
Logic	23,736,581	23,736,581	-
TexStar	11,729,878	11,729,878	-
Total Cash and Equivalents	109,658,726	109,658,726	-
Investments At Fair Value			
US Agencies:			
Federal National Mortgage Association	11,996,132	-	11,996,132
Municipal Bond	1,000,500	-	1,000,500
Total Investments	12,996,632	-	12,996,632
TOTAL VALUE	122,655,358	109,658,726	12,996,632
% of Total Portfolio	100%	89.40%	10.60%

The District's policy is to report money market investments at amortized cost. U.S. Government Agency Securities are reported at fair value based on quoted market values. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value.

Credit risk

The primary stated objectives of the District's adopted Investment Policy are the safety of principal, liquidity, diversification and yield. Credit risk within the District's portfolio among the authorized investments approved by the District's adopted Investment Policy is present only in time and demand deposits, repurchase agreements, commercial paper, municipal obligations and money market mutual funds. All investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities. State law and the District's adopted Investment Policy require inclusion of a procedure to monitor and act as necessary to changes in credit rating on any investment which requires a rating. State law and the District's adopted Investment Policy also require a procedure to verify continued FDIC insurance weekly.

State law and the District's adopted Investment Policy restrict both time and demand deposits, including certificates of deposit (CD), to those banks doing business in the State of Texas and further requires full insurance and/or collateralization from these depositories (banks and savings banks). Depository certificates of deposit are limited to a stated maturity of three years. Collateral, with a 102% margin, is required and collateral is limited to obligations of the U.S. Government, its agencies or instrumentalities. Independent safekeeping is required outside the pledging bank's holding company with monthly reporting. Securities are at market on a daily basis as a contractual responsibility of the bank.

Brokered CD's must be FDIC insured and delivered versus payment to the District's depository. Maximum maturity is one year, and FDIC insurance must be verified before purchase. By policy any change in FDIC status of the banks requires a review to assure FDIC status has not changed and immediate liquidation in the case of a merger or acquisition.

By policy and state law repurchase agreements are limited to those with defined termination dates executed with a Texas bank or a primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement and a minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed one year to stated maturity. Reverse repurchase agreements may not exceed 90 days and must be matched with reinvestment maturities.

By policy and state law commercial paper must be rated not less than A1/P1 or equivalent by at least two NRSRO's or by one NRSRO if fully secured by an irrevocable letter of credit issued by a bank organized and existing under US law or the law of a state of the US. Commercial paper is restricted to a stated maturity of 270 days or less. The District adopted Investment Policy restricts investment in money market mutual funds to those rated AAA and registered with the SEC. Each fund must strive to maintain a \$1 net asset value.

Local government investment pools in Texas are required to be rated AAA, or equivalent, by at least one nationally recognized rating agency. The Policy further restricts investments to AAA-rated local government investment pools which strive to maintain a \$1 net asset value.

As of September 30, 2020, the cash and investments contained:

- FDIC insured or fully collateralized bank deposits representing 0.94% of the total portfolio
- Investment in three local government investment pools representing 88.37% of the total portfolio,
- AAA-rated money market funds striving to maintain \$1 net asset value represented 0.10% of the total portfolio, and
- US Government agency securities representing 9.78% of the total portfolio.
- Municipal Bonds representing .81% of total portfolio.

Concentration of credit risk

The District recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The District's adopted Investment Policy establishes diversification as a major objective of the investment program and 33% of the District's investments are designed to be in obligations of the US Government. As of September 30, 2020, the portfolio met its diversification requirements.

Interest rate risk

In order to limit interest and market rate risk from changes in interest rates, the District's adopted Investment Policy sets a maximum stated maturity date of three years and at least a 33% of the District's investments shall be obligations of the U.S. Government. To ensure liquidity, a minimum of 10% shall be liquid. The maximum weighted average maturity (WAM) is six (6) months. At the time any investment is placed, the overall compliance with the Investment Policy is verified. A segmented time distribution analysis is shown above. As of September 30, 2020, holdings in the portfolio with stated maturity dates beyond one year representing 10.60% of the total portfolio all of which were US agencies.

Custodial credit risk

To control custody and safekeeping risk, State law and the District's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements. All pledged securities are to be transferred delivery versus payment and held by an independent party approved by the District and held in the District's name by an independent custodian. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% of market value and collateral terms to be detailed in executed written agreements. Depository agreements are executed under the terms of U.S. Financial Institutions Resource and Recovery Enforcement Act (FIRREA). The counterparty of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of September 30, 2020, the portfolio contained no certificates of deposit and no repurchase agreements. The portfolio contained 0.94% in fully insured and collateralized demand deposit accounts. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

GASB 72, Fair Value Measurement and Application, for financial reporting purposes categorized financial instruments within three different levels of risk dependent upon the measure of their fair value and pricing as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Because the investments are restricted by Policy and state law to active secondary market, the market approach is used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The fair market prices used for these fair market valuations of the District's portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

The investments held by the District as of September 30, 2020 are US Government Agency Bonds and Municipal Bond.

B. Receivables

Primary Government

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

Receivables -- Unavailable / Unearned		
	Unavailable	Unearned
Delinquent property taxes receivable (general fund) net	\$ 4,940,412	\$ -
Delinquent property taxes receivable (debt service fund) net	840,780	-
Delinquent property taxes receivable (road fund) net	82,526	-
Other accounts receivable	5,235,080	-
Grant advances prior to meeting all eligibility requirements	-	1,305,906
Total unavailable/unearned revenue for governmental funds	\$ 11,098,798	\$ 1,305,906

Receivables as of September 30, 2020 for each major fund, non-major and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	Taxes	Accounts	Grants	Total
Governmental activities:				
General fund	5,887,627	1,534,948	-	7,422,575
Debt Service	1,001,982	4,578	-	1,006,559
U.S. Marshal	-	8,239,667	-	8,239,667
Capital projects fund	-	188,851	-	188,851
Non-major funds	97,089	6,226,550	1,532,621	7,856,260
Subtotal	6,986,698	16,194,594	1,532,621	24,713,913
Less:				
Allowance for uncollectable taxes	(1,122,980)	-	-	(1,122,980)
Subtotal Governmental Funds	5,863,718	16,194,594	1,532,621	23,590,933
Internal Service fund	-	286,675	-	286,675
Total	5,863,718	16,481,269	1,532,621	23,877,608

Component Unit

The following table shows a schedule of delinquent taxes receivable and the allowance for uncollectible taxes for the District.

	BALANCE OCTOBER 1, 2019	CURRENT YEAR LEVY	TOTAL COLLECTIONS	ADJUSTMENTS	BALANCE SEPTEMBER 30, 2020
Delinquent Taxes Receivable	2,119,558	36,214,798	34,998,211	(490,151)	2,845,994
Allowance for Uncollectible Taxes	(1,066,807)	-	-	(19,637)	(1,086,444)
NET DELINQUENT TAXES RECEIVABLE	1,052,751	36,214,798	34,998,211	(509,788)	1,759,550

C. Capital Assets
Primary Government

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

	Beginning Balance	Additions	Completed Projects	Retirements	Restatements /Adjustments	Ending Balance
Governmental activities:						
Capital assets not being depreciated:						
Land*	\$ 5,007,306	\$ -	\$ -	\$ -	\$ -	\$ 5,007,306
Construction in progress**	20,070,688	8,718,694	(10,547,471)	-	-	18,241,911
Total Capital assets, not being depreciated	25,077,994	8,718,694	(10,547,471)	-	-	23,249,217
Capital assets being depreciated:						
Land improvements	52,034	-	-	-	-	52,034
Buildings and improvements	192,702,865	1,231,271	2,959,160	-	-	196,893,296
Furniture, equipment and machinery	26,261,631	3,293,960	644,870	(627,187)	-	29,573,274
Software	1,232,940	-	6,414,468	-	-	7,647,408
Infrastructure	190,935,796	-	528,973	-	-	191,464,769
Total capital assets, being depreciated	411,185,266	4,525,231	10,547,471	(627,187)	-	425,630,781
Less accumulated depreciation for:						
Land improvements	(2,636)	(1,734)	-	-	-	(4,370)
Buildings and improvements	(107,024,821)	(5,334,532)	-	-	-	(112,359,353)
Furniture, equipment and machinery	(15,365,240)	(2,563,109)	-	585,871	-	(17,342,478)
Software	(536,810)	(55,565)	-	-	-	(592,375)
Infrastructure	(147,021,927)	(3,493,258)	-	-	-	(150,515,185)
Total accumulated depreciation	(269,951,434)	(11,448,198)	-	585,871	-	(280,813,761)
Total capital assets, being depreciated, net	141,233,832	(6,922,967)	10,547,471	(41,316)	-	144,817,020
Governmental activities capital assets, net	\$ 166,311,826	\$ 1,795,727	\$ -	\$ (41,316)	\$ -	\$ 168,066,237

Depreciation expense for the year ended September 30, 2020 was charged to functions/programs of the County as follows:

Government activities:	FY 2020	FY 2019	Increase (Decrease)
General Government	\$ 920,311	\$ 920,693	\$ (382)
Building and facilities	3,190,966	3,565,540	(374,574)
Administration of justice	403,165	404,809	(1,644)
Law enforcement and corrections	1,716,233	1,628,687	87,546
Health, safety and sanitation	135,208	131,466	3,742
Social services	57,823	60,593	(2,770)
Agriculture, education and consumer sciences	32,459	49,562	(17,103)
Road, bridges and transportation	3,244,017	3,255,791	(11,774)
Parks and recreation	1,748,016	1,740,573	7,443
Total depreciation expense - governmental activities	\$ 11,448,198	\$ 11,757,714	\$ (309,516)

At September 30, 2020 the County's construction commitments are as follows:

Project Description	Project Budget	Balance
Building Improvements	\$ 27,846,137	\$ 20,045,595
Information technology Systems & Upgrades	9,527,608	563,902
Jail Renovations	3,636,967	92,148
Park Improvements	5,026,635	1,431,931
Road Improvements	18,070,137	11,431,410
Airport Improvements	2,006,280	1,544,801
Other Improvement Projects	17,712,278	10,451,460

Component Unit

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

	BALANCE OCTOBER 1, 2019	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2020
Capital Assets, Not Being Depreciated:				
Land	3,076,926	-	-	3,076,926
Capital Assets, Being Depreciated:				
Equipment	1,329,240	51,522	24,746	1,356,016
Buildings	27,710,427	49,107	-	27,759,534
Total Capital Assets, Being Depreciated	29,039,667	100,629	24,746	29,115,550
Less Accumulated Depreciation for:				
Equipment	1,214,060	32,530	24,746	1,221,844
Buildings	23,874,769	308,039	-	24,182,808
Total Accumulated Depreciation	25,088,829	340,569	24,746	25,404,652
Total Capital Assets, Being Depreciated Net	3,950,838	(239,940)	-	3,710,898
TOTAL CAPITAL ASSETS, NET	7,027,764	(239,940)	-	6,787,824

D. Inter-fund receivables, payables and transfers

Primary Government

The composition of inter-fund balances as of September 30, 2020, is presented on the following page:

Short-term due to/from other funds:

Receivable Due from	Payable Due to	Amount
Investment Pool - Fund	Capital Projects	\$ 1,683
	Coastal Parks	41
General Fund	General Fund - Expense	173,805
	Capital Projects	5,546
Nonmajor - Road Fund	General Fund - Expense	2,099
Nonmajor - Stadium/Fairgrounds	General Fund - Expense	16,094
Nonmajor - Airport	General Fund - Expense	5,438
Nonmajor - Inland Parks	General Fund - Expense	12,665
Nonmajor - Coastal Parks	General Fund - Expense	3,769
	General Fund	3,768
	Nonmajor - Special Revenue	104
	Internal Service - Group Health Fund	36,578
Nonmajor - Special Revenue	General Fund	2,000,000
	Nonmajor - Special Revenue	4,995
Capital Projects	Nonmajor - Road Fund	105,291
	Nonmajor - Main Grants Fund	73,591
Nonmajor - Main Grants Fund	General Fund	820,000
		<u>\$ 3,265,466</u>

The purpose of short-term inter-fund loans is to provide operating cash flow to payroll and expense clearing accounts as well as other funds as expenditures are incurred and includes year-end accrual of investment interest. Inter-funds loans are settled upon cash availability in the owing fund/checking account or upon receipt of grant funds.

Long term due to/from other funds:

Receivable Due from	Payable Due to	Amount
General Fund -Expense	General Fund	\$ 600,000
Internal Service - Group Health Fund	General Fund	700,000
		<u>\$ 1,300,000</u>

Long-term inter-fund loans do not have a specific due date but may extend over one year, and some can be forgiven under certain conditions. The first long-term inter-fund loan of \$ 600,000 is due from the main grant fund to the general fund for advancing monies to fund grant

expenditures until grants are received. The second-long term inter-fund loan of \$ 700,000 is due from the Internal Service – Group Health Fund to the general fund to fund claims which have increased substantially over the last several years

Inter-fund transfers:

	Transfers In			Total Transfers Out
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	
<u>Transfers out</u>				
General Fund	\$ -	\$ -	\$ 8,466,603	\$ 8,466,603
U.S. Marshal Contract	1,500,000	-	-	1,500,000
Capital Projects Fund	-	-	74,650	74,650
Nonmajor Governmental Fund	84,057	630,000	362,001	1,076,058
Total Transfers In	<u>\$ 1,584,057</u>	<u>\$ 630,000</u>	<u>\$ 8,903,254</u>	<u>\$ 11,117,311</u>

The General Fund provides most of the transfers. The Road Fund, Inland Parks Fund, Stadium and Fairgrounds Fund, Coastal Parks Fund, and other non-major funds are dependent upon the General Fund for financial support. The General Fund also provides most of the required matching funds for grants.

Component Unit

Interfund transfers during the year ended September 30, 2020 was as follows:

	Transfers out		Total
	General Fund	Tobacco Settlement Fund	
<u>Transfers in</u>			
General Fund	610,000.00	(610,000.00)	-
Total	<u>610,000.00</u>	<u>(610,000.00)</u>	<u>-</u>

E. Leases

Primary Government

1. Operating Leases

Operating lease payments are recorded as expenditures or expenses during the life of the lease. Rental expenditures or expenses related to operating leases for the year ended September 30, 2020 were \$472,203. The following table presents minimum future rental obligation on non-cancelable operating leases as of September 30, 2020.

Noncancelable operating leases	
Fiscal Year	Primary Government
2021	\$366,086
2022	113,561
2023	61,908
2024	<u>62,556</u>
Total	<u>\$604,111</u>

2. Capital Leases

Leases that are purchases in substance are reported as capital lease obligations. The capital assets are recorded at the present value of the future minimum lease payments at the inception of the lease plus any cash paid or trade-in value received. For governmental activities, the assets and liabilities are recorded in the government-wide financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, defines debt and establishes additional financial statement note disclosure requirements related to debt obligations, including lease agreements reported as a financed purchase of the underlying asset.

The County has entered into long-term leases for financing the purchase of certain capital assets. Such leases are classified as capital leases - direct borrowings for accounting purposes and are recorded at the present value of the future minimum lease payments at the inception of the lease.

In fiscal 2014, the County entered into a direct borrowing agreement for a tax-exempt lease-purchase financing energy savings equipment and installation with All American Investment Group, LLC., with the first payment due date of October 1, 2014 and net present value of the minimum lease payments in the amount of \$5,562,89. This equipment is classified as construction in progress in the Government-wide Statement of Net Position and the lease obligation, currently \$4.10 million, is reflected as a liability in that statement. The financing term is for fifteen (15) years with a fixed interest rate of 2.795%, maturing in October 2028. Payments are covered each year by energy savings in accordance with Texas statutes. The energy savings contract is with Johnson Controls, Inc., and Energy Savings Company (ESCO).

In fiscal 2018, the County authorized a lease-purchase agreement with Holt Texas, Ltd, for a Wheel Loader with a net present value of the minimum lease payments in the amount of \$112,471. Financing term is for four (4) years with an interest rate of 4.55%. During fiscal year ended September 30, 2020 the County processed the last lease obligation in the amount of \$37,466, and the County took ownership of the equipment.

During fiscal year ended September 30, 2020 the County did not enter into new capital lease agreements. The County is also still obligated to prior lease agreements for the purchase of heavy equipment and building improvements. Payments during the fiscal year ended September 30, 2020 for all capital leases totaled \$508,600. Payments include interest ranging from 2.795% and 4.740% per annum.

The tables below are a summary of the future minimum lease payments for capital leases, capital leases-direct borrowing, and any analysis of the property recorded under capital leases by asset category, respectively at September 30, 2020.

Fiscal Year	Future Capital Lease Payments			Assets Under Capital Leases Type	Assets under Capital Lease	Accumulated Depreciation
	Principal	Interest	Total Minimum Lease Payments			
2021	\$3,819	\$129	\$3,948	Buildings and improvements	\$5,562,891	\$1,554,561
2022	1,143	8	1,151	Furniture, equipment machinery	130,306	23,181
2023	-	-	-			
2024	-	-	-	Total	\$5,693,197	\$1,577,742
2025	-	-	-			
2026-2030	-	-	-			
Total	\$4,962	\$137	\$5,099			

Fiscal Year	Future Capital Lease-Direct Borrowing Payments Governmental Activities			
	Principal	Interest	Total Minimum Lease Payments	
2021	\$372,407	1 104,865	\$477,272	
2022	382,816	9 94,456	477,272	
2023	393,516	8 83,756	477,272	
2024	404,515	7 72,758	477,273	
2025	415,821	6 61,451	477,272	
2026-2030	1,782,799	1 126,290	1,909,089	
Total	\$3,751,873	\$543,576	\$4,295,450	

Component Unit

The District leases office space for its administrative offices under an operating lease expiring in May 31, 2023. Rental payments under all operating leases amounted to \$115,627 during the year ended September 30, 2020. As of September 30, 2020, the District had the following minimum commitments under a non-cancelable lease for the next five years:

Year Ended September 30,	
2021	114,602
2022	116,442
2023	78,446
TOTAL	309,490

The District and Spohn entered into a Spohn Membership Agreement to establish a structure for the joint membership of Spohn with the District effective October 1, 2012. The Agreement includes (1) provisions stipulating the parameters for the healthcare services that Spohn will continue to provide to the Nueces County indigent residents during the term of the Spohn Membership Agreement, without payment by the District to Spohn for such services, (2) operative provisions and parameters for Spohn's continued use of the District's Memorial Medical Center (MMC) facilities and satellite clinics during the term of the Spohn Membership Agreement in a manner consistent with the substantive and maintenance provisions in the former Lease Agreement, without payment of rent by Spohn to the District for such use, and (3) a Spohn net patient revenue allocation and sharing arrangement between Spohn and the District, the amount of which is determined each year prior to October 1.

The Spohn Membership agreement serve multiple purposes including to facilitate (1) continued provision of indigent health care services in Nueces County, (2) Spohn's and other Region 4 healthcare providers' ability to participate in Medicaid supplemental funding under the Waiver based on the providers' achievement of Waiver-related project metrics and milestones and their provision of uncompensated care, to the benefit of the Nueces County indigent residents served by the District and (3) the District's ability to serve as the Region 4 Anchor under the Waiver.

The Spohn Membership Agreement was amended and restated effective November 18, 2015; Spohn will be permitted to renovate and transform the MMC campus. Spohn has constructed a new Family Health Center on the MMC Campus and is currently expanding its Christus Spohn Hospital Shoreline Emergency Department, trauma center and in-patient bed capacity. When the expansion is complete, ensuring that the community will have access to the health care services currently available, Spohn will be allowed to cease operation and demolish MMC.

Each year under the Spohn Membership Agreement, Spohn and the District confer regarding the support necessary for the operations of Spohn over the ensuing fiscal year starting October 1. Spohn prepares a budget that contemplates any modifications or additions in cost to provide healthcare services at MMC and the Satellite Clinics. Upon review of the Spohn budget, economic resources of Spohn, the Members and other factors, Spohn and the District agree on a "Specified Annual Percentage", (as defined in the agreement), of Spohn's net patient revenue that the District will receive. Based on this year's estimate the District budgeted \$98,000,000 and received \$108,186,992 in member revenues for the year ended September 30, 2020.

According to management, estimating the Specified Annual Percentage for membership revenue sharing is difficult due to the number of changing factors in the health care system that affect costs, as well as, revenues. Management intends to adjust the membership revenue sharing "Specified Annual Percentage" annually according to the Spohn Membership Agreement.

3. Long-term debt

Primary Government

Direct placements beginning balances, from implementing GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, are shown as restatements for this fiscal year of implementation.

The following items comprise the County's outstanding general obligation debt at September 30, 2020:

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
State Energy Conservation Office LoanStar Revolving Program Loan- Direct Placement	2.00%	2012	2027	\$3,734,951
General Obligation Refunding Bonds, Series 2012	3.00%-5.00%	2012	2026	\$22,345,000
Certificate of Obligation Comb. Tax & Revenue, Series 2015	2.00%-5.00%	2015	2026	\$15,300,000
General Obligation Refunding, Series 2015	2.00%-5.00%	2015	2027	\$20,785,000
State Infrastructure Bank- Direct Placement	3.47%	2016	2035	\$11,264,092
Certificate of Obligation Comb. Tax & Revenue, Series 2016	4.00%-5.00%	2016	2036	\$16,440,000
Certificate of Obligation Comb. Tax & Revenue, Series 2017	2.50%-4.00%	2017	2037	\$4,470,000
General Obligation Refunding Bonds, Taxable Series 2018	4.00%-5.00%	2018	2030	\$8,125,000
Limited Tax Refunding Bonds, Series 2019	3.00%-4.00%	2019	2039	\$43,630,000
Sub - total general obligation debt				146,094,043
Premium on debt (net)				11,773,064
Total general obligation debt at September 30, 2020				\$157,867,107

On May 12, 2010, the County approved LoanSTAR, a revolving loan mechanism up to a maximum of \$7,930,497 plus capitalized interest during construction from the State Energy Conservation Stimulus Program under the Comptroller of Public Accounts. Nueces County obtained debt of \$8,064,228 and the first payment due November 2012. The interest rate on the loan is at 2.00 % for a payback period of 11.9 years with quarterly payments of \$156,289. The purpose of this program is to increase the energy efficiency of public sector buildings and facilities in order to create or retain jobs, reduce energy consumption, reduce greenhouse gas emissions, increase energy cost savings, and install commercially available renewable energy. The County is repaying this loan from the energy savings measures implemented through building and facility improvements. The loan payments were set up to be paid quarterly. Currently \$3.73 million is reflected as a liability in the Government-wide Statement of Net Position.

The County issued \$42,310,000 in General Obligation Refunding, Series 2010 on October 12, 2010 due in installments of \$830,000 to \$5,265,000 through February 15, 2022, with interest ranging from 3.00% to 5.00%. The bonds were issued to refund certain outstanding obligations of the County (Refunded Obligations) and for the payment of the costs related to the bonds. The refunding met the requirements of an in-substance defeasance and \$43,240,000 from the 2001, 2002, and 2004 series of certificate of obligation were removed from the county's government-wide financial statements. As a result of the current refunding, the cash flows required to service the old debt amounted to \$59,794,248 and the cash flow to service the new debt will amount to \$57,890,163. The refunding resulted in a loss of (\$4,611,227) and a net present value savings of \$1,627,233. The reacquisition premium exceeded the net carrying amount of the old debt by \$5,074,413. This balance is reported as a deferred outflow of resources, per GASB 65.

The County issued \$26,005,000 in General Obligation Refunding, Series 2012 on March 26, 2012 due in installments of \$84,000 to \$6,179,275 through February 15, 2026, with interest ranging from 3.00% to 5.00%. The bonds were issued to refund certain outstanding obligations of the County (Refunded Obligations) and for the payment of the costs related to the bonds. The refunding met the requirements of an in-substance defeasance and \$26,720,000 from the 2004 series of certificate of obligation was removed from the County's government-wide financial statements. As a result of the current refunding, the cash flows required to service the old debt amounted to \$41,747,750 and the cash flow to service the new debt will amount to \$38,471,152. The refunding resulted in a loss of (\$1,679,146) and a net present value savings of \$2,676,171. The reacquisition premium exceeded the net carrying amount of the old debt by \$2,410,180. This amount is reported as a deferred outflow of resources, per GASB 65.

The County issued \$27,550,000 in General Obligation Refunding, Series 2015 on April 1, 2015 due in installments of \$1,205,000 to \$7,645,000 through February 15, 2027, with interest ranging from 2.00% to 5.00%. The bonds were issued to refund certain outstanding obligations of the County (Refunded Obligations) and for the payment of the costs related to the bonds. The refunding met the requirements of an in-substance defeasance and \$29,875,000 from the 2007 series of certificate of obligation was removed from the County's government-wide financial statements except for \$1,540,000 the final payment which was paid February 15, 2016. As a result of the current refunding, the cash flows required to service the old debt amounted to \$40,631,043 and the cash flow to service the new debt will amount to \$37,203,540. The refunding resulted in a loss of (\$1,250,992) and a net present value savings of \$2,789,560. The reacquisition premium exceeded the net carrying amount of the old debt by \$3,708,563. This amount is reported as a deferred outflow of resources, per GASB 65.

The County issued \$18,070,000 Combination Tax and Revenue Certificates of Obligation, Series 2015 on April 1 2015 due in installments of \$555,000 to \$1,270,000 (average installment equals \$951,053) through February 15, 2035, with interest ranging from 2.00% to 5.00% with a net interest cost of 3.44% to the County. The proceeds will be used for providing funds for the payment of contractual obligations of the County constructing, repairing and improving County roads and bridges, the McKenzie County Jail Annex, County facilities to comply with the American Disabilities Act, the County Airport runway extension, the County park system and facilities. The proceeds will also be used to purchase materials, supplies, equipment, land, and right-of-ways for authorized needs related to the improvements and to pay professional services related services.

The County adopted a resolution on December 17, 2014 for local project advance funding agreement for voluntary local government contribution with no required match for the design and construction of the US 181 Harbor Bridge Replacement Project. The County also entered a local project agreement between the County and the Texas Department of Public Transportation for advance funding agreement for voluntary local contribution for this project. The County agreed to pay \$3,000,000 to the State of Texas on December 31, 2015, 2016, 2017 and 2018. Due to pending litigation from area residents affected by the project, the construction and consequently the funding for the project were delayed and therefore funding was not obtained nor scheduled payments made until April 2016. On March 23, 2016, Commissioners Court approved a resolution and order approving entering into a loan agreement with the State of Texas – State Infrastructure Bank (“SIB”) for \$12,000,000 for purposes of funding Nueces County's portion of the Texas Department of Transportation US 181 Harbor Bridge Project. The SIB agreement called for four principal distributions of \$3,000,000 made on April 15, 2016; December 1, 2016, 2017 and 2018 to the State accruing interest at the rate of 3.47%. Currently \$11.26 million is reflected as a liability in the Government-wide Statement of Net Position.

The County issued \$17,920,000 Combination Tax and Revenue Certificates of Obligation, Series 2016 on November 15, 2016 due in installments of \$660,000 to \$1,640,000 (average installment equals \$995,556) through February 15, 2036, with interest ranging from 4.00% to 5.00% with a net interest cost of 3.89% to the County. The proceeds will be used for providing funds for the payment of contractual obligations incurred or to be incurred by the County, to-wit: acquiring, designing, constructing, renovating, repairing and improving various County facilities to comply with the American With Disabilities Act and other federal laws: upgrading and improving the County's

Information Technology Systems; acquiring, designing, constructing, renovating, repairing, and improving various County facilities, County parks, County airport runway and facilities; purchasing materials, supplies, equipment, machinery, landscaping, land and rights-of-way in the County for authorized needs and purposes related to the aforementioned capital improvements; constructing and improving to various roads, bridges and drainage facilities throughout the County; and paying professional, fiscal, engineering and legal fees incurred in connection therewith.

The County issued \$4,900,000 Combination Tax and Revenue Certificates of Obligation, Series 2017 on November 15, 2017 due in installments of \$115,000 to \$330,000 (average installment equals \$245,000) through February 15, 2037, with interest ranging from 2.50% to 4.00% with a net interest cost of 2.754368% to the County. The proceeds will be used for providing funds for the payment of contractual obligations incurred or to be incurred by the County, to-wit: acquiring, designing, constructing, renovating, repairing and improving various County facilities to comply with the American With Disabilities Act and other federal laws: upgrading and improving the County's Information Technology Systems; acquisition equipment for conduct of elections in Nueces County; designing, constructing, renovating, repairing, and improving various County parks system facilities; construction of and improvements to various roads, bridges and drainage facilities throughout Nueces County; purchase of material supplies, equipment, machinery, landscaping, land and rights-of-way in Nueces County for authorized needs and purposes related to the aforementioned capital improvements; and paying professional, fiscal, engineering and legal fees incurred in connection therewith.

The County issued \$8,125,000 in General Obligation Refunding Bonds Taxable, Series 2018 on October 10, 2018 due in installments of \$2,605,000 to \$2,815,000 through February 15, 2030, with interest ranging from 4.00% to 5.00%. The bonds were issued to restructure certain outstanding obligations of the County ("Refunded Obligations") to realize cash flows savings in fiscal years 2019 through 2022. The refunding met the requirements of an in-substance defeasance and \$7,715,000 from the 2010 series of certificate of obligation was removed from the County's government-wide financial statements. The refunding resulted in a deferred loss on refunding of (\$189,628) and an economic loss of (\$543,605).

The County issued the sale of 40,310,000 tax notes, series 2019 on October 15, 2019. Taxable Note 2019 due with interest ranging from 2.00% the proceeds for the sale of the Notes will be used to pay contractual obligations for construction of public works, including construct, acquire, purchase, renovate, equip, enlarge, and improve county-owned facilities and making other county improvements, and the purchase of materials, supplies, equipment, machinery, buildings, lands, and right-of-way for the county's authorized and for the repayment cost of issuance related to the notes.

The County issued \$43,760,000 in General Obligation Refunding Notes, Taxable Series 2019 on December 18, 2019 due to installments of \$830,000 to \$5,265,000 through February 15, 2039 with interest ranging from 1.5% to 3.00%. The proceeds from the sale of the bonds will be used to refund current outstanding obligations of the county, to achieve debt service savings and pay cost to the issuance of the bonds. The refunding met the requirements of an in-substance defeasance, \$8,800,000 from the 2010 series of certificate of obligation and \$40,310,000 from Tax Notes, Series 2019 were removed from the County's government-wide financial statements. As a result of the current refunding, the cash flows required to service the old debt amounted to \$55,465,953 and the cash flow to service the new debt will amount to \$64,738,987. The refunding resulted in a loss of (\$376,417) and a net present value savings of \$386,744. The reacquisition premium exceeded the net carrying amount of the old debt by \$3,708,563. This amount is reported as a deferred outflow of resources, per GASB 65.

The Tax Recovery Act of 1986 established regulations for the rebate to the federal government on arbitrage earnings on certain local government bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due on an annual basis and remit the amount due at least every five years. The County has no cumulative rebate amount due or payable as of September 30, 2020.

Debt service requirements to maturity for general obligation debts are as follows:

Fiscal Year Ending	Governmental Activities			Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
September 30						
2021	\$7,675,667	\$5,488,409	\$13,164,076	\$940,178	\$472,078	\$1,412,256
2022	8,090,000	5,208,307	13,298,307	966,926	447,517	1,414,443
2023	9,150,000	4,835,859	13,985,859	992,067	422,376	1,414,443
2024	9,585,000	4,404,434	13,989,434	1,018,534	395,908	1,414,442
2025	10,035,000	3,956,006	13,991,006	1,045,676	368,769	1,414,445
2026-2030	42,109,333	13,845,612	55,954,945	3,324,721	1,487,187	4,811,908
2031-2035	28,540,000	6,470,481	35,010,481	2,942,295	1,004,149	3,946,444
2036-2040	15,910,000	1,190,087	17,100,087	3,499,806	446,639	3,946,445
2041-2044	-	-	-	268,840	13,462	282,302
Total Requirements	\$131,095,000	\$45,399,195	\$176,494,195	\$14,999,043	\$5,058,085	\$20,057,128

Changes in Long-term Liabilities

	Beginning Balance	Restatements /Adjustments	Additions	Reductions	Ending Balance	Due Within One Year
General obligation debt	\$103,570,000	\$-	\$84,070,000	\$(56,545,000)	\$131,095,000	\$7,675,667
General obligation debt- Direct Placements	15,928,090	-	-	(929,047)	14,999,043	940,178
Unamortized premium on debt	7,326,477	11,518	6,032,714	(1,586,127)	11,784,582	-
Capital leases	8,632	-	-	(3,670)	4,962	-
Capital leases-Direct Borrowings	4,140,150	-	-	(388,277)	3,751,873	376,226
Compensated absences	2,184,263	-	3,801,829	(3,521,292)	2,464,800	100,000
General liabilities claims	1,049,078	-	300,000	(33,271)	1,315,807	300,000
Net pension liability	51,064,318	-	37,873,853	(66,314,370)	22,623,801	-
Judgements and other claims	347,438	-	328,397	(225,453)	450,382	110,000
	<u>\$185,618,446</u>	<u>\$11,518</u>	<u>\$132,406,793</u>	<u>\$(129,546,507)</u>	<u>\$188,490,250</u>	<u>\$9,502,071</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. General liability claims are paid from the self-insurance fund. The funds are used to liquidate the liability for compensated absences and pensions depending on what fund the employee is attached. The general fund and road fund have the highest number of employees and pay the most toward compensated absences. Judgments and other claims are reported in the general fund and special revenue funds and include seizures, bonds and other.

Component Unit

The following is a summary of long-term obligation transactions of the District for the year ended September 30, 2020:

Changes in Long-term Liabilities

	BALANCE OCTOBER 1, 2019	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2020
Other Liabilities				
Accrued Paid Time Off	<u>31,634</u>	<u>149,842</u>	<u>140,122</u>	<u>41,354</u>
TOTAL	<u>31,634</u>	<u>149,842</u>	<u>140,122</u>	<u>41,354</u>

4. Fund balance by designations

Primary Government

In fiscal year 2012, the County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The fiscal year 2020 financial report continues to reflect these changes. GASB 54 is intended to enhance the usefulness of fund balance information by providing clear fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classification that compromise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds.

Only a portion of prepaids is reported as non-spendable fund balance in the other governmental funds due to that Main Grants and Texas Juvenile Justice Department (TJJJ) Grants include \$847 and \$13,138 respectively in prepaid expenses related to insurance paid in advance. Main Grants and TJJJ Grants Funds do not maintain a fund balance; therefore, a zero-fund balance is reported at year end.

The table on the following page provides detail of the classification of fund balances as reported in the fund financial statements:

	General Fund	Debt Service Fund	U.S. Marshal Contract	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:						
Non-spendable:						
Inventory	\$ 65,605	\$ -	\$ -	\$ -	\$ 26,538	\$ 92,143
Prepays	776,231	-	753	-	154,691	931,675
Restricted for:						
Debt Service Reserve	-	4,038,134	-	-	-	4,038,134
U.S. Marshal Contract	-	-	273,409	-	-	273,409
Commissioners Precinct	-	-	-	-	1,585,935	1,585,935
Commissioners Court	-	-	-	-	1,245,656	1,245,656
County Attorney	-	-	-	-	54,356	54,356
County Clerk	-	-	-	-	2,871,357	2,871,357
Tax Assessor Collector	-	-	-	-	59,261	59,261
Juvenile Programs	-	-	-	-	560,182	560,182
District Attorney	-	-	-	-	143,802	143,802
District Clerk	-	-	-	-	186,902	186,902
County Sheriff	-	-	-	-	1,109,891	1,109,891
Asset Forfeiture	-	-	-	-	1,620,682	1,620,682
Law Enforcement Education	-	-	-	-	123,559	123,559
Social Services	-	-	-	-	29,306	29,306
Community Health Program	-	-	-	-	5,502,819	5,502,819
Parks & Recreation	-	-	-	-	153,687	153,687
Library	-	-	-	-	10,274	10,274
Committed to:						
Capital Projects	-	-	-	57,823,451	-	57,823,451
Policy on minimum reserves	24,159,267	-	-	-	-	24,159,267
Assigned to:						
Road & Bridges	-	-	-	-	2,377,153	2,377,153
Stadium & Fairgrounds	-	-	-	-	2,232,498	2,232,498
Law Library	-	-	-	-	55,217	55,217
Airport	-	-	-	-	166,313	166,313
Inland Parks	-	-	-	-	160,421	160,421
Coastal Parks	-	-	-	-	1,019,025	1,019,025
Unassigned:						
Total Fund Balances	\$ 25,001,104	\$ 4,038,134	\$ 274,162	\$ 57,823,451	\$ 21,449,524	\$ 108,586,375

5. Intergovernmental Transfers (IGTs)

Component Unit

The District participates in the State sponsored Medicaid payment program serving as the Region 4 Anchor. The District provides IGT's for certain healthcare providers in Region 4 so they can participate in Medicaid payment programs. The District budgets IGTs based on provider's cost estimates. HHSC determines the amount of available State funds available to providers under the various Medicaid payment programs. After these complicated calculations are made by HHSC for all providers in the entire State, then HHSC calculates the amount of IGT needed by each provider and determines timing of the payments to providers. Therefore, of the District's budgeted \$114,835,114 for IGT's, the District paid \$92,581,241 in IGT's in the current fiscal year.

Additionally, IGTs are not accrued as liabilities by the District on the government-wide financial statements because of the following factors:

- There is no legal obligation for the District to remit IGTs to HHSC.
- The amount to pay cannot be reasonably estimated

V. Other Information

A. Risk management

Primary Government

The County is exposed to various risks of loss related to injuries to employees; torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters for which the County carries commercial insurance; and medical health claims provided to employees and retirees. The Self Insurance Fund (an internal service fund) is used to account for and finance the County's uninsured risks of loss. Premiums are paid into the Self-Insurance Fund by all other funds based on estimates of the amounts needed to pay insurance premiums, claims, administrative costs, and to establish a reserve for catastrophic losses.

Workers Compensation

The County provides coverage for all workers compensation claims arising from accidents that occurred prior to July 12, 1995. The Commissioners Court approved on November 20, 2019 Texas Mutual Insurance Company as workers’ compensation coverage provider.

Property & Liability

The County has elected to self-insure for the risks from tort claims and law enforcement public official liability. The following are the County coverage:

	<u>Coverage</u>	<u>Maximum Limit</u>	<u>Deductible</u>
Auto Liabilities		\$100,000	\$5,000
Auto Body Injury Liabilities		\$100,000/\$300,000	\$5,000
Property Damages	Windstorm/Hail Only	\$354,487,478	1% per item/others property \$100,000-\$1,000,000
Property Damages	Excluding Windstorm/Hail/Flood & Terrorism	\$310,443,159 Buildings/ \$33,664,386 Contents; \$100,000,000 Boil & Mach; \$5,000,000 BI-EE	\$100,000
Property Damages	Flood	\$3,407,900 Building/\$389,700 Contents	\$1,250-\$3,000
Property Damages	Excess Flood	\$2,800,000	\$100,000
Property Damages	Inland Marine Floater	\$860,000 Valuable Papers; \$3,782,630 Voting Machines; \$193,500 Fine Arts, IT Equip \$5,500,000	5% or \$10,000 min Windstorm-Hail, \$25,000, \$2,500,\$25,000
Property Damage & Medical	Airport Legal Liability; Hangar keepers; Medical	\$1,000,000 Airport Legal Liability; \$1,000,000 Hangar keepers; \$1,000 Medical	NIL
Crime Policy		\$5,000-\$100,000	\$2,500
Public Official Liabilities	Excluding Law Enforcement	\$1,000,000	\$50,000
Law Enforcement		\$2,000,000	\$50,000

Group Health

The County is self-insured on providing group health medical benefits to employees and retirees. Other participants in the program include small organizations and districts such as the local credit union, the District, and a fire district Retirees and other participants pay 100% of their own premiums. The County does not have a liability for any postemployment benefits. Boon Chapman serves as the County’s third-party administrator. A stop loss policy which covers health claims in excess of \$325,000 per individual with unlimited maximum lifetime coverage is kept in force. The balance in the accounts payable includes an estimate for ninety days of run off claims.

	<u>Group Health</u>	
	<u>9/30/2019</u>	<u>9/30/2020</u>
Unpaid claims, beginning of fiscal year	\$ 744,181	\$ 942,463
Incurred claims	11,527,322	14,895,497
Payment on claims	(11,527,322)	(14,895,497)
Changes in estimate	198,282	22,407
Unpaid claims, end of fiscal year	\$ <u>942,463</u>	\$ <u>964,870</u>

General Liabilities

Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amounts of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Settlements have not exceeded coverage for each of the past three fiscal years.

	General Liability 9/30/2019	General Liability 9/30/2020
Unpaid claims, beginning of fiscal year	\$ 975,808	\$ 1,049,078
Payment on claims	-	(33,271)
Changes in estimate	<u>73,270</u>	<u>300,000</u>
Unpaid claims, end of fiscal year	<u>\$ 1,049,078</u>	<u>\$ 1,315,807</u>

B. Contingent liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. A contingent liability was not established because potential reimbursements are considered immaterial.

The County is a defendant in various lawsuits. An estimated claims liability of \$1,315,807 has been established in the internal service fund. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney and legal counsel for the Commissioners court the resolution of these matters will not have a material adverse effect on the financial condition of the County.

C. Employee retirement systems and pension plans

Texas County and District Retirement System

1. Plan Description

Nueces County provides pension, disability, and death benefits for all of its full-time employees through an agent, multiple-employer, defined-benefit plan. This plan is administered by the statewide, public-employee retirement system through the Texas County District Retirement System (the "TCDRS"). The system serves 738 actively participating counties and districts throughout Texas. Each employer has its own defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in the plan. The TCDRS issues a comprehensive annual financial report (AR) on a calendar year basis. The AR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age, or when the sum of their age and years of service equals 80 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. 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.

2. Contributions

Nueces County has elected the annually determined contribution rate (ADCR) 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.

Employees of Nueces County were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the County were 13.03% and 14.34% in calendar years 2019 and 2020, respectively. Nueces County's contributions to TCDRS for the fiscal year ended September 30, 2020 were \$8,489,739 and were equal to the required contributions.

3. Discount Rate

The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the

contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. 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.

The long-term rate of return on pension plan investments is 8.0%, net of all expenses, increased by 0.10% to be gross of administrative expenses. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on April 2020 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in 2017.

Asset Class	Benchmark	Target Allocation (1)	General Real Rate of Return(2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index(3)	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	7.00%	5.20%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	13.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index (4)	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%
Total		100%	

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

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

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

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

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

4. Changes in the Net Pension Liability

At December 31, 2019, Nueces County reported a net pension liability of \$22,623,801. The changes in net pension liability as shown on the following page:

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances at December 31, 2018	375,688,771	324,624,453	51,064,318
Changes for the year:			
Service cost	7,148,422	-	7,148,422
Interest on total pension liability	30,161,533	-	30,161,533
Effects of plan changes	-		
Effect of economic/demographic gains or losses	(1,417,781)	-	(1,417,781)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(1,005,012)	(1,005,012)	-
Benefit payments	(20,356,041)	(20,356,041)	-
Administrative expenses		(280,122)	280,122
Member contributions		4,045,829	(4,045,829)
Net investment income		53,319,745	(53,319,745)
Employer contributions		7,531,015	(7,531,015)
Other charges	-	(283,776)	283,776
Net Changes	14,531,121	42,971,638	(28,440,517)
Balances at December 31, 2018	390,219,891	367,596,090	22,623,801

The net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and for the year then ended.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

5. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
Net pension liability	\$69,197,379	\$22,623,801	\$(16,831,826)

6. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended September 30, 2020, Nueces County recognized pension expense of \$9,565,770.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience (net of current year amortization)	\$ -	\$ 1,865,539
Changes in actuarial assumptions	411,007	-
Net differences between projected and actual earnings	-	9,406,860
Contributions subsequent to the measurement date	6,387,623	-
Total	\$ 6,798,630	\$ 11,272,399

\$6,387,623 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year ended September 30,	
2021	\$ (2,928,053)
2022	\$ (3,337,727)
2023	\$ 891,607
2024	\$ (5,487,219)
2025	\$ -
6010	\$ -

Component Unit

The District maintains a single-employer, defined contribution retirement plan available to all employees. The Plan is a tax-qualified plan pursuant to section 403(b) of the Internal Revenue Code. All full-time employees are eligible for participation in the plan. As of September 30, 2020, twenty-two employees were enrolled in the plan.

The Plan is administered by an outside party. Employees can contribute a percentage of their compensation as permitted by the Internal Revenue Code Section 403(b). The District can make a discretionary matching contribution ranging from 5% to 7% of the employee's earnings based on tenure. The vesting schedule provides for employees to be 100% vested in their contributions. The District's contributions are vested at a rate of 20% per year of employment. The plan permits employees to borrow from the plan and the related administration cost thereof shall be borne by the employee participant. The normal retirement age has been designated as 65 years of age. During the year ended September 30, 2020, the District had retirement plan expenses of \$72,244.

The District has a deferred compensation agreement with a key employee which allows the employee to defer a percentage of his annual compensation to future periods as permitted by the Internal Revenue Code. The Plan is administered by an outside party.

D. Tax Abatements

Primary Government

The County enters into property tax abatement agreements with local businesses under the state Property Redevelopment and Tax Abatement Act, Chapter 312, as well as its own guidelines and criteria, which is required under the Act. The statute permits the creation of tax abatement reinvestment zones to attract new commercial investment, to expand existing facilities, and to contribute to retaining or expanding primary employment within areas of economic development interests. The designation of a zone should contribute to the County's economic development and guidelines and criteria for governing tax phase-in agreements and must be adopted at the discretion of Commissioners Court. Once a reinvestment zone has been designated, the County may offer a tax phase-in agreement to owners or lessees of taxable property within the reinvestment zone on a case-by-case basis. Areas designated as an enterprise zone under the Texas Enterprise Zone Act also constitute designation as a reinvestment zone. Tax phase-in agreements are contracts between the County and an owner or lessee of property wherein the owner or lessee makes an amount of new capital investment and jobs and the County abates all or a portion of ad valorem taxes under its authority on the new eligible real and personal property improvements within a reinvestment zone for a specific period of time. Tax phase-in agreements may abate up to 100% on real and/or personal property improvement values for up to 10 years. Provisions for recapturing abated taxes are enforced in such instances that the owner of a facility subject to abatement fails to commence operations with the minimum number of permanent jobs during the term of agreement or fails to maintain the minimum number of permanent jobs upon discontinuance of operations during the term of agreement. The said agreement shall be subject to termination and the applicable taxes shall be recaptured and paid within 60 days of termination.

For the fiscal year ended September 30, 2020, the County abated property taxes totaling \$440,506 under this program, which included the following tax abatement agreements in effect for the fiscal year ended September 30, 2020:

- The Commissioners Court approved on December 4, 2013 a temporary property tax abatement for Ticona Polymers, Celense, LTD for construction of a new building to be used to “compound” specialty plastics; the abatement provided 100% abatement during the construction period (not to exceed 5 years, and a 50% abatement for 5 additional years). The abatement amounted to \$125,536 for the year ended September 30, 2020.
- The Commissioners Court approved on June 18, 2014 a temporary property tax abatement for Ticona Polymers, Celense, LTD for construction of a new methanol production facility; abatement provided 100% abatement during the construction period (not to exceed 5 years, and a 70% abatement for 5 additional years). As of 2018 the facility never started construction as they have no plans to start anything in the new future.
- The Commissioners Court approved on November 01, 2017 a temporary property tax abatement for Epic Y-Grade Logistics, LP for construction of new facilities of manufacturing; the abatement provided 100% abatement during the construction period (not to exceed 3 years, and a 50% abatement for 5 additional years). The Commissioners Court approved on May 08, 2019 amendment No.1 to the Tax abatement agreement. The abatement amounted to \$314,670 for the year ended September 30, 2020.

The County also participates in two Tax Increment Reinvestment Zones (TIRZs) currently, passed by ordinances of the City Council of Corpus Christi, TX as follows:

<u>TIRZ</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Corpus Christi Reinvestment Zone No. 2	\$ 1,257,146
Corpus Christi Reinvestment Zone No. 3	422,972

A county or a city may create one or more tax increment financing reinvestment zones within a county or city (“TIRZ”), under which the tax values on property in the zone are “frozen” at the value of the property at the time of creation of the zone. Under prior law, taxes of overlapping taxing units levied against the value of property in the TIRZ in excess of the “frozen values” were captured and collected by the TIRZ to pay or finance the costs of certain public improvements in the TIRZ. Under current law, other overlapping taxing units levying taxes in the TIRZ may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIRZ in excess of the “frozen values” to pay or finance the costs of certain public improvements in the TIRZ.

Taxes levied by a county or city against the values of real property in a TIRZ created by a county or a city in excess of the “frozen” value are not available for general county or city use but are restricted to paying or financing “project costs” within the TIRZ.

The City Council passed an ordinance on November 14, 2000 creating the Corpus Christi Reinvestment Zone No. 2 (“Zone No. 2”) encompassing approximately 1,934 acres on North Padre Island. The preliminary plan calls for funding the local share of the reopening of a channel to the Gulf of Mexico, Packery Channel, along with beach restoration in front of the Padre Island seawall and related improvements. Nueces County, the Nueces County Hospital District, and Del Mar College (formerly Corpus Christi Junior College, a junior college district and leasing unit whose boundaries are coterminous with those of Nueces County) have agreed to participate in Zone No. 2. Pursuant to rights reserved to and exercised by the citizens of the City in its Charter, a referendum petition was filed to require an election on whether to repeal the City’s ordinance adopted on November 14, 2000. In response to the petition, the City Council called an election on repeal of this ordinance for April 7, 2001. At this election citizens voted not to repeal the November 14, 2000 ordinance. In 2003, \$5,000,000 in bonds were issued, in 2004 \$4,100,000 in bonds and in 2006 \$2,900,000 in bonds were issued by the North Padre Island Development Corporation (the “Corporation”), a non-profit corporation created by the City for the purpose of issuing bonds in furtherance of the development of Zone No. 2. In March 2008, the Corporation issued \$13,445,000 in refunding bonds, refinancing all of the previously issued bonds, to generate a debt service savings.

The City Council approved on December 16, 2008 a 20-year Tax Increment Financing Zone for the downtown area of the City, designated as the Corpus Christi Reinvestment Zone No. 3 (“Zone No. 3”). Zone No. 3 is intended to address the problem of substandard, slum and or deteriorating structures within the boundaries of Zone No. 3, the predominance of defective or inadequate sidewalk and street layouts and conditions that endanger life or property by fire or other cause. The boundaries of Zone No. 3 start along the Bayfront from the Sea town area (ship channel) on the North, Morgan Avenue to the South and west to Tanchua Street.

The primary function of Zone No. 3 is the planning, design and construction of public improvements. Zone No. 3 is only one of a variety of planned funding sources and programs that will act in concert to accomplish certain changes to the public environment in downtown. Over the last ten (10) years the City has invested over \$150 million in the downtown area, and \$47 million is planned for locations partly or wholly within Zone No. 3 intended to rehabilitate and improve existing public infrastructure. Some examples of possible improvements include:

- Streetscape, sidewalks and crosswalks
- Roadways and Traffic management
- Parks, public spaces and public facilities
- Utilities and drainage
- Land assembly

- Environmental remediation and safety improvements

The City's contribution of its tax increment revenues to Zone No. 3 is projected to be \$28.5 million over the 20-year period. The City requested the participation of Nueces County and Del Mar College, in Zone No. 3. In 2009, Nueces County agreed to participate for the remaining 19 years of Zone 3. Nueces County has participated over the last five years and has fourteen years remaining in this commitment. Del Mar College, however, only agreed to pay the tax increment through tax year 2018.

The City Council approved on November 19, 2019 the Corpus Christi Reinvestment Zone No. 4 ("Zone No. 4 North Beach") over a portion of the city that includes the city's North Beach area along the Bayfront from the Rincon Channel at the north end, south to the USS Lexington, adjacent to the Texas State Aquarium, and west to the Port of Corpus Christi; for a period not to exceed 20 years, setting a maximum City participation of \$20,000,000. The tax increment that the City contributes to the Tax Increment Fund each tax year is 100% 2019 through 2028 and 75% 2029 through 2038.

The primary functions of the zone will be to support:

- Infrastructure Projects
- Maintenance Projects
- Development Incentives
- Administration of the Zone.

E. Hurricane Harvey

Primary Government

The County experienced a natural disaster on August 25, 2017, resulting from Hurricane Harvey. All financial activity related to Hurricane Harvey is recorded in the Disaster Recovery department under the Special Revenue Fund. The Disaster Recovery department is used to account for disaster related expenditures, insurance proceeds, and Federal Emergency Management Agency (FEMA) grant distributions as well as other grants that are available. The County continues to evaluate the hurricane's effects and anticipates submitting reimbursement request to FEMA.

Hurricane Harvey resulted in the County incurring expenditures in the amount of \$2,064,131 as of September 30, 2020. The County received \$11,172 from FEMA, and \$21,884 from Insurance during fiscal 2020.

F. COVID-19

Primary Government

On March 1, 2020, the President of the United States issued a national emergency due to the COVID-19 outbreak. Gregg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020. Nueces County may not experience a large decrease of property tax revenue as other revenue sources but will still need to depend on financial reserves until revenue can be collected. Nueces County had to adjust regular operations and budgets in response to the pandemic. Increase on unexpected expenditures and loss in revenue will impact the county's finances.

On April 08, 2020, Commissioners Court approved an interfund loan up to a maximum of two million dollars (\$2,000,000) for COVID-19 costs and expenses made between March 13, 2020 through September 30, 2020.

The following funding sources helped to mitigate COVID-19 fiscal impact:

- US Department of Justice (DOJ), Bureau of Justice Assistance. Commissioners Court authorized submission on April 08, 2020; Financial report was submitted on May 24, 2020. The County requested reimbursement for approximately 83 iPads that were purchased to be used for remote court hearings for district judges, court managers, district attorney staff, court reporters, district clerk staff, and other key staff for civil and criminal trials. Funds in the amount of \$58,008 were received on August 27, 2020.
- Office of the Governor (OOG), Criminal Justice Division (CJD). Commissioners Court approved on April 22, 2020 the submission of a grant application to the Office of the Governor, Criminal Justice Division for the Coronavirus Emergency Supplemental Funding (CESF) Program, FY2020. The total was in the amount of \$637,564.78.
- 2020 Help America Vote Act (HAVA) CARES Act Sub-grant to Texas Counties. Commissioners Court authorized the execution of a noticed of Grant Award for \$315,104.43. This supplemental appropriation funding, distributed by the U.S. Election Assistance Commission (EAC), provided states with additional resources to protect the 2020 elections from the effects of the novel coronavirus.
- Texas State Library and Archives Commission (TSLAC). Commissioners Court approved the execution of a grant contract with the Texas State Library and Archives Commission (TSLAC) for the TSLAC Cares Act - Cycle 1 grant program on September 09, 2020. Program in the amount of \$49,671 to provide internet access to families and households in the rural areas that are lacking these services.
- Emergency Food and Shelter Program CARES Funding. Commissioners Court ratified the acceptance of the grant on June 06, 2020. Funds in the amount of \$59,558 to supplement and expand ongoing efforts to provide

- shelter, food, and supportive services for the hungry, homeless and people in economic crisis.
- Texas Division of Emergency Management (TDEM) for the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund (CRF). Nueces County received an allocation in the amount of \$830,665 which 20% was distributed on May 22, 2020.
- Texas Division of Emergency Management (TDEM) for the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund (CRF). On May 20, 2020 Commissioners Court adopted a resolution requesting CARES Act funding from the City of Corpus Christi. CRF for Nueces County Emergency Protective Measures was awarded in the amount of \$4,645,665.

Eligibility requirements are met when allowable costs have been incurred. The County recognizes revenue for CRF resources received when the eligibility requirements established in the CARES Act have been met.

G. Hurricane Hanna

Hurricane Hanna made landfall as a Category 1 hurricane on July 25, 2020 along the Gulf Coast of southern Texas causing serious flash flooding. Portion of the Padre Island's Bob Hall Pier structure collapsed due to the hurricane. A structural analysis was performed to determine the degree of the damage. The analysis concluded that the total repair cost for pre-Hanna conditions is in the amount of \$9,050,000 and \$12,960,000 for a new pier.

On July 28, 2020 the Texas Division of Emergency Management (TDEM) requested the Federal Emergency Management Agency (FEMA) conduct Joint Preliminary Damage Assessments (PDA) to assess damages to public infrastructure from Hurricane Hanna in Nueces County. The assessment to determine if the level of the damages met or exceed county and state threshold for the FEMA Public Assistant (PA) Grant Program was not concluded as of September 30, 2020.

H. Recent Accounting Pronouncements

Primary Government

GASB Statement No. 84, *Fiduciary Activities* ("GASB 84"), establishes criteria for identifying fiduciary activities of all state and local government. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 will be implemented by the County in fiscal year 2021 and the impact has not yet been determined.

GASB Statement No. 87, *Leases* ("GASB 87"), requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 will be implemented by the County in fiscal year 2023 and the impact has not yet been determined.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89"). This Statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that it be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. It also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020

GASB Statement No. 91 *Conduit Debt Obligations* ("GASB 91"). This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures.

This Statement also addresses arrangements-often characterized as leases that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021

GASB Statement No. 92, *Omnibus 2020* – ("GASB 92"), objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB 92 will be implemented by the County in fiscal year 2023 and the impact has not yet been determined.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* – (“GASB 93”), some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB 93 will be implemented by the County in fiscal year 2023 and the impact has not yet been determined.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements that limit the applicability of fiduciary activity rules to defined contribution plans, are effective immediately. The requirements related to accounting and financial reporting for section 457 plans are effective for fiscal years beginning after June 15, 2021.

I. Subsequent Events

On October 07, 2020 the County requested tax-exempt lease-purchase financing proposals to cover the cost of energy savings equipment and installation through an energy savings performance contract. The energy savings measures, for multiple facilities located at various locations within Nueces County, will cost approximately \$23,248,899. Financing term is for fifteen (15) years with a fixed interest rate. A proposal opening was conducted on October 1, 2020.

On February 12, 2021 through February 14, 2021 the County experienced a threat of imminent widespread and severe property damage, injury, and loss of life due to prolonged freezing temperatures.

REQUIRED SUPPLEMENTAL INFORMATION

**NUECES COUNTY
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2020
LAST TEN FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 8,489,739	\$ 7,394,654	\$ 7,184,610	\$ 6,870,671	\$ 6,619,937
Contributions in relation to actuarially determined contribution	<u>(8,489,739)</u>	<u>(7,394,654)</u>	<u>(7,184,610)</u>	<u>(6,870,671)</u>	<u>(6,619,937)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$60,720,616	\$56,844,158	\$56,166,554	\$55,821,258	\$54,232,195
Contributions as a percentage of covered payroll	13.98%	13.01%	12.79%	12.31%	12.21%

Note: GASB 68, Paragraph 81.2b requires that the data in this schedule be presented as the County's current fiscal year as opposed to the time period covered by the measurement date of January 1, 2018- December 31, 2018

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

NUECES COUNTY
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2020
LAST TEN FISCAL YEARS*

2015	2014	2013	2012	2011
\$ 6,283,390	\$ 6,242,443.00	\$ -	\$ -	-
(6,283,390)	(6,242,443.00)			
\$ -	\$ -	\$ -	\$ -	-
\$50,957,170	\$ 49,939,474.00	\$ -	\$ -	-
12.33%	12.50%			

NUECES COUNTY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Plan Year Ended December 31,	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 7,148,422	\$ 7,471,266	\$ 7,674,494	\$ 7,889,821	\$ 6,906,773
Interest (on the total pension liability)	30,161,533	28,997,045	27,724,198	26,287,050	25,213,058
Changes of benefit terms	-	-	-	-	(1,236,992)
Difference between expected and actual experience	(1,417,781)	(902,708)	(1,403,396)	(1,680,573)	(2,973,812)
Change of assumptions	-	-	1,644,030	-	3,586,139
Benefit payments, including refunds of employee contributions	(21,361,053)	(20,390,574)	(19,078,828)	(18,061,219)	(17,090,200)
Net Change in Total Pension Liability	14,531,121	15,175,029	16,560,498	14,435,079	14,404,966
Total Pension Liability - Beginning	375,688,771	360,513,742	343,953,243	329,518,164	315,113,198
Total Pension Liability - Ending (a)	\$ 390,219,893	\$ 375,688,771	\$ 360,513,742	\$ 343,953,243	\$ 329,518,164
Plan Fiduciary Net Position					
Contributions - employer	\$ 7,531,015	\$ 7,286,731	\$ 6,915,246	\$ 6,663,093	\$ 6,560,227
Contributions - employee	4,045,829	3,938,774	3,927,920	3,835,516	3,746,343
Net investment income	53,319,745	(6,450,271)	44,377,620	21,549,442	(649,272)
Benefit payments, including refunds of employee contributions	(21,361,053)	(20,390,574)	(19,078,828)	(18,061,219)	(17,090,200)
Administrative expense	(280,122)	(260,740)	(226,603)	(234,167)	(212,475)
Other	(283,776)	(238,826)	(112,507)	(502,725)	(438,332)
Net Change in Plan Fiduciary Net Position	42,971,638	(16,114,906)	35,802,848	13,249,940	(8,083,709)
Plan Fiduciary Net Position - Beginning	324,624,452	340,739,358	304,936,510	291,686,571	299,770,280
Plan Fiduciary Net Position - Ending (b)	\$ 367,596,090	\$ 324,624,452	\$ 340,739,358	\$ 304,936,510	\$ 291,686,571
Net Pension Liability - Ending (a) - (b)	\$ 22,623,801	\$ 51,064,318	\$ 19,774,384	\$ 39,016,733	\$ 37,831,593
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.20%	86.41%	94.51%	88.66%	88.52%
Covered Payroll	\$ 57,797,556	\$ 56,268,198	\$ 55,948,644	\$ 54,705,324	\$ 53,422,045
Net Pension Liability as a Percentage of Covered Payroll	39.14%	90.75%	35.34%	71.32%	70.82%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, this schedule provides the information only for those years for which information is available.

NUECES COUNTY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>2014</u>	<u>2013</u>	<u>2011</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 6,819,879	\$ -	\$ -	\$ -	\$ -	\$ -
24,018,245					
-					
(715,821)					
<u>(16,061,500)</u>					
14,060,803	-	-	-	-	-
301,052,395					
<u>\$ 315,113,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,242,443	\$ -	\$ -	\$ -	\$ -	\$ -
3,496,680					
19,403,544					
(16,061,500)					
(225,709)					
299,103					
<u>13,154,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
286,615,719					
<u>\$ 299,770,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 15,342,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
95.13%					
\$ 49,939,474	\$ -	\$ -	\$ -	\$ -	\$ -

NUECES COUNTY
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.4 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.0%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions:	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions:	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule.

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2020**

	<u>Road Fund</u>	<u>Stadium & Fairgrounds</u>	<u>Law Library</u>	<u>Airport</u>
ASSETS				
Cash and cash equivalents	\$ 2,631,391	\$ 2,215,584	\$ 81,051	\$ 214,113
Investments	9,460	84,184	2,488	-
Receivable (net)	271,511	24,568	8	0
Due from other funds	105,291	-	-	-
Prepaid expense	47,781	-	1,306	653
Inventories, at cost	-	-	-	11,326
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,065,435</u>	<u>\$ 2,324,337</u>	<u>\$ 84,853</u>	<u>\$ 226,093</u>
LIABILITIES				
Accounts payable	\$ 287,309	\$ 8,276	\$ 21,052	\$ 32,135
Accrued payroll payable	268,567	-	7,278	4,022
Due to other funds	2,099	16,094	-	5,438
Unearned revenues	-	67,469	-	6,205
Other liabilities	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>557,974</u>	<u>91,839</u>	<u>28,330</u>	<u>47,801</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	-
Unavailable revenue - property tax	82,526	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflow of resources	<u>82,526</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	47,781	-	1,306	11,980
Restricted	-	-	-	-
Assigned	2,377,153	2,232,498	55,217	166,313
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance	<u>2,424,934</u>	<u>2,232,498</u>	<u>56,523</u>	<u>178,292</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 3,065,435</u>	<u>\$ 2,324,337</u>	<u>\$ 84,853</u>	<u>\$ 226,093</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2020**

	Inland Parks	Coastal Parks	Commissioners Precinct Funds	Commissioners Court Funds
ASSETS				
Cash and cash equivalents	\$ 363,666	\$ 1,037,476	\$ 1,630,379	\$ 4,294,659
Investments	-	24,597	-	571,084
Receivable (net)	-	353,726	-	5,378,157
Due from other funds	-	-	5,995	104
Prepaid expense	19,091	16,417	-	9,824
Inventories, at cost	-	15,212	-	-
Total assets	\$ 382,758	\$ 1,447,428	\$ 1,636,374	\$ 10,253,827
LIABILITIES				
Accounts payable	\$ 107,078	\$ 268,202	\$ 50,439	\$ 1,272,925
Accrued payroll payable	83,502	84,353	-	45,776
Due to other funds	12,665	44,219	-	2,004,995
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	449,974
Total liabilities	203,245	396,774	50,439	3,773,670
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	5,224,678
Unavailable revenue - property tax	-	-	-	-
Total deferred inflow of resources	-	-	-	5,224,678
FUND BALANCES				
Nonspendable	19,091	31,629	-	9,824
Restricted	-	-	1,585,935	1,245,656
Assigned	160,421	1,019,025	-	-
Fund balance	179,512	1,050,653	1,585,935	1,255,480
Total liabilities and fund balances	\$ 382,757	\$ 1,447,428	\$ 1,636,374	\$ 10,253,827

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2020**

	<u>County Attorney Funds</u>	<u>County Clerk Funds</u>	<u>Tax Assessor Funds</u>	<u>Juvenile Programs</u>
ASSETS				
Cash and cash equivalents	\$ 56,826	\$ 2,961,711	\$ 2,794,820	\$ 548,345
Investments	-	-	-	-
Receivable (net)	-	-	38,930	60,627
Due from other funds	-	-	-	-
Prepaid expense	-	47,903	-	-
Inventories, at cost	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>56,826</u>	\$ <u>3,009,614</u>	\$ <u>2,833,751</u>	\$ <u>608,972</u>
LIABILITIES				
Accounts payable	\$ -	\$ 87,243	\$ 2,771,962	\$ 48,790
Accrued payroll payable	2,470	3,111	2,528	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>2,470</u>	<u>90,354</u>	<u>2,774,490</u>	<u>48,790</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	-
Unavailable revenue - property tax	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	47,903	-	-
Restricted	54,356	2,871,357	59,261	560,182
Assigned	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance	<u>54,356</u>	<u>2,919,260</u>	<u>59,261</u>	<u>560,182</u>
Total liabilities and fund balances	\$ <u>56,826</u>	\$ <u>3,009,614</u>	\$ <u>2,833,751</u>	\$ <u>608,972</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2020**

	District Attorney Funds	District Clerk Funds	County Sheriff Funds	Asset Forfeiture Funds
ASSETS				
Cash and cash equivalents	\$ 169,882	\$ 192,960	\$ 1,043,667	\$ 1,594,755
Investments	-	-	-	-
Receivable (net)	2,728	-	106,435	42,209
Due from other funds	-	-	-	-
Prepaid expense	2,679	1,306	-	1,793
Inventories, at cost	-	-	-	-
Total assets	\$ 175,288	\$ 194,266	\$ 1,150,102	\$ 1,638,757
LIABILITIES				
Accounts payable	-	-	40,211	7,594
Accrued payroll payable	28,807	6,057	-	8,688
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	28,807	6,057	40,211	16,282
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	-
Unavailable revenue - property tax	-	-	-	-
Total deferred inflow of resources	-	-	-	-
FUND BALANCES				
Nonspendable	2,679	1,306	-	1,793
Restricted	143,802	186,902	1,109,891	1,620,682
Assigned	-	-	-	-
Fund balance	146,481	188,209	1,109,891	1,622,474
Total liabilities and fund balances	\$ 175,288	\$ 194,266	\$ 1,150,102	\$ 1,638,757

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2020**

	Law Enforcement Education	Social Services Funds	Community Health Programs	Parks & Recreation Funds
ASSETS				
Cash and cash equivalents	\$ 123,599	\$ 33,478	\$ 5,524,521	\$ 153,887
Investments	-	-	-	-
Receivable (net)	-	-	30,176	-
Due from other funds	-	-	-	-
Prepaid expense	-	-	5,938	-
Inventories, at cost	-	-	-	-
Total assets	\$ 123,599	\$ 33,478	\$ 5,560,635	\$ 153,887
LIABILITIES				
Accounts payable	\$ 40	\$ 4,172	\$ 9,291	\$ 200
Accrued payroll payable	-	-	42,588	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	40	4,172	51,878	200
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	-
Unavailable revenue - property tax	-	-	-	-
Total deferred inflow of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	5,938	-
Restricted	123,559	29,306	5,502,819	153,687
Assigned	-	-	-	-
Fund balance	123,559	29,306	5,508,756	153,687
Total liabilities and fund balances	\$ 123,599	\$ 33,478	\$ 5,560,635	\$ 153,887

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2020**

	<u>Library Funds</u>	<u>Main Grants</u>	<u>TJJD Grants</u>	<u>Total Non-major Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 10,274	\$ 585,920	\$ 359,145	\$ 28,622,110
Investments	-	-	-	691,814
Receivable (net)	-	1,513,471	19,149	7,841,697
Due from other funds	-	73,591	-	184,981
Prepaid expense	-	847	13,138	168,675
Inventories, at cost	-	-	-	26,538
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>10,274</u>	\$ <u>2,173,829</u>	\$ <u>391,432</u>	\$ <u>37,535,815</u>
LIABILITIES				
Accounts payable	\$ -	\$ 335,524	\$ 54,872	\$ 5,407,316
Accrued payroll payable	-	27,283	95,693	710,724
Due to other funds	-	820,000	-	2,905,509
Unearned revenues	-	991,022	240,867	1,305,563
Other liabilities	-	-	-	449,974
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	-	2,173,829	391,432	10,779,087
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - other	-	-	-	5,224,678
Unavailable revenue - property tax	-	-	-	82,526
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflow of resources	-	-	-	5,307,204
FUND BALANCES				
Nonspendable	-	-	-	181,229
Restricted	10,274	(0)	0	15,257,669
Assigned	-	-	-	6,010,627
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance	10,274	(0)	0	21,449,524
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ <u>10,274</u>	\$ <u>2,173,829</u>	\$ <u>391,432</u>	\$ <u>37,535,815</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2020

	<u>Road Fund</u>	<u>Stadium & Fairgrounds</u>	<u>Law Library</u>	<u>Airport</u>
REVENUES				
Property taxes	\$ 1,176,589	\$ -	\$ -	\$ -
Fees of office	-	-	162,861	-
Fines and forfeitures	-	-	-	-
Licenses and permits	2,732,590	-	-	-
Intergovernmental revenues	537,455	-	-	-
Charges for services	-	-	45	-
Investment income	24,902	28,163	1,345	2,039
Rentals and commissions	-	40,978	15	99,008
Miscellaneous revenue	601,347	13,200	83	11,112
Total revenues	<u>5,072,883</u>	<u>82,341</u>	<u>164,348</u>	<u>112,158</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	-
Administration of justice	-	-	212,828	-
Law enforcement and corrections	-	-	-	-
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	7,680,016	-	-	140,880
Parks and recreation	-	1,089,189	-	-
Capital outlay	406,665	20,108	-	11,018
Total expenditures	<u>8,086,681</u>	<u>1,109,297</u>	<u>212,828</u>	<u>151,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,013,797)</u>	<u>(1,026,956)</u>	<u>(48,480)</u>	<u>(39,740)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,735,491	1,124,000	-	76,080
Transfers out	(16,080)	(35,081)	-	(35,980)
Total other financing sources and (uses)	<u>2,719,411</u>	<u>1,088,919</u>	<u>-</u>	<u>40,100</u>
Change in Fund Balance	(294,386)	61,963	(48,480)	360
Fund balance - beginning	<u>2,719,320</u>	<u>2,170,535</u>	<u>105,003</u>	<u>177,932</u>
Fund balance - ending	<u>\$ 2,424,934</u>	<u>\$ 2,232,498</u>	<u>\$ 56,523</u>	<u>\$ 178,292</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2020

	<u>Inland Parks</u>	<u>Coastal Parks</u>	<u>Commissioners Precinct Funds</u>	<u>Commissioners Court Funds</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	-	369,347
Fines and forfeitures	-	-	-	1,667
Licenses and permits	-	357,755	-	1,000
Intergovernmental revenues	-	125,555	27,580	1,857,515
Charges for services	-	-	-	-
Investment income	2,798	12,421	-	162,325
Rentals and commissions	-	1,054,799	-	-
Miscellaneous revenue	1,163	23,331	-	76,633
Total revenues	<u>3,962</u>	<u>1,573,860</u>	<u>27,580</u>	<u>2,468,487</u>
EXPENDITURES				
Current:				
General government	-	-	219,697	4,385,322
Buildings and facilities	-	-	-	867,783
Administration of justice	-	-	-	183,239
Law enforcement and corrections	-	-	-	15,060
Social services	-	-	-	60,000
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	126,213
Parks and recreation	1,699,827	2,461,020	-	-
Capital outlay	<u>127,202</u>	<u>53,305</u>	<u>6,191</u>	<u>587,041</u>
Total expenditures	<u>1,827,030</u>	<u>2,514,325</u>	<u>225,888</u>	<u>6,224,659</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,823,068)</u>	<u>(940,465)</u>	<u>(198,308)</u>	<u>(3,756,172)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,635,081	890,000	354,995	1,927,194
Transfers out	<u>-</u>	<u>(190,000)</u>	<u>(1,500)</u>	<u>(744,052)</u>
Total other financing sources and (uses)	<u>1,635,081</u>	<u>700,000</u>	<u>353,495</u>	<u>1,183,142</u>
Change in Fund Balance	(187,987)	(240,465)	155,187	(2,573,030)
Fund balance - beginning	<u>367,499</u>	<u>1,291,119</u>	<u>1,430,748</u>	<u>3,828,510</u>
Fund balance - ending	<u>\$ 179,512</u>	<u>\$ 1,050,653</u>	<u>\$ 1,585,935</u>	<u>\$ 1,255,480</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2020

	<u>County Attorney Funds</u>	<u>County Clerk Funds</u>	<u>Tax Assessor Funds</u>	<u>Juvenile Programs</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	289,880	-	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	70,000	40,915	65,076	614,489
Charges for services	-	-	-	2,405
Investment income	-	-	12,063	7,540
Rentals and commissions	-	-	-	-
Miscellaneous revenue	-	-	-	81
Total revenues	<u>70,000</u>	<u>330,795</u>	<u>77,139</u>	<u>624,515</u>
EXPENDITURES				
Current:				
General government	82,075	239,330	51,667	-
Buildings and facilities	-	-	-	-
Administration of justice	-	-	-	590,630
Law enforcement and corrections	-	-	-	-
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	9,864	13,408	-
Total expenditures	<u>82,075</u>	<u>249,194</u>	<u>65,076</u>	<u>590,630</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,075)</u>	<u>81,601</u>	<u>12,063</u>	<u>33,885</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	(12,075)	81,601	12,063	33,885
Fund balance - beginning	66,431	2,837,659	47,198	526,297
Fund balance - ending	<u>\$ 54,356</u>	<u>\$ 2,919,260</u>	<u>\$ 59,261</u>	<u>\$ 560,182</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2020

	<u>District Attorney Funds</u>	<u>District Clerk Funds</u>	<u>County Sheriff Funds</u>	<u>Asset Forfeitures Funds</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	31,845	-	-
Fines and forfeitures	-	-	-	245,768
Licenses and permits	-	-	-	-
Intergovernmental revenues	8,397	-	-	1,569
Charges for services	341,457	-	-	-
Investment income	-	-	6,063	14,196
Rentals and commissions	-	-	3,940	-
Miscellaneous revenue	-	-	678,589	15,997
Total revenues	<u>349,854</u>	<u>31,845</u>	<u>688,591</u>	<u>277,529</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	-
Administration of justice	-	31,326	-	-
Law enforcement and corrections	492,153	-	526,715	244,127
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	14,586	66,002
Total expenditures	<u>492,153</u>	<u>31,326</u>	<u>541,301</u>	<u>310,128</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(142,299)</u>	<u>519</u>	<u>147,290</u>	<u>(32,599)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	<u>(142,299)</u>	<u>519</u>	<u>147,290</u>	<u>(32,599)</u>
Fund balance - beginning	<u>288,780</u>	<u>187,690</u>	<u>962,601</u>	<u>1,655,073</u>
Fund balance - ending	<u>\$ 146,481</u>	<u>\$ 188,209</u>	<u>\$ 1,109,891</u>	<u>\$ 1,622,474</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2020

	<u>Law Enforcement Education</u>	<u>Social Services Funds</u>	<u>Community Health Programs</u>	<u>Parks & Recreation Funds</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	-	9,303	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	41,720	-
Intergovernmental revenues	21,558	-	1,703,159	-
Charges for services	-	-	205	-
Investment income	-	-	38,991	-
Rentals and commissions	-	-	-	4,858
Miscellaneous revenue	-	51,091	-	-
Total revenues	<u>21,558</u>	<u>51,091</u>	<u>1,793,377</u>	<u>4,858</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	285
Administration of justice	-	-	-	-
Law enforcement and corrections	2,593	-	-	-
Social services	-	56,179	-	-
Health, safety and sanitation	-	-	796,546	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	49,018	-
Total expenditures	<u>2,593</u>	<u>56,179</u>	<u>845,564</u>	<u>285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,965</u>	<u>(5,087)</u>	<u>947,813</u>	<u>4,573</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	23,922	-
Transfers out	-	-	(22,442)	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>1,481</u>	<u>-</u>
Change in Fund Balance	18,965	(5,087)	949,294	4,573
Fund balance - beginning	<u>104,594</u>	<u>34,393</u>	<u>4,559,463</u>	<u>149,115</u>
Fund balance - ending	<u>\$ 123,559</u>	<u>\$ 29,306</u>	<u>\$ 5,508,756</u>	<u>\$ 153,687</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2020

	<u>Library Funds</u>	<u>Main Grants</u>	<u>TJJD Grants</u>	<u>Non-major Governmental Funds</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 1,176,589
Fees of office	-	-	-	863,234
Fines and forfeitures	-	-	-	247,435
Licenses and permits	-	-	-	3,133,065
Intergovernmental revenues	2,500	2,788,335	2,668,722	10,532,825
Charges for services	-	10,962	-	355,074
Investment income	-	1	-	312,845
Rentals and commissions	-	-	-	1,203,597
Miscellaneous revenue	3,548	232,291	-	1,708,466
Total revenues	<u>6,048</u>	<u>3,031,589</u>	<u>2,668,722</u>	<u>19,533,131</u>
EXPENDITURES				
Current:				
General government	-	25,455	-	5,003,546
Buildings and facilities	-	30,459	-	898,527
Administration of justice	-	158,288	2,668,722	3,845,033
Law enforcement and corrections	-	355,584	-	1,636,232
Social services	-	159,169	-	275,348
Health, safety and sanitation	-	1,070,822	-	1,867,368
Agriculture, education and consumer sciences	2,540	20,433	-	22,973
Roads, bridges and transportation	-	335,735	-	8,282,844
Parks and recreation	-	900,236	-	6,150,272
Capital outlay	-	80,976	-	1,445,385
Total expenditures	<u>2,540</u>	<u>3,137,156</u>	<u>2,668,722</u>	<u>29,427,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,508</u>	<u>(105,567)</u>	<u>0</u>	<u>(9,894,396)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	136,491	-	8,903,254
Transfers out	-	(30,924)	-	(1,076,058)
Total other financing sources and (uses)	<u>-</u>	<u>105,567</u>	<u>-</u>	<u>7,827,196</u>
Change in Fund Balance	3,508	(0)	0	(2,067,201)
Fund balance - beginning	6,766	-	-	23,516,725
Fund balance - ending	<u>\$ 10,274</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ 21,449,524</u>

NUECES COUNTY, TEXAS
ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		(Unfavorable)
REVENUES				
Property taxes, penalty & interest	\$ 1,201,368	\$ 1,201,368	\$ 1,176,589	\$ (24,779)
Licenses and permits	2,907,000	2,907,000	2,733,802	(173,198)
Intergovernmental revenue	540,000	540,000	536,243	(3,757)
Investment income	18,500	18,500	24,902	6,402
Miscellaneous revenue	3,100	3,100	601,347	598,247
Total revenues	4,669,968	4,669,968	5,072,883	402,915
EXPENDITURES				
Roads, bridges and transportation:				
Personnel services	4,762,179	4,506,404	4,036,266	470,138
Maintenance, materials and supplies	3,494,236	3,562,236	3,150,329	411,907
Telephone & utilities	111,632	111,632	56,814	54,818
Professional and special services	92,966	118,241	96,948	21,293
Other services and charges	419,271	570,771	339,659	231,112
Capital outlay	535,604	546,604	406,665	139,939
Total expenditures	9,415,888	9,415,888	8,086,681	1,329,207
Excess (deficiency) of revenues over (under) expenditures	(4,745,920)	(4,745,920)	(3,013,797)	1,732,123
OTHER FINANCING SOURCES (USES)				
Transfers in	3,273,143	3,273,143	2,735,491	(537,652)
Transfers out	(16,080)	(16,080)	(16,080)	-
Total other financing Sources (uses)	3,257,063	3,257,063	2,719,411	(537,652)
Net change in fund balances	(1,488,857)	(1,488,857)	(294,386)	1,194,471
Fund balances - beginning	1,916,324	1,916,324	2,719,320	802,996
Fund balances - ending	\$ 427,467	\$ 427,467	\$ 2,424,934	\$ 1,997,467

NUECES COUNTY, TEXAS
STADIUM & FAIRGROUNDS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Rentals and commissions	\$ 46,500	\$ 46,500	\$ 54,178	\$ 7,678
Investment income	5,000	5,000	28,163	23,163
Total revenues	51,500	51,500	82,341	30,841
EXPENDITURES				
Parks and recreation:				
Maintenance, materials and supplies	165,000	162,905	37,617	125,288
Telephone & utilities	143,200	138,200	68,514	69,686
Reserve appropriations	1,275,000	1,203,000	-	1,203,000
Professional services	-	-	(1,368)	1,368
Other services and charges	938,262	991,546	984,425	7,121
Other Expenses	5,328	5,328	-	5,328
Capital outlay	56,310	82,121	20,108	62,013
Total expenditures	2,583,100	2,583,100	1,109,297	1,473,803
Excess (deficiency) of revenues over (under) expenditures	(2,531,600)	(2,531,600)	(1,026,956)	1,504,644
OTHER FINANCING SOURCES (USES)				
Transfers in	1,100,000	1,100,000	1,124,000	24,000
Transfers out	(25,000)	(25,000)	(35,081)	(10,081)
Total other financing Sources (uses)	1,075,000	1,075,000	1,088,919	13,919
Net change in fund balances	(1,456,600)	(1,456,600)	61,963	1,518,563
Fund balances - beginning	2,126,519	2,126,519	2,170,535	44,016
Fund balances - ending	\$ 669,919	\$ 669,919	\$ 2,232,498	\$ 1,562,579

NUECES COUNTY, TEXAS
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2020

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees of office	\$ 170,000	\$ 170,000	\$ 162,861	\$ (7,139)
Charges for Services	1,100	1,100	45	(1,055)
Investment Income	1,000	1,000	1,345	345
Rentals and commissions	700	700	15	(685)
Miscellaneous revenue	2,000	2,000	83	(1,918)
Total revenues	<u>174,800</u>	<u>174,800</u>	<u>164,348</u>	<u>(10,452)</u>
EXPENDITURES				
Administration of Justice				
Personnel services	106,387	107,552	99,721	7,831
Maintenance, materials and supplies	450	1,750	227	1,523
Telephone & utilities	-	720	453	267
Professional and special services	38,687	39,287	38,900	387
Reserve appropriations	10,000	-	-	-
Other services and charges	75,154	81,369	73,528	7,841
Total expenditures	<u>230,678</u>	<u>230,678</u>	<u>212,828</u>	<u>17,850</u>
Deficiency of revenues under expenditures	(55,878)	(55,878)	(48,480)	7,398
Fund balances - beginning	<u>99,365</u>	<u>99,365</u>	<u>105,003</u>	<u>5,638</u>
Fund balances - ending	<u>\$ 43,487</u>	<u>\$ 43,487</u>	<u>\$ 56,523</u>	<u>\$ 13,036</u>

NUECES COUNTY, TEXAS
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2020

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 1,500	\$ 1,500	\$ 2,039	\$ 539
Rentals and commissions	92,117	92,117	99,008	6,891
Miscellaneous revenue	<u>7,710</u>	<u>7,710</u>	<u>11,112</u>	<u>3,402</u>
Total revenues	<u>101,327</u>	<u>101,327</u>	<u>112,158</u>	<u>10,831</u>
EXPENDITURES				
Roads, bridges and transportation:				
Personnel services	61,359	63,759	63,464	295
Other Personnel Services	1,440	1,440	1,440	0
Maintenance, materials and supplies	37,609	40,920	38,314	2,606
Telephone & utilities	36,248	32,713	21,569	11,144
Professional and special services	6,785	8,585	7,268	1,317
Reserve appropriations	29,924	24,324	-	24,324
Other services and charges	8,737	9,343	8,825	518
Capital Outlay	<u>10,000</u>	<u>11,018</u>	<u>11,018</u>	<u>-</u>
Total expenditures	<u>192,102</u>	<u>192,102</u>	<u>151,898</u>	<u>40,204</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(90,775)</u>	<u>(90,775)</u>	<u>(39,740)</u>	<u>51,035</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	76,080	76,080	76,080	-
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(35,980)</u>	<u>14,020</u>
Total other financing Sources (uses)	<u>26,080</u>	<u>26,080</u>	<u>40,100</u>	<u>14,020</u>
Net change in fund balances	(64,695)	(64,695)	360	65,055
Fund balances - beginning	<u>136,283</u>	<u>136,283</u>	<u>177,932</u>	<u>41,649</u>
Fund balances - ending	<u>\$ 71,588</u>	<u>\$ 71,588</u>	<u>\$ 178,292</u>	<u>\$ 106,704</u>

NUECES COUNTY, TEXAS
INLAND PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2020

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 2,000	\$ 2,000	\$ 2,798	\$ 798
Miscellaneous revenue	-	-	1,163	1,163
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>3,962</u>	<u>1,962</u>
EXPENDITURES				
Parks and recreation:				
Personnel services	1,238,311	1,281,711	1,251,237	30,474
Maintenance, materials and supplies	340,550	290,550	258,533	32,017
Telephone & utilities	197,520	181,020	135,487	45,533
Professional and special services	5,000	5,000	850	4,150
Other services and charges	43,377	66,477	53,721	12,756
Capital outlay	153,556	153,556	127,202	26,354
Total expenditures	<u>1,978,314</u>	<u>1,978,314</u>	<u>1,827,030</u>	<u>151,284</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,976,314)</u>	<u>(1,976,314)</u>	<u>(1,823,068)</u>	<u>153,246</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,625,000</u>	<u>1,625,000</u>	<u>1,635,081</u>	<u>10,081</u>
Total other financing Sources (uses)	<u>1,625,000</u>	<u>1,625,000</u>	<u>1,635,081</u>	<u>10,081</u>
Net change in fund balances	(351,314)	(351,314)	(187,987)	163,327
Fund balances - beginning	<u>389,114</u>	<u>389,114</u>	<u>367,499</u>	<u>(21,615)</u>
Fund balances - ending	<u>\$ 37,800</u>	<u>\$ 37,800</u>	<u>\$ 179,512</u>	<u>\$ 141,712</u>

NUECES COUNTY, TEXAS
COASTAL PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended 2020

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Intergovernmental Revenue	\$ 110,000	\$ 110,000	\$ 125,555	\$ 15,555
Interest Income	9,000	9,000	12,421	3,421
Rentals and commissions	1,505,000	1,505,000	1,412,479	(92,521)
Other Income	<u>46,750</u>	<u>46,750</u>	<u>23,405</u>	<u>(23,345)</u>
Total revenues	<u>1,670,750</u>	<u>1,670,750</u>	<u>1,573,860</u>	<u>(96,890)</u>
EXPENDITURES				
Parks & Recreation:				
Personnel services	1,393,890	1,428,869	1,296,601	132,268
Maintenance, materials and supplies	323,128	374,329	330,651	43,678
Telephone & utilities	588,700	509,600	322,799	186,801
Professional and special services	94,900	62,900	25,721	37,179
Reserve appropriations	128,186	98,086	-	98,086
Other services and charges	524,752	579,772	485,249	94,523
Capital outlay	<u>56,565</u>	<u>56,565</u>	<u>53,305</u>	<u>3,260</u>
Total expenditures	<u>3,110,121</u>	<u>3,110,121</u>	<u>2,514,325</u>	<u>595,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,439,371)</u>	<u>(1,439,371)</u>	<u>(940,465)</u>	<u>498,906</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	900,000	900,000	890,000	(10,000)
Transfers out	(200,000)	(200,000)	(190,000)	10,000
Sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing Sources (uses)	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
Net change in fund balances	(739,371)	(739,371)	(240,465)	498,906
Fund balances - beginning	<u>1,390,179</u>	<u>1,390,179</u>	<u>1,291,119</u>	<u>(99,060)</u>
Fund balances - ending	<u>\$ 650,808</u>	<u>\$ 650,808</u>	<u>\$ 1,050,653</u>	<u>\$ 399,845</u>

NUECES COUNTY, TEXAS
SPECIAL REVENUES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the year ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Commissioners Precinct Funds	\$ -	\$ -	\$ 27,580	\$ 27,580
Commissioners Court Funds	811,504	811,504	2,468,487	1,656,983
County Attorney Funds	70,000	70,000	70,000	-
County Clerk Funds	580,000	580,000	330,795	(249,205)
Tax Assessor Collector	71,747	71,747	77,139	5,392
Juvenile Programs	677,300	677,300	624,515	(52,785)
District Attorney Funds	355,900	355,900	349,854	(6,046)
District Clerk Funds	71,200	71,200	31,845	(39,355)
County Sheriff Funds	405,750	405,750	688,591	282,841
Asset Forfeiture Funds	282,000	282,000	277,529	(4,471)
LEOSE Funds	29,715	29,715	21,558	(8,157)
Social Services Funds	113,000	113,000	51,091	(61,909)
Community Health Programs	1,445,000	1,445,000	1,793,377	348,377
Parks & Recreation Funds	24,000	24,000	4,858	(19,143)
Library Funds	6,000	6,000	6,048	48
Total revenues	<u>4,943,116</u>	<u>4,943,116</u>	<u>6,823,267</u>	<u>1,880,151</u>
Current:				
General government				
Commissioners Precinct Funds	1,823,879	1,816,088	219,697	1,596,391
Commissioners Court	2,198,953	6,691,853	4,971,936	1,719,917
County Attorney	118,008	118,008	82,075	35,933
County Clerk	3,492,551	1,492,551	239,330	1,253,221
Tax Assessor Collector	117,805	117,805	65,076	52,729
Buildings and facilities				
Commissioners Court	1,036,671	1,036,671	867,783	168,888
Parks & recreation funds	114,790	114,790	285	114,505
Administration of justice				
Commissioners Court	515,023	515,023	183,667	331,356
Juvenile Programs	1,221,229	1,221,229	590,630	630,599
District Clerk Funds	259,318	259,318	31,326	227,992
Law enforcement and corrections				
Commissioners Court	5,080	23,080	15,060	8,020
District Attorney Funds	600,084	600,084	492,153	107,931
County Sheriff Funds	1,166,724	1,166,724	526,715	640,009
Asset Forfeiture	1,476,746	1,459,084	244,127	1,214,957
Law Enforcement Education	135,140	135,140	2,593	132,547
Social services				
Commissioners Court	127,812	127,812	60,000	67,812
Social Services	103,368	103,368	56,179	47,189
Parks & Recreation Funds	15,022	15,022	-	15,022
Health, safety and sanitation				
Commissioners Court	6,439	6,439	-	6,439
Community Health Programs	5,661,578	3,150,678	796,546	2,354,132
Agriculture, education and consumer sciences				
Library Funds	12,796	12,796	2,540	10,256

(Continued)

NUECES COUNTY, TEXAS
SPECIAL REVENUES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the year ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Roads, bridges, and transportation				
Commissioners Court	\$ 309,056	\$ 309,056	\$ 126,213	\$ 182,843
Parks & recreation				
Parks & recreation funds	58,273	58,273	-	58,273
Capital Outlay				
Commissioners Precinct Funds	-	6,291	6,191	100
County Clerk	30,000	30,000	9,864	20,136
County Sheriff Funds	260,000	260,000	14,586	245,414
Asset Forfeiture	151,000	168,662	66,002	102,660
Community Health Programs	153,995	153,995	49,018	104,977
Total expenditures	<u>21,171,340</u>	<u>21,169,840</u>	<u>9,719,591</u>	<u>11,450,249</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,228,224)</u>	<u>(16,226,724)</u>	<u>(2,896,324)</u>	<u>13,330,400</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,263,155	2,263,155	2,306,112	42,957
Transfers out	(791,424)	(792,924)	(767,994)	24,930
Sale of Assets	-	-	-	-
Total other financing sources and (uses)	<u>1,471,731</u>	<u>1,470,231</u>	<u>1,538,118</u>	<u>67,887</u>
Net change in fund balances	(14,756,493)	(14,756,493)	(1,358,206)	13,398,287
Fund balances - beginning	<u>16,284,680</u>	<u>16,284,680</u>	<u>10,214,065</u>	<u>(6,070,615)</u>
Fund balances - ending	<u>\$ 1,528,187</u>	<u>\$ 1,528,187</u>	<u>\$ 8,855,859</u>	<u>\$ 7,327,672</u>

NUECES COUNTY, TEXAS
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ 12,920,854	\$ 12,920,854	\$ 12,754,498	\$ (166,356)
Investment income	7,500	7,500	84,891	77,391
Total revenues	<u>12,928,354</u>	<u>12,928,354</u>	<u>12,839,389</u>	<u>(88,965)</u>
EXPENDITURES				
Debt Service:				
Principal	8,222,528	8,222,528	57,474,047	(49,251,519)
Interest	4,909,799	4,909,799	6,011,184	(1,101,385)
Fiscal agents & other fees	16,050	16,050	14,850	1,200
Bond issuance costs	-	-	443,195	(443,195)
Total expenditures	<u>13,148,377</u>	<u>13,148,377</u>	<u>63,943,275</u>	<u>(50,794,898)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(220,023)</u>	<u>(220,023)</u>	<u>(51,103,886)</u>	<u>(50,883,863)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	630,000	630,000	630,000	-
Issuance of Debt	-	-	43,760,000	43,760,000
Premium (Discount) on sale	-	-	6,032,714	6,032,714
Total other financing sources (uses)	<u>630,000</u>	<u>630,000</u>	<u>50,422,714</u>	<u>49,792,714</u>
Net change in fund balances	409,977	409,977	(681,172)	(1,091,149)
Fund balances - beginning	<u>4,642,543</u>	<u>4,642,543</u>	<u>4,719,305</u>	<u>76,762</u>
Fund balances - ending	<u>\$ 5,052,520</u>	<u>\$ 5,052,520</u>	<u>\$ 4,038,134</u>	<u>\$ (1,014,386)</u>

NUECES COUNTY, TEXAS
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
September 30, 2020

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$344,391	\$1,361,053	\$2,228,075	\$3,933,519
Investments	-	34,926	-	34,926
Due from other funds	-	36,578	-	36,578
Receivables (net of allowance for uncollectibles)	-	111	286,564	286,675
TOTAL CURRENT ASSETS	<u>344,391</u>	<u>1,432,668</u>	<u>2,514,639</u>	<u>4,291,698</u>
LIABILITIES				
Current liabilities				
Accounts payable	-	305	964,870	965,175
Due to Other Funds	-	-	700,000	700,000
Total current liabilities	<u>-</u>	<u>305</u>	<u>1,664,870</u>	<u>1,665,175</u>
Noncurrent liabilities				
Estimated claims liability	-	1,315,807	-	1,315,807
Total noncurrent liabilities	<u>-</u>	<u>1,315,807</u>	<u>-</u>	<u>1,315,807</u>
TOTAL LIABILITIES	<u>-</u>	<u>1,316,111</u>	<u>1,664,870</u>	<u>2,980,982</u>
NET POSITION				
Unrestricted	<u>344,391</u>	<u>116,556</u>	<u>849,769</u>	<u>1,310,716</u>
TOTAL NET POSITION	<u>\$344,391</u>	<u>\$116,556</u>	<u>\$849,769</u>	<u>\$1,310,716</u>

NUECES COUNTY, TEXAS
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Year Ended September 30, 2020

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
Operating revenues:				
Premiums and reimbursements	\$515,048	\$1,453,533	\$13,730,019	\$15,698,600
Total operating revenues	<u>515,048</u>	<u>1,453,533</u>	<u>13,730,019</u>	<u>15,698,600</u>
Operating expenses:				
Benefit payments	-	-	13,066,961	13,066,961
Insurance premiums and bonds	366,800	1,897,563	594,446	2,858,809
Claims and settlements	-	110,094	-	110,094
Administration	-	-	1,234,090	1,234,090
Total operating expenses	<u>366,800</u>	<u>2,007,657</u>	<u>14,895,497</u>	<u>17,269,954</u>
Operating income (loss)	<u>148,248</u>	<u>(554,123)</u>	<u>(1,165,478)</u>	<u>(1,571,354)</u>
Non operating revenues:				
Investment income	7,196	16,491	28,687	52,375
Total non-operating revenue	<u>7,196</u>	<u>16,491</u>	<u>28,687</u>	<u>52,375</u>
Income (loss) before transfers	<u>155,444</u>	<u>(537,632)</u>	<u>(1,136,791)</u>	<u>(1,518,979)</u>
Transfers in	-	-	250,000	250,000
Transfers out	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>
Total transfers	<u>(250,000)</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Change in net position	(94,556)	(537,632)	(886,791)	(1,518,979)
Net position at beginning of year	<u>438,947</u>	<u>654,188</u>	<u>1,736,560</u>	<u>2,829,695</u>
Net position at end of year	<u>\$344,391</u>	<u>\$116,556</u>	<u>\$849,769</u>	<u>\$1,310,716</u>

NUECES COUNTY, TEXAS
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2020

	Workers Compensation Fund	General Liability	Group Health Insurance	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$515,048	\$1,649,739	\$10,207,266	\$12,372,053
Receipts from employees	-	-	1,655,883	1,655,883
Receipts from other participants	-	-	660,044	660,044
Receipts from reimbursements and refunds	-	33,945	1,076,433	1,110,379
Payments for benefit claims	-	(85,000)	(13,150,961)	(13,235,961)
Payments for insurance and bond policies	(366,800)	(1,922,352)	(600,647)	(2,889,799)
Payments for administration	-	-	(1,136,741)	(1,136,741)
Payments for settlements and claims	-	(0.00)	(7,125)	(7,125)
Net cash provided (used) in operating activities	<u>148,248</u>	<u>(323,668)</u>	<u>(1,295,848)</u>	<u>(1,471,268)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	-	61,958	-	61,958
Interest received	7,196	16,750	28,687	52,634
Net cash provided by investing activities	<u>7,196</u>	<u>78,708</u>	<u>28,687</u>	<u>114,592</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to (from)	(250,000)	-	250,000	-
Net cash provided (used) in financing activities	(250,000)	-	250,000	-
Net increase in cash and cash equivalents	(94,556)	(244,960)	(1,017,161)	(1,356,677)
Cash and cash equivalents at beginning of year	438,947	1,606,013	3,245,236	5,290,196
Cash and cash equivalents at end of year	<u>\$344,391</u>	<u>\$1,361,053</u>	<u>\$2,228,075</u>	<u>\$3,933,519</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$148,248	\$(554,123)	\$(1,165,478)	\$(1,571,354)
Adjustments to reconcile operating loss to net cash provided:				
(Increase) decrease in accounts receivable	-	(36,578)	(152,777)	(189,355)
Increase (decrease) in estimated claims liabilities	-	266,729	-	266,729
Increase (decrease) in accounts payable	-	305	22,407	22,712
Total Adjustments	<u>-</u>	<u>230,456</u>	<u>(130,370)</u>	<u>100,086</u>
Net cash provided by operating activities	<u>\$148,248</u>	<u>\$(323,668)</u>	<u>\$(1,295,848)</u>	<u>\$(1,471,268)</u>

NUECES COUNTY, TEXAS
 COMBINING STATEMENT FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 SEPTEMBER 30, 2020

ASSETS	CSCD	Nueces County Trust	Metropolitan Planning Organization	Total
Cash, equivalents & pooled funds	\$2,826,097	\$12,045,945	\$496,057	\$15,368,099
Investments	-	7,412,149	-	7,412,149
Due from other governments and agencies	-	836,799	-	836,799
Accounts receivable	19,905	739.26	183,755	204,399
Prepays	-	29,388	5,631	35,018
TOTAL ASSETS	\$2,846,002	\$20,325,020	\$685,443	\$23,856,464
LIABILITIES				
Accounts payable	\$468,932	\$19,803,340	\$269,701	\$20,541,972
Accrued payroll payable	432,323	61,866	25,701	519,890
Due to other governments and agencies	5,296	10,154	-	15,450
Funds held in escrow	1,958,739	449,660	390,441	2,798,839
TOTAL LIABILITIES	\$2,865,288	\$20,325,020	\$685,844	\$23,876,152

NUECES COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Balance 9/30/2019	Additions	Deductions	Balance 9/30/2020
ASSETS				
Cash and cash equivalents	\$13,647,567	\$32,570,795	\$30,850,263	\$15,368,099
Investments	7,279,997	1,316,148	1,183,997	7,412,149
Due from other governments and agencies	565,112	8,355,488	8,083,801	836,799
Accounts receivable	259,276	20,890,867	20,945,744	204,399
Prepays	18,316	35,018	18,316	35,018
TOTAL ASSETS	<u>\$21,770,268</u>	<u>\$63,168,316</u>	<u>\$61,082,121</u>	<u>\$23,856,464</u>
LIABILITIES				
Accounts payable	19,019,582	31,385,918	32,908,309	20,541,972
Accrued payroll payable	501,402	9,815,520	9,834,008	519,890
Due to other governments and agencies	58,953	72,059	28,555	15,450
Funds held in escrow	2,190,332	15,404,483	16,012,990	2,798,839
TOTAL LIABILITIES	<u>\$21,770,268</u>	<u>\$56,677,979</u>	<u>\$ 58,783,862</u>	<u>\$23,876,152</u>

NUECES COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2020

CSCD

	Balance 9/30/2019	Additions	Deductions	Balance 9/30/2020
ASSETS				
Cash, equivalents & pooled funds	\$2,288,313	\$18,928,231	\$18,390,447	\$2,826,097
Accounts receivable	116,584	20,195,246	20,291,925	19,905
TOTAL ASSETS	\$2,404,897	\$39,123,476	\$38,682,372	\$2,846,002
LIABILITIES				
Accounts payable	\$576,697	\$14,471,026	\$14,363,260	\$468,932
Accrued payroll payable	419,606	7,708,091	7,720,808	432,323
Due to other governments and agencies	5,541	28,756	28,511	5,296
Funds held in escrow	1,403,053	9,262,279	9,817,965	1,958,739
TOTAL LIABILITIES	\$2,404,897	\$31,470,152	\$31,930,543	\$2,865,288

NUECES COUNTY TRUST

	Balance 9/30/2019	Additions	Deductions	Balance 9/30/2020
ASSETS				
Cash, equivalents & pooled funds	\$10,880,939	\$12,903,561	\$11,738,555	\$12,045,945
Investments	7,279,997	1,316,148	1,183,997	7,412,149
Due from other governments and agencies	565,112	7,030,359	6,758,672	836,799
Accounts receivable	2	755	18	739.26
Prepays	14,344	29,388	14,344	29,388
TOTAL ASSETS	\$18,740,394	\$21,280,211	\$19,695,586	\$20,325,020
LIABILITIES				
Accounts payable	\$18,173,902	\$16,101,075	\$17,730,513	\$19,803,340
Accrued payroll payable	63,462	1,567,390	1,565,794	61,866
Due to other governments and agencies	53,413	43,259	-	10,154
Funds held in escrow	449,617	5,439,336	5,439,378	449,660
TOTAL LIABILITIES	\$18,740,394	\$23,151,060	\$24,735,685	\$20,325,020

METROPOLITAN PLANNING ORG.

	Balance 9/30/2019	Additions	Deductions	Balance 9/30/2020
ASSETS				
Cash, equivalents & pooled funds	\$478,315	\$739,003	\$721,261	\$496,057
Due from other agencies	-	1,325,129	1,325,129	(0)
Accounts Receivable	142,690	694,866	653,801	183,755
Prepays	3,972	5,631	3,972	5,631
TOTAL ASSETS	\$624,977	\$2,764,629	\$2,704,163	\$685,443
LIABILITIES				
Accounts Payable	\$268,982	\$813,818	\$814,536	\$269,701
Accrued payroll payable	18,334	540,039	547,406	25,701
Due to other governments and agencies	-	44	44	-
Funds Held in Escrow	337,661	702,868	755,648	390,441
TOTAL LIABILITIES	\$624,977	\$2,056,768	\$2,117,634	\$685,844



Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends	118-127
<i>These schedules contain trend information to help the reader understand how the governments financial performance and well-being have changed over time.</i>	
Revenue Capacity	128-137
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	138-147
<i>These present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	148-157
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	158-167
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the governments financial report relates to the services the government provides and the activities it performs.</i>	

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

Nueces County, Texas
Net Position by Component
Last Ten Fiscal Years
September 30, 2020

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:				
Primary government (excludes component units)				
Net investment in capital assets	\$106,372,898	\$90,846,187	\$83,933,928	\$78,879,070
Restricted	16,108,044	17,328,598	12,502,545	13,843,763
Unrestricted	<u>19,479,502</u>	<u>30,480,260</u>	<u>36,247,660</u>	<u>37,193,225</u>
Total primary government net position	<u>\$141,960,444</u>	<u>\$138,655,045</u>	<u>\$132,684,133</u>	<u>\$129,916,058</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$66,467,569	\$65,482,574	\$67,620,641	\$49,851,982	\$44,804,731	\$50,120,491
15,687,500	16,016,006	14,904,500	12,736,143	21,384,158	19,569,211
<u>40,557,779</u>	<u>28,235,813</u>	<u>12,241,951</u>	<u>35,532,077</u>	<u>29,468,811</u>	<u>27,306,792</u>
<u>\$122,712,848</u>	<u>\$109,734,393</u>	<u>\$94,767,092</u>	<u>\$98,120,202</u>	<u>\$95,657,700</u>	<u>\$96,996,494</u>

Nueces County, Texas
Changes in Net Position
Last Ten Fiscal Years
September 30, 2020

	2011	2012	2013	2014
Expenses				
General government	\$13,436,667	\$13,319,250	\$14,441,357	\$15,341,758
Building and facilities	9,463,249	9,490,211	11,214,282	10,972,546
Administration of justice	26,967,846	23,654,964	23,559,375	24,916,824
Law enforcement and corrections	24,806,867	27,986,723	28,701,541	30,303,203
Social services	2,683,841	2,606,445	2,797,707	2,682,643
Health, safety and sanitation	1,527,275	1,992,715	2,343,115	2,815,645
Agriculture, education and consumer sciences	820,589	776,594	761,011	794,140
Roads, bridges and transportation	14,813,218	14,810,777	17,441,342	15,575,863
Parks and recreation	5,937,483	6,140,480	6,290,622	6,415,580
Interest and fees on long -term debt	5,171,328	5,019,143	4,895,833	4,607,852
Total primary government expenses	<u>\$105,628,363</u>	<u>\$105,797,302</u>	<u>\$112,446,185</u>	<u>\$114,426,054</u>
Program Revenues				
Charges for services:				
General government	\$6,931,136	\$6,889,479	\$9,385,296	\$10,341,220
Buildings and facilities	974,075	762,958	501,910	519,209
Administration of justice	6,498,942	7,027,556	6,078,678	6,046,685
Law enforcement and corrections	3,329,600	3,741,178	4,720,538	4,537,276
Social services	156,370	149,331	95,401	103,285
Health, safety, and sanitation	67,508	109,275	601,846	1,355,657
Agriculture, education, and consumers sciences	23,543	25,384	36,355	37,573
Roads, bridges and transportation	2,920,096	3,109,675	3,805,227	3,829,878
Parks and recreation	1,040,947	1,245,215	1,355,013	1,597,108
Operating grants and contributions	7,494,922	9,230,257	7,298,475	8,179,157
Capital grants and contributions	1,012,911	194,861	-	-
Total primary government revenues	<u>\$30,450,050</u>	<u>\$32,485,169</u>	<u>\$33,878,739</u>	<u>\$36,547,048</u>
Net (Expense) Revenue				
Governmental activities	<u>(75,178,313)</u>	<u>(73,312,133)</u>	<u>(78,567,446)</u>	<u>(77,879,006)</u>
Total primary government net expenses	<u>\$(75,178,313)</u>	<u>\$(73,312,133)</u>	<u>\$(78,567,446)</u>	<u>\$(77,879,006)</u>
General revenues and other changes in net position				
General Revenues				
Property taxes	\$64,229,777	\$65,494,382	\$68,079,584	\$72,960,037
Alcohol beverage and other taxes	3,396,993	3,858,512	1,562,313	1,915,600
Unrestricted investment earnings	477,878	226,253	134,583	163,578
Grants and contributions not restricted to specific program	232,961	343,915	380,041	962,838
Gain or loss on sale of capital assets	275,630	83,682	2,440,008	-
Miscellaneous	-	-	-	-
Total general revenues	<u>\$68,613,239</u>	<u>\$70,006,744</u>	<u>\$72,596,529</u>	<u>\$76,002,053</u>
Change in Net Position	<u>\$(6,565,074)</u>	<u>\$(3,305,389)</u>	<u>\$(5,970,917)</u>	<u>\$(1,876,953)</u>

2015	2016	2017	2018	2019	2020
\$17,896,010	\$19,933,512	\$27,026,951	\$25,269,404	\$26,083,462	\$26,341,524
10,940,747	13,588,683	12,897,821	11,940,386	12,014,510	12,898,889
25,843,255	26,355,960	26,518,868	26,594,159	27,811,936	27,982,796
31,747,809	69,361,956	73,365,188	80,936,656	88,918,333	92,594,848
2,752,636	3,128,854	3,201,250	3,150,333	3,033,084	3,321,094
2,835,744	3,104,344	3,113,686	2,661,336	2,376,992	2,628,750
870,691	1,006,618	1,105,893	1,077,140	990,476	1,068,151
15,164,446	12,976,912	15,065,571	14,251,978	13,029,411	12,500,063
6,375,073	9,736,734	7,893,713	7,107,327	6,672,520	8,677,562
4,975,345	4,731,881	5,204,680	5,262,356	5,970,534	6,805,569
<u>\$119,401,756</u>	<u>\$163,925,454</u>	<u>\$175,393,621</u>	<u>\$178,251,075</u>	<u>\$186,901,258</u>	<u>\$194,819,246</u>
\$10,876,084	\$9,981,778	\$9,814,176	\$11,890,192	\$9,403,506	\$13,724,110
794,881	1,516,386	899,212	1,886,572	547,600	566,992
6,429,888	6,036,695	6,497,192	6,282,483	6,948,132	6,716,793
5,050,560	42,285,271	44,305,861	51,082,563	58,661,339	58,069,806
156,408	125,148	18,755	169,228	154,840	215,851
1,774,832	1,559,093	1,543,880	1,610,832	1,691,331	1,867,468
61,175	48,458	75,048	43,878	45,689	51,349
3,588,409	3,576,036	3,362,377	3,593,886	3,818,671	3,842,114
1,496,995	1,849,368	1,953,121	1,706,250	1,768,063	1,793,262
8,568,805	8,478,930	7,916,730	7,673,123	6,996,324	8,473,372
-	-	-	-	-	556,508
<u>\$38,798,037</u>	<u>\$75,457,163</u>	<u>\$76,386,352</u>	<u>\$85,939,007</u>	<u>\$90,035,495</u>	<u>\$95,877,625</u>
<u>(80,603,719)</u>	<u>(88,468,291)</u>	<u>(99,007,269)</u>	<u>(92,312,068)</u>	<u>(96,865,763)</u>	<u>(98,941,621)</u>
<u>\$(80,603,719)</u>	<u>\$(88,468,291)</u>	<u>\$(99,007,269)</u>	<u>\$(92,312,068)</u>	<u>\$(96,865,763)</u>	<u>\$(98,941,621)</u>
\$78,234,367	\$76,391,071	\$80,556,818	\$84,620,635	\$88,816,056	\$96,151,297
2,018,548	2,047,110	2,003,689	2,062,224	2,190,080	1,721,910
254,574	594,122	858,835	1,700,294	2,951,559	1,741,570
850,976	499,403	548,501	266,769	289,232	230,139
470,458	150,652	72,125	6,836,105	8,250	-
-	-	-	180,750	-	435,500
<u>\$81,828,923</u>	<u>\$79,682,358</u>	<u>\$84,039,968</u>	<u>\$95,666,777</u>	<u>\$94,255,177</u>	<u>\$100,280,416</u>
<u>\$1,225,204</u>	<u>\$(8,785,933)</u>	<u>\$(14,967,301)</u>	<u>\$3,354,709</u>	<u>\$(2,610,586)</u>	<u>\$1,338,795</u>

Nueces County, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
September 30, 2020

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Non-spendable	\$ 428,906	\$ 400,035	\$ 457,844	\$ 428,321
Committed	17,604,083	17,626,642	18,373,139	20,148,361
Unassigned	3,889,668	3,993,232	2,681,591	2,000,021
Reserved	-	-	-	-
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ 21,922,657</u>	<u>\$ 22,019,909</u>	<u>\$ 21,512,574</u>	<u>\$ 22,576,703</u>
All Other Governmental Funds				
Non-spendable	\$ 94,987	\$ 87,606	\$ 96,178	\$ 112,592
Restricted	3,965,499	4,138,701	12,438,727	14,993,121
Committed	-	12,002,482	10,332,775	10,430,217
Assigned	25,625,179	12,702,255	7,308,362	6,747,522
Unassigned	<u>(18,249)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 29,667,416</u>	<u>\$ 28,931,044</u>	<u>\$ 30,176,042</u>	<u>\$ 32,283,452</u>

The above schedule has been modified to comply with GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" for period after June 15, 2010.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
754,746	\$ 775,109	\$ 728,576	\$ 765,467	\$ 780,681	\$ 841,837
20,722,982	21,039,425	15,782,312	18,209,353	21,913,928	24,159,267
2,090,307	187,100	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,568,035</u>	<u>\$ 22,001,634</u>	<u>\$ 16,510,888</u>	<u>\$ 18,974,820</u>	<u>\$ 22,694,609</u>	<u>\$ 25,001,104</u>
127,314	\$ 150,756	\$ 223,262	\$ 123,449	\$ 132,624	\$ 181,981
14,805,438	15,090,137	14,903,856	15,812,014	21,384,157	19,569,211
28,024,779	21,752,391	31,704,891	33,933,200	30,009,406	57,823,452
7,631,015	5,925,451	5,186,615	5,345,976	6,720,028	6,010,627
-	-	-	(3,056,365)	294,239	-
<u>50,588,546</u>	<u>\$ 42,918,735</u>	<u>\$ 52,018,624</u>	<u>\$ 52,158,275</u>	<u>\$ 58,540,454</u>	<u>\$ 83,585,271</u>

Nueces County, Texas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
September 30, 2020

	2011	2012	2013	2014
Revenues				
Property taxes	\$ 64,567,154	\$ 65,803,580	\$ 68,227,630	\$ 72,903,015
Other taxes	361,415	382,730	391,784	411,398
Fees of office	4,885,117	5,296,898	5,089,036	4,820,592
Fines and forfeitures	2,880,933	2,551,595	2,287,821	2,139,483
Licenses and permits	4,190,771	4,418,683	4,402,803	5,085,459
Intergovernmental revenue	16,687,845	18,088,623	17,645,491	20,557,700
Charges for services	766,868	940,888	970,996	858,493
Investment revenue	466,015	215,294	128,746	139,723
Rentals and commissions	1,363,402	1,500,566	1,521,251	1,659,351
Miscellaneous revenue	1,126,807	1,417,049	1,062,154	1,022,938
Total Revenues	<u>\$ 97,296,327</u>	<u>\$ 100,615,906</u>	<u>\$ 101,727,712</u>	<u>\$ 109,598,152</u>
Expenditures				
General government	\$ 12,665,314	\$ 13,194,301	\$ 14,139,402	\$ 14,758,277
Building and facilities	7,559,472	9,054,524	8,071,874	7,655,261
Administration of justice	25,912,952	22,663,249	22,370,784	23,462,077
Law enforcement and corrections	23,249,015	26,507,891	27,313,577	28,646,136
Social services	2,580,656	2,500,076	2,672,416	2,524,416
Health, safety and sanitation	1,511,612	1,717,358	2,171,721	2,423,912
Agriculture, education and consumer sciences	752,931	712,929	682,633	713,296
Roads, bridges and transportation	7,535,294	7,040,143	7,809,892	7,742,469
Parks and recreation	4,115,220	4,155,893	4,471,466	4,652,352
Capital outlay	19,835,436	3,893,507	2,756,107	2,779,781
Debt service:				
Interest and Other fees	5,612,767	5,038,809	6,031,337	4,648,721
Debt Issuance Costs				
Principal	4,796,040	5,724,864	4,938,849	6,419,915
Refunding Escrow Payments	-	-	-	-
Total Expenditures	<u>\$ 116,126,709</u>	<u>\$ 102,203,544</u>	<u>\$ 103,430,058</u>	<u>\$ 106,426,613</u>
Excess of Revenues over (under) expenditures	\$ (18,830,382)	\$ (1,587,638)	\$ (1,702,346)	\$ 3,171,539
Other Financing Sources (Uses)				
Transfers In	\$ 8,409,659	\$ 8,778,061	\$ 10,829,801	\$ 10,518,868
Transfers Out	(8,409,659)	(8,778,061)	(10,829,801)	(10,518,868)
Sale of Assets	275,630	86,789	2,440,008	-
Capital lease funding	-	861,731	-	-
Issuance of debt	49,374,640	-	-	-
Bond Defeasance	(48,716,774)	-	-	-
Premium on Bonds Issued	6,370,260	-	-	-
Proceeds of General Obligation Bonds	-	-	-	-
Total Other Financing Sources (uses)	<u>\$ 7,303,756</u>	<u>\$ 948,520</u>	<u>\$ 2,440,008</u>	<u>\$ -</u>
Net Changes in Fund Balances	<u>\$ (11,526,626)</u>	<u>\$ (639,118)</u>	<u>\$ 737,662</u>	<u>\$ 3,171,539</u>
Debt Service as a percentage of noncapital expenditures	10.8%	10.9%	10.9%	10.7%

2015	2016	2017	2018	2019	2020
75,196,369	\$ 76,406,029	\$ 80,173,689	\$ 84,054,361	\$ 89,025,606	\$ 94,257,070
439,777	431,990	420,187	337,188	394,386	395,492
4,866,275	4,931,127	4,746,222	4,768,777	5,050,127	4,685,913
2,244,060	2,305,539	1,631,529	1,527,410	2,115,743	1,435,559
4,815,602	4,842,727	4,413,729	5,035,622	4,725,400	4,312,637
20,197,720	56,080,858	57,369,568	61,944,867	75,078,027	73,480,095
858,055	914,955	899,685	910,699	1,065,156	875,377
250,178	585,697	836,342	1,635,709	2,834,809	1,689,195
1,655,121	2,141,501	2,128,489	2,125,127	2,182,014	2,040,316
2,068,530	2,028,527	1,596,045	5,814,818	1,758,729	2,093,969
<u>112,591,687</u>	<u>\$ 150,668,950</u>	<u>\$ 154,215,485</u>	<u>\$ 168,154,578</u>	<u>\$ 184,229,997</u>	<u>\$ 185,265,623</u>
18,115,425	\$ 16,925,894	\$ 19,722,815	\$ 22,877,798	\$ 18,362,556	\$ 24,803,103
8,153,192	8,971,418	9,366,169	8,756,574	8,613,720	9,447,193
24,226,484	24,797,069	24,587,527	25,647,536	26,851,792	26,138,798
29,102,479	67,302,369	69,651,851	78,673,348	86,459,335	88,786,134
2,545,213	2,896,112	2,976,398	3,040,522	2,910,993	3,120,263
2,546,715	2,894,456	2,777,533	2,475,263	2,220,852	2,712,704
835,399	906,736	982,544	1,003,451	918,032	979,208
7,743,709	7,561,744	11,507,676	10,875,995	9,611,281	8,946,443
5,721,271	7,746,614	6,036,814	5,450,472	4,877,635	6,547,503
4,237,547	11,131,516	13,832,255	7,643,216	5,778,847	12,292,400
4,318,152	4,653,564	7,591,221	9,172,156	5,419,006	6,016,884
376,859	83,469	8,950	10,000	407,525	752,345
6,714,187	7,184,854	4,922,104	5,008,358	5,114,701	57,474,047
-	-	-	-	7,715,000	-
<u>114,636,632</u>	<u>\$ 163,055,815</u>	<u>\$ 173,963,856</u>	<u>\$ 180,634,689</u>	<u>\$ 185,261,275</u>	<u>\$ 248,017,024</u>
(2,044,945)	\$ (12,386,865)	\$ (19,748,371)	\$ (12,480,112)	\$ (1,031,279)	\$ (62,751,401)
12,127,133	\$ 12,586,914	\$ 13,494,218	\$ 11,603,033	\$ 12,328,518	\$ 11,117,311
(12,127,133)	(12,586,914)	(13,494,218)	(11,603,033)	(12,328,518)	(11,117,311)
288,113	150,652	72,125	6,836,105	8,250	-
-	-	17,835	112,471	-	-
663,896	3,000,000	20,920,000	7,900,000	11,125,000	84,070,000
45,620,000	-	-	-	-	-
(31,125,992)	-	2,347,546	236,718	-	6,032,714
5,895,355	-	-	-	-	-
<u>21,341,372</u>	<u>\$ 3,150,652</u>	<u>\$ 23,357,506</u>	<u>\$ 15,085,295</u>	<u>\$ 11,133,251</u>	<u>\$ 90,102,714</u>
<u>19,296,427</u>	<u>\$ (9,236,213)</u>	<u>\$ 3,609,135</u>	<u>\$ 2,605,182</u>	<u>\$ 10,101,971</u>	<u>\$ 27,351,313</u>
10.0%	7.8%	7.8%	8.2%	5.9%	26.9%

Nueces County, Texas
Assessed and Taxable Valuations
Last Ten Fiscal Years
September 30, 2020

<u>Fiscal Year</u> <u>Ending</u> <u>Sept. 30,</u>	<u>Tax</u> <u>Roll</u> <u>Year</u>	<u>Mineral</u> <u>Roll</u>	<u>Real</u> <u>Estate</u> <u>Roll</u>	<u>Railroads</u> <u>& Intangible</u> <u>Personal</u>	<u>Special</u> <u>Inventory</u>	<u>Personal</u> <u>Property</u>
2011	2010	445,455,710	20,528,145,997	4,472,987	56,531,587	2,862,212,497
2012	2011	299,717,668	21,451,380,309	5,735,797	66,941,822	2,954,037,106
2013	2012	308,127,002	22,925,125,820	6,055,007	85,389,968	3,211,461,360
2014	2013	224,488,217	24,884,890,271	6,157,250	105,718,556	3,758,538,797
2015	2014	209,200,272	24,233,699,495	7,609,314	118,095,651	4,045,069,843
2016	2015	131,637,245	25,805,518,983	8,987,386	128,318,904	4,046,395,435
2017	2016	80,287,997	31,993,586,074	10,023,976	126,901,251	3,642,583,230
2018	2017	81,728,348	34,441,215,194	11,074,057	115,513,648	3,474,180,608
2019	2018	107,366,709	36,232,040,504	11,730,112	116,027,311	3,681,304,500
2020	2019	105,095,711	36,662,874,037	12,471,110	126,662,686	4,204,290,353

Exemptions include: Homestead Exemptions for 2006 shall include 20% for homestead exemption (but not less than \$5,000); and \$62,500 for over age 65 or disabled exemption, plus a tax limitation on the total amount of taxes that may be imposed on the residence homestead of a disabled individual or those 65 or older, pursuant to Article VIII 1-b (h) of the Texas Constitution and exemptions mandated by state law.

Source: Nueces County Appraisal District

Utilities Pipelines	Gross Market Valuation	Less Exemptions & Abatements	Net Taxable Assessed Valuation	Direct Tax Rate		
				County Tax Rate	Hospital Tax Rate	Total Tax Rate
439,349,608	24,336,168,386	(5,810,394,569)	18,525,773,817	0.355259	0.162428	0.517687
417,964,423	25,195,777,125	(6,347,144,376)	18,848,632,749	0.355259	0.162428	0.517687
447,583,575	26,983,742,732	(7,453,162,690)	19,530,580,042	0.355259	0.162428	0.517687
532,888,811	29,512,681,902	(7,965,439,445)	21,547,242,457	0.345187	0.148077	0.493264
566,049,702	29,179,724,277	(8,429,072,802)	20,750,651,475	0.335130	0.137455	0.472585
643,562,930	30,764,420,883	(8,677,204,445)	22,087,216,438	0.316900	0.129750	0.446650
666,699,889	36,520,082,417	(9,339,129,118)	27,180,953,299	0.307991	0.126836	0.434827
733,627,603	38,857,339,458	(10,489,815,916)	28,367,523,542	0.307991	0.121297	0.429288
809,127,750	40,957,596,886	(11,403,885,228)	29,553,711,658	0.313088	0.117672	0.430760
963,410,049	42,074,803,946	(11,244,529,749)	30,830,274,197	0.311588	0.112421	0.424009

Nueces County, Texas
Property Tax Levies - Direct and Overlapping Governments
Last Ten Fiscal Years
September 30, 2020

FISCAL YEAR ENDING SEPT. 30, <u>TAX ROLL YEAR</u>	2011 2010	2012 2011	2013 2012	2014 2013
Nueces County - General Fund	\$53,624,613	\$54,495,366	\$56,498,344	\$61,167,064
Nueces County - Debt Service	10,924,694	10,835,130	11,243,542	11,593,241
Subtotal	64,549,307	65,330,496	67,741,886	72,760,305
Nueces County - Farm to Market	791,360	788,479	833,275	902,847
Total	\$65,340,667	\$66,118,975	\$68,575,161	\$73,663,152
Special Districts:				
Hospital District	30,144,807	31,381,381	32,624,036	32,699,744
Downtown Management District	158,258	156,357	185,497	189,596
Corpus Christi Junior College District	43,545,490	44,477,385	45,729,322	49,096,901
Drainage District No. 2	1,184,406	1,262,100	1,633,415	1,745,224
Drainage District No. 3	68,347	68,933	71,391	74,217
South Texas Water Authority	381,888	360,780	367,599	505,060
Cities:				
Agua Dulce	56,054	54,354	53,496	63,246
Bishop	717,361	777,224	748,251	800,212
Corpus Christi	79,419,087	79,241,020	81,261,225	89,824,944
Driscoll	140,333	150,721	147,844	149,152
Port Aransas	4,211,939	4,250,061	4,495,666	4,781,884
Robstown	2,547,737	2,561,579	2,553,456	2,584,634
School Districts:				
Agua Dulce ISD	1,774,476	1,718,702	1,926,609	1,857,313
Banquete ISD	3,899,640	3,743,103	3,746,471	3,822,213
Bishop ISD	7,057,666	7,224,087	7,165,452	7,711,383
Calallen ISD	14,285,938	14,521,821	14,981,256	16,289,883
Corpus Christi ISD	134,509,386	137,310,628	141,131,198	153,986,528
Driscoll ISD	1,736,141	1,602,741	1,647,685	1,532,157
Flour Bluff ISD	24,152,098	23,066,097	23,763,633	27,633,038
London ISD	2,751,523	2,908,575	3,457,943	3,288,774
Port Aransas ISD	17,114,597	16,908,910	16,782,015	19,750,081
Robstown ISD	5,177,291	5,854,557	6,753,486	7,768,053
Tuloso Midway ISD	19,194,283	21,958,877	24,256,964	28,860,372
West Oso ISD	7,536,112	7,375,479	8,132,776	9,295,268
Fire Districts:				
Fire Prevention District 1	1,745,305	1,840,015	1,994,810	2,433,646
Fire Prevention District 2	646,663	613,808	634,574	772,626
Fire Prevention District 3	155,554	154,935	155,731	163,190
Fire Prevention District 4	275,763	259,741	261,248	268,091
Fire Prevention District 5	31,177	36,531	40,827	39,291
Fire Prevention District 6	397,627	390,428	393,287	411,320
Total	<u>\$470,357,614</u>	<u>\$478,349,905</u>	<u>\$495,672,324</u>	<u>\$542,061,19</u>

2015 2014	2016 2015	2017 2016	2018 2017	2019 2018	2020 2019
\$66,201,428	\$66,517,122	\$69,352,816	\$72,167,419	\$76,898,791	\$80,226,577
10,305,916	11,023,768	11,870,460	12,354,436	12,923,312	12,726,264
76,507,344	77,540,890	81,223,276	84,521,855	89,822,103	92,952,841
976,332	989,396	1,042,241	1,098,142	1,153,402	1,228,809
\$77,483,676	\$78,530,286	\$82,265,517	\$85,619,997	\$90,975,505	\$94,181,650
32,737,721	33,268,991	34,698,916	35,037,066	35,560,218	37,729,910
186,740	198,775	205,129	200,462	211,354	218,365
52,752,191	56,481,130	60,295,665	65,696,908	74,310,162	85,042,253
1,662,848	1,686,679	1,697,606	1,924,241	2,144,660	2,242,786
72,536	78,008	77,152	81,648	88,806	181,349
510,598	553,610	543,790	581,415	697,502	932,068
75,248	80,597	84,838	80,375	82,222	82,587
825,351	849,174	878,339	915,817	915,868	971,944
97,674,230	108,626,928	114,823,952	119,303,280	126,938,242	140,309,205
150,063	152,696	153,083	156,289	158,205	84,776
4,946,077	5,102,333	5,651,656	6,343,780	61,073,801	6,642,894
2,622,658	3,537,157	3,703,155	4,091,492	4,082,678	3,702,640
1,884,088	2,062,765	2,023,618	2,016,080	1,999,515	2,257,625
4,062,174	4,927,755	5,010,812	5,403,145	6,132,717	8,615,281
7,460,523	7,292,047	6,895,829	7,196,628	8,663,554	10,408,851
18,962,029	20,241,154	20,147,493	20,773,953	21,732,572	22,875,387
167,484,620	173,447,371	185,294,982	187,768,712	209,887,540	219,630,241
1,761,613	1,526,181	1,443,883	1,489,556	1,681,958	1,308,937
29,856,693	31,465,881	32,530,709	34,136,773	34,701,253	35,059,794
3,899,911	4,384,876	4,566,109	5,132,340	9,192,486	8,690,146
22,084,177	23,963,124	27,041,043	29,161,650	25,131,775	27,237,124
8,491,130	8,804,845	8,571,974	9,039,718	9,857,919	9,730,381
30,648,853	33,353,456	36,080,308	36,770,252	38,130,311	39,927,489
10,328,417	10,992,080	11,174,081	11,076,448	11,604,850	10,658,659
2,732,664	3,297,952	3,583,128	3,879,968	4,015,091	4,615,180
843,039	920,915	961,158	1,011,512	1,031,009	1,103,862
156,586	162,535	154,977	552,366	612,481	830,677
285,874	353,659	361,522	389,155	452,116	637,033
39,921	40,820	37,652	36,647	35,813	164,258
396,764	445,325	397,154	410,992	427,615	611,657
<u>\$583,079,013</u>	<u>\$616,829,105</u>	<u>\$651,355,230</u>	<u>\$676,278,665</u>	<u>\$782,529,798</u>	<u>\$776,685,009</u>

Nueces County, Texas
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
September 30, 2020

	FISCAL YEAR	2011	2012	2013	2014
	TAX ROLL YEAR	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Nueces County		0.355	0.355	0.355	0.345
Special Districts:					
Hospital District		0.162	0.162	0.162	0.148
Downtown Management District		0.370	0.370	0.370	0.370
Corpus Christi Junior College District		0.258	0.258	0.258	0.251
Drainage District No. 2		0.310	0.318	0.398	0.390
Drainage District No. 3		0.189	0.189	0.189	0.189
South Texas Water Authority		0.062	0.062	0.062	0.085
Cities:					
Agua Dulce		0.477	0.480	0.462	0.500
Aransas Pass		0.607	0.723	0.696	0.680
Bishop		0.914	0.911	0.805	0.823
Corpus Christi		0.582	0.571	0.571	0.585
Driscoll		0.857	0.899	0.907	0.902
Port Aransas		0.332	0.332	0.351	0.323
Robstown		0.975	0.954	0.956	0.866
School Districts:					
Agua Dulce ISD		1.379	1.400	1.400	1.400
Aransas Pass ISD		1.071	1.071	1.071	1.071
Banquete ISD		1.473	1.512	1.513	1.513
Bishop ISD		1.563	1.556	1.551	1.533
Calallen ISD		1.299	1.329	1.359	1.359
Corpus Christi ISD		1.237	1.237	1.237	1.237
Driscoll ISD		1.250	1.265	1.265	1.265
Flour Bluff ISD		1.070	1.072	1.071	1.178
London ISD		1.250	1.263	1.238	1.251
Port Aransas ISD		1.062	1.063	1.086	1.126
Robstown ISD		1.523	1.650	1.610	1.630
Tuloso Midway ISD		1.332	1.332	1.332	1.317
West Oso ISD		1.420	1.420	1.370	1.370
Fire Districts:					
Fire District No. 1		0.100	0.100	0.100	0.100
Fire District No. 2		0.026	0.026	0.026	0.030
Fire District No. 3		0.030	0.030	0.030	0.030
Fire District No. 4		0.100	0.100	0.100	0.100
Fire District No. 5		0.240	0.030	0.030	0.030
Fire District No. 6		0.070	0.070	0.070	0.070
TOTAL:		<u>23.945</u>	<u>24.110</u>	<u>24.001</u>	<u>24.067</u>

<u>2015</u> <u>2014</u>	<u>2016</u> <u>2015</u>	<u>2017</u> <u>2016</u>	<u>2018</u> <u>2017</u>	<u>2019</u> <u>2018</u>	<u>2020</u> <u>2019</u>
0.335	0.317	0.308	0.308	0.316	0.308
0.137	0.130	0.127	0.121	0.118	0.112
0.370	0.370	0.370	0.370	0.370	0.370
0.248	0.248	0.246	0.259	0.282	0.281
0.350	0.334	0.333	0.338	0.348	0.355
0.178	0.193	0.193	0.193	0.193	0.146
0.085	0.083	0.083	0.085	0.087	0.000
0.500	0.502	0.500	0.485	0.500	0.491
0.680	0.680	0.689	0.689	0.775	0.799
0.825	0.785	0.764	0.794	0.775	0.804
0.585	0.606	0.606	0.606	0.626	0.646
0.763	0.773	0.734	0.704	0.714	0.714
0.299	0.276	0.272	0.281	0.311	0.283
0.812	1.011	1.005	0.932	0.912	0.931
1.400	1.351	1.510	1.516	1.517	1.355
1.071	1.071	1.231	1.222	1.361	1.160
1.513	1.513	1.513	1.513	1.469	1.447
1.533	1.406	1.399	1.359	1.504	1.363
1.359	1.376	1.375	1.375	1.403	1.311
1.237	1.237	1.237	1.237	1.305	1.270
1.555	1.625	1.706	1.700	1.609	1.427
1.168	1.154	1.150	1.145	1.145	1.070
1.395	1.356	1.358	1.349	1.304	1.348
1.126	1.118	1.118	1.118	1.118	1.055
1.645	1.650	1.650	1.682	1.665	1.568
1.395	1.377	1.409	1.372	1.372	1.214
1.450	1.450	1.450	1.450	1.450	1.408
0.100	0.100	0.100	0.100	0.100	0.100
0.030	0.030	0.030	0.030	0.030	0.030
0.030	0.030	0.030	0.100	0.100	0.100
0.100	0.100	0.100	0.100	0.100	0.100
0.030	0.030	0.030	0.030	0.030	0.100
0.070	0.075	0.070	0.068	0.000	0.065
<u>24.374</u>	<u>24.357</u>	<u>24.696</u>	<u>24.631</u>	<u>24.908</u>	<u>23.731</u>



Nueces County, Texas
Principal Taxpayers
Current Year and Nine Years Ago
September 30, 2020

Exhibit 8

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value Principal	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value Principal
Flint Hills Resources	\$1,396,033,290	1	24.29%	\$844,920,030	1	29.42%
Valero Refining Company	1,335,095,300	2	23.23%	744,702,760	2	25.93%
Citgo	717,443,800	3	12.49%	503,820,830	3	17.54%
Corpus Christi Polymers LLC	532,193,993	4	9.26%	-	-	-
Equistar Chemicals LP	450,375,620	5	7.84%	157,086,470	5	5.47%
AEP Texas Central	383,523,543	6	6.67%	131,775,490	6	4.59%
Buckeye Texas Processing LLC	277,459,410	7	4.83%	-	-	-
Avangrid Renewables, LLC	233,946,650	8	4.07%	-	-	-
Hoechst Cel-Plastics Division	218,028,220	9	3.79%	176,109,860	4	6.13%
Flint Hills Res LLC-East Plant	202,176,590	10	3.52%	-	-	-
Barney M Davis LP	-	-	-	79,582,720	8	2.77%
Nueces Bay WLE LP	-	-	-	83,327,800	7	2.90%
Corpus Christi Retail Venture LP	-	-	-	78,804,140	9	2.74%
H E Butt Grocery Co	-	-	-	72,273,527	10	2.52%
Total	<u>\$5,746,276,416</u>		<u>100.00%</u>	<u>\$2,872,403,627</u>		<u>100.00%</u>
Total Assessed Value and Percentage of Total	<u>\$28,367,523,542</u>		<u>100.00%</u>	<u>\$18,171,179,953</u>		<u>100.00%</u>

**Nueces County, Texas
Tax Levies
Last Ten Fiscal Years
September 30, 2020**

FISCAL YEAR	2011	2012	2013	2014
TAX ROLL YEAR	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Levy for maintenance operations (M & O):				
General Fund	\$53,624,613	\$54,495,366	\$56,498,344	\$61,167,064
Road Fund	<u>791,360</u>	<u>788,479</u>	<u>833,275</u>	<u>902,847</u>
Total M & O levy	<u>54,415,973</u>	<u>55,283,845</u>	<u>57,331,619</u>	<u>62,069,911</u>
Levy for debt service (I				
Debt Service Fund	<u>10,924,694</u>	<u>10,835,130</u>	<u>11,243,542</u>	<u>11,593,241</u>
Total I & S levy	<u>10,924,694</u>	<u>10,835,130</u>	<u>11,243,542</u>	<u>11,593,241</u>
Total County levy	<u><u>\$65,340,667</u></u>	<u><u>\$66,118,975</u></u>	<u><u>\$68,575,161</u></u>	<u><u>\$73,663,152</u></u>

<u>2015</u> <u>2014</u>	<u>2016</u> <u>2015</u>	<u>2017</u> <u>2016</u>	<u>2018</u> <u>2017</u>	<u>2019</u> <u>2018</u>	<u>2020</u> <u>2019</u>
\$66,201,428	\$66,517,122	\$69,352,816	\$72,167,419	\$76,898,791	\$83,264,046
<u>976,332</u>	<u>989,396</u>	<u>1,042,241</u>	<u>1,098,142</u>	<u>1,153,402</u>	<u>1,228,809</u>
<u>67,177,760</u>	<u>67,506,518</u>	<u>70,395,057</u>	<u>73,265,561</u>	<u>78,052,193</u>	<u>84,492,855</u>
<u>10,305,916</u>	<u>11,023,768</u>	<u>11,870,460</u>	<u>12,354,436</u>	<u>12,923,312</u>	<u>1,347,864</u>
<u>10,305,916</u>	<u>11,023,768</u>	<u>11,870,460</u>	<u>12,354,436</u>	<u>12,923,312</u>	<u>1,347,864</u>
<u>\$77,483,676</u>	<u>\$78,530,286</u>	<u>\$82,265,517</u>	<u>\$85,619,997</u>	<u>\$90,975,505</u>	<u>\$85,840,719</u>

Nueces County, Texas
Property Tax Levies and Collections -
General Fund and Debt Service Funds
Last Ten Fiscal Years
September 30, 2020

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2011 2010	2012 2011	2013 2012	2014 2013
Tax Levy (original levy) (1)	64,549,307	65,330,496	67,741,886	72,760,305
Current Tax Collections (2)	62,146,816	63,364,158	66,008,745	70,450,668
Percent of Current Taxes Collected	96%	97%	97%	97%
Unpaid as of June 30th	2,402,491	1,966,338	1,733,141	2,309,637
Subsequent Collections & Adjustments	1,099,494	825,937	626,494	1,017,372
Total Collections & Adjustments	63,246,310	64,190,095	66,635,239	71,468,040
Percent Total Collections of Tax Levy	97.98%	98.25%	98.37%	98.22%
Unpaid Taxes	1,302,997	1,140,401	1,106,647	1,292,265

(1) The original levy is the levy calculated on certified valuations on July 25th of each fiscal year. Subsequent adjustments made to the levy are included in with subsequent collections.

(2) Current tax collections include all collections including tax increment financing zones that were collected by June 30th of each fiscal year.

<u>2015</u> <u>2014</u>	<u>2016</u> <u>2015</u>	<u>2017</u> <u>2016</u>	<u>2018</u> <u>2017</u>	<u>2019</u> <u>2018</u>	<u>2020</u> <u>2019</u>
76,507,344	77,540,890	81,223,276	84,521,855	89,822,103	96,611,910
74,267,821	73,849,526	78,131,456	80,769,940	86,938,900	92,141,594
97%	95%	96%	96%	97%	95%
2,239,523	3,691,364	3,091,820	3,751,915	2,883,203	4,470,316
1,028,313	2,364,877	1,552,955	1,853,627	1,399,005	1,037,067
75,296,134	76,214,403	79,684,411	82,623,567	88,337,905	93,178,661
98.42%	98.29%	98.11%	97.75%	98.35%	96.45%
1,211,210	1,326,487	1,538,865	1,898,288	1,484,198	3,433,249

**Nueces County, Texas
Property Tax Levies and Collections -
Farm To Market
Last Ten Fiscal Years
September 30, 2020**

FISCAL YEAR ENDING SEPTEMBER 30, TAX ROLL YEAR	2011 <u>2010</u>	2012 <u>2011</u>	2013 <u>2012</u>	2014 <u>2013</u>
Tax Levy (1)	791,360	788,479	833,275	902,847
Current Tax Collections (2)	761,190	761,310	812,362	874,926
Percent of Current Taxes Collected	96%	97%	97%	97%
Unpaid as of June 30th	30,170	27,169	20,913	27,921
Subsequent Collections & Adjustments	14,263	13,463	7,616	12,180
Total Collections & Adjustments	775,453	774,773	819,978	887,106
Percent Total Collections of Tax Levy	97.99%	98.26%	98.40%	98.26%
Unpaid Taxes Sept. 30	15,907	13,706	13,297	15,741

(1) The original levy is the levy calculated on certified valuations on July 25th of each fiscal year. Subsequent adjustments made to the levy are included in with subsequent collections.

(2) Current tax collections include all collections including tax increment financing zones that were collected by June 30th of each fiscal year.

Exhibit 11

2015 2014	2016 2015	2017 2016	2018 2017	2019 2018	2020 2019
976,332	989,396	1,042,241	1,098,142	1,153,402	1,228,809
949,013	942,609	1,002,278	1,031,719	1,113,885	1,164,462
97%	95%	96%	94%	97%	95%
27,319	46,787	39,963	66,423	39,517	64,347
12,144	30,119	20,397	23,391	20,945	20,982
961,157	972,728	1,022,675	1,055,110	1,134,830	1,185,444
98.45%	98.32%	98.12%	96.08%	98.39%	96.47%
15,175	16,668	19,566	43,032	18,572	43,365

Nueces County, Texas
Ratio Of Annual Debt Service Expenditures
For General Obligation Bonded Debt (1)
To Total General Governmental Expenditures
Last Ten Fiscal Years
September 30, 2020

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Principal	4,796,040	5,724,864	6,031,337	6,419,915
Interest	5,179,967	5,054,843	4,923,149	4,639,571
Fiscal Agents & Other Fees	432,800	(16,034)	15,700	9,150
Total Debt Service	10,408,807	10,763,673	10,970,186	11,068,636
Total General governmental expenditures (2)	67,009,800	66,516,869	67,511,560	70,872,605
Ratio of Debt Service to General governmental expenditures	15.53%	16.18%	16.25%	15.62%

(1) Special assessment debt with government commitment are excluded.

(2) Includes general, special revenue, capital projects, grants and debt service funds.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
6,714,187	7,184,854	7,591,221	9,172,156	5,419,248	8,352,528
4,311,152	4,653,564	4,922,104	5,006,208	5,104,701	5,783,843
7,000	5,375	8,950	10,000	10,000	6,250
11,032,339	11,843,793	12,522,275	14,188,364	10,533,949	14,142,621
75,484,771	77,602,577	82,273,765	82,133,314	83,785,923	87,426,724
14.62%	15.26%	15.22%	17.27%	12.57%	16.18%

Nueces County, Texas
Ratios of Gross Bonded Debt Outstanding including Capital Leases
Last Ten Fiscal Years
September 30, 2020

<u>Fiscal</u> <u>Year</u> <u>Ending</u>	<u>Bonded</u> <u>Debt</u>	<u>Bond</u> <u>Premium/</u> <u>Discount</u>	<u>Gross</u> <u>Bonded</u> <u>Debt</u>	<u>Less Debt</u> <u>Service</u> <u>Funds</u>	<u>Outstanding</u>	
					<u>Net</u> <u>Bonded</u> <u>Debt</u>	<u>Capital</u> <u>Leases</u>
2011	122,633,900	1,862,695	124,496,595	(3,982,739)	120,513,856	-
2012	117,055,767	2,201,958	119,257,725	(3,945,987)	115,311,738	143,995
2013	111,024,428	1,835,039	112,859,467	(4,165,398)	108,694,069	196,358
2014	104,604,513	6,033,024	110,637,537	(4,595,623)	106,041,914	130,857
2015	113,635,326	10,727,735	124,363,061	(4,175,638)	120,187,423	5,807,359
2016	109,450,473	9,194,153	118,644,626	(3,592,453)	115,052,173	5,300,548
2017	122,779,252	9,987,132	132,766,384	(3,273,027)	129,493,357	4,781,356
2018	121,507,095	8,709,277	130,216,372	(1,866,868)	128,349,504	4,518,211
2019	119,498,090	7,326,477	126,824,567	(4,719,305)	122,105,262	4,148,782
2020	146,094,043	11,773,064	157,867,107	(4,038,134)	153,828,973	3,756,836

<u>Personal Income (in thousands)</u>	<u>Percentage of Personal Income</u>	<u>Assessed Valuation</u>	<u>Gross Debt of Valuation %</u>	<u>Estimated Population</u>	<u>Net Debt Per Capita</u>
13,196,232	10.76%	17,737,980,901	0.70%	343,190	362.76
14,226,934	12.14%	18,035,454,760	0.66%	347,816	342.88
14,841,683	13.34%	18,710,372,638	0.60%	352,728	319.96
15,117,598	14.43%	20,613,089,617	0.54%	356,325	310.50
15,416,870	12.91%	22,309,191,166	0.56%	360,118	345.34
14,743,237	12.85%	23,871,896,271	0.50%	361,350	328.34
15,125,406	11.86%	25,690,394,131	0.52%	361,221	367.55
16,076,668	12.76%	26,698,695,590	0.49%	369,142	352.75
16,076,668	13.00%	27,881,351,285	0.45%	372,883	340.12
16,262,836	10.85%	29,689,671,512	0.53%	383,718	411.41



Nueces County, Texas
Computation of Direct and Overlapping Debt
September 30, 2020

Exhibit 14

Bonded Debt of Individual Governmental Subdivisions:	Estimated Gross Debt	Percent Applicabl	Nueces County Share Of Gross Debt
Special Districts:			
Corpus Christi Junior College District	\$288,060,000	100.00%	\$288,060,000
County-Line Special Districts:			
Nueces County Drainage District 2	-	100.00%	-
South Texas Water Authority	3,640,000	45.94%	1,672,216
Cities:			
Agua Dulce	589,000	100.00%	589,000
Aransas Pass	21,610,000	1.70%	367,370
Bishop	3,252,000	100.00%	3,252,000
Corpus Christi	525,465,000	100.00%	525,465,000
Driscoll	0	100.00%	0
Portland	4,550,500	0.00%	-
Port Aransas	16,585,000	100.00%	16,585,000
Robstown	14,120,150	100.00%	14,120,150
School Districts:			
Agua Dulce ISD	4,695,000	57.67%	2,707,607
Aransas Pass ISD	16,060,000	1.32%	211,992
Banquete ISD	5,392,000	100.00%	5,392,000
Bishop ISD	29,491,000	100.00%	29,491,000
Calallen ISD	68,375,000	100.00%	68,375,000
Corpus Christi ISD	658,959,138	100.00%	658,959,138
Driscoll ISD	6,933,306	100.00%	6,933,306
Flour Bluff ISD	45,169,986	100.00%	45,169,986
London ISD	33,119,547	100.00%	33,119,547
Port Aransas ISD	5,662,000	100.00%	5,662,000
Robstown ISD	47,423,995	100.00%	47,423,995
Tuloso-Midway ISD	56,881,350	100.00%	56,881,350
West Oso ISD	31,678,514	100.00%	31,678,514
Total overlapping and underlying debt	1,887,712,486	97.58%	1,842,116,171
Nueces County	<u>161,635,460</u>	100.00%	<u>161,635,460</u>
Total direct and overlapping debt	<u>\$2,049,347,946</u>	97.78%	<u>\$2,003,751,630</u>

Estimated Nueces County: Population: 372,883

Nueces County share of Gross Debt per Capita is \$ 418.43
source: The Municipal Advisory of Texas (Texas MAC)

Nueces County, Texas
Legal Debt Margin Information
Bonds and Certificates of Obligation
Issued Under Texas General Laws
Last Ten Fiscal Years
September 30, 2020

Fiscal Year Ending	2011	2012	2013	2014
Assessed market value of taxable property	24,347,389,404	25,190,041,328	26,977,687,725	29,506,524,652
Less exemptions and abatements	(5,810,394,569)	(6,347,136,935)	(7,453,162,690)	(7,965,439,445)
Assessed value of all taxable property	18,536,994,835	18,842,904,393	19,524,525,035	21,541,085,207
Debt limit rate	5%	5% x	5%	5%
Amount of debt limit	926,849,742	942,145,220	976,226,252	1,077,054,260
Amount of debt applicable to debt limit:				
Total Bonded Applicable Debt	122,633,900	117,055,767	111,024,428	104,604,513
Less: Amounts set aside to repay general debt	3,982,739	3,945,987	4,165,398	4,595,623
Total amount of net debt applicable to debt limit	118,651,161	113,109,780	106,859,030	100,008,890
Legal debt margin	<u>\$808,198,581</u>	<u>\$829,035,440</u>	<u>\$869,367,222</u>	<u>\$977,045,370</u>
Total net debt applicable to the limit as a percentage of debt limit	12.80%	12.01%	10.95%	9.29%

Bonds issued under the Texas General Laws have, in addition to the debt limit of 5 percent of assessed value of all taxable property, a constitutional limit on the tax rate which may be levied to service general law bonds and provide funds for the general operations of the County. This limit for Nueces County is \$.80 annually on the \$100 assessed valuation plus a levy of \$.15 annually for the maintenance of public roads.

Article VIII, Section 9 of the Texas Constitution, as amended, specified that the Commissioners Court "shall levy whatever tax rate may be needed for the four (4) constitutional purposes; namely, general fund, permanent improvement fund, road and bridge fund and jury fund so long as the Court does not impair any outstanding bonds or other obligations and so long as the total of the foregoing tax levies does not exceed Eighty Cents (\$.80) on the One Hundred Dollars (\$100) valuation in any one (1) year."

Notes: Excludes applicable exemptions.

(1) Include General Obligation Bonds Net of Premium on related debt and Certificates of Obligation and Energy Conservation Loans.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
31,887,031,407	33,875,864,077	36,510,058,441	38,846,265,401	40,945,866,774	43,306,862,589
(8,429,072,802)	(8,677,204,445)	(9,339,129,118)	(10,489,815,916)	(11,403,885,228)	(11,235,658,551)
<u>23,457,958,605</u>	<u>25,198,659,632</u>	<u>27,170,929,323</u>	<u>28,356,449,485</u>	<u>29,541,981,546</u>	<u>32,071,204,038</u>
<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>1,172,897,930</u>	<u>1,259,932,982</u>	<u>1,358,546,466</u>	<u>1,417,822,474</u>	<u>1,477,099,077</u>	<u>1,603,560,202</u>
113,635,326	109,450,473	122,779,252	134,734,583	119,498,090	146,094,043
<u>4,175,638</u>	<u>3,592,453</u>	<u>3,273,027</u>	<u>1,866,868</u>	<u>4,719,305</u>	<u>4,038,134</u>
<u>109,459,688</u>	<u>105,858,020</u>	<u>119,506,225</u>	<u>132,867,715</u>	<u>114,778,785</u>	<u>142,055,909</u>
<u>\$1,063,438,242</u>	<u>\$1,154,074,962</u>	<u>\$1,239,040,241</u>	<u>\$1,284,954,759</u>	<u>\$1,362,320,292</u>	<u>\$1,461,504,293</u>
9.33%	8.40%	8.80%	9.37%	7.77%	8.86%

**Nueces County, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years
September 30, 2020**

Combination Tax and Revenue Certificates of Obligation 2010, 2012, 2015, 2016, 2017, 2018 and 2019

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Solid Waste Fees	1,244	1,248	1,568	1,984
Total Revenues Available (1)	1,000	1,000	1,000	1,000
Debt Service Requirements				
Interest	5,632,640	5,155,948	4,923,149	4,639,571
Principal	4,670,000	5,724,865	6,031,337	6,419,915

(1) Per official statements, "not to exceed \$1000."

Exhibit 16

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
1,872	1,940	2,368	1,060	1,580	2,256
1,000	1,000	1,000	1,000	1,000	1,000
4,311,152	4,653,564	4,922,104	5,006,208	5,108,508	5,783,843
6,714,187	7,184,854	7,591,221	9,172,156	5,419,248	8,352,528

Nueces County Texas
Miscellaneous Statistical Data
Last Ten Fiscal Years
September 30 2020

<u>Year</u>	(1) <u>Estimated Population</u>	(2) <u>Personal Income</u>	(2) <u>Per Capita Personal Income</u>	(3) <u>Public School Enrollment Corpus Christi</u>
2011	343,190	13,162,872	38,354	53,795
2012	347,816	13,706,561	39,408	53,968
2013	352,728	14,024,085	39,759	54,574
2014	356,325	14,883,008	41,768	54,911
2015	360,118	14,901,830	41,380	54,448
2016	361,250	14,743,237	40,800	54,292
2017	361,221	15,125,406	41,873	54,037
2018	369,142	16,076,668	44,378	53,743
2019	372,883	16,262,836	44,889	53,098
2020	383,718	not available	not available	52,491

Form of Government

A public corporation and political subdivision of the State of Texas.

Area - 847 Square Miles

Transportation

Air: American, United and Southwest
 Bus: Regional Transit Authority and 2 interstate bus lines
 Taxis: 6 taxicab services; 1 airport limousine service
 Highways (running to or through city): U.S. 77 and 181; Texas 35, 44, 257
 286, 358 and Interstate 37 and 69
 Rail: Union Pacific Burlington Northern/Santa Fe & Texas-Mexican Railway
 Motor Freight: 17
 Water: Steamship agencies representing dry cargo carriers and bulk
 carriers; canal barges that offer service to and from Corpus Christi on Intracoastal Canal.
 Port: The deepest port on the Gulf of Mexico; authorized to 45 (now 52) feet.
 Corpus Christi Harbor Bridge: Dedicated October 23, 1959; main span
 across the channel is 640 feet; 235 feet high with free vertical
 clearance under the span of 140 feet.

Communications

Publications:
 Newspaper - 1 morning (7 days a week) and 5 weekly; 2 daily business-
 Legal publications; 1 monthly magazine.
 Radio Stations: 22 with 15 FM stations and 3 spanish stations.
 Television stations: 8, 3 major networks, cable, public television,
 Spanish language stations and other independent stations.

- (1) Source: 2016 U.S. Census Bureau
- (2) Source: The Bureau of Economic Analysis
- (3) Source: Corpus Christi Independent School District Flour Bluff
 Calallen ISD Tuloso Midway ISD and West Oso ISD
- (4) Source: Bishop ISD Banquete ISD Agua Dulce ISD Port Aransas ISD,
 Driscoll ISD London ISD and Robstown ISD
- (5) Source: Texas Workforce Commission
- (6) Source: Port Authority - calendar year 2016
- (7) Source: Texas State Comptroller

(4) Public School Rural County	(5) Nueces County Unemployment Rate	(6) Port Tonnage	(7) Retail Sales
6,939	7.8%	61,858,320	4,288,389,104
7,058	5.7%	57,296,567	4,772,060,753
7,046	5.8%	65,544,987	5,169,529,102
7,043	4.8%	72,878,577	5,505,775,116
7,115	4.8%	77,890,428	7,500,324,301
7,193	6.0%	70,089,873	5,248,625,725
7,313	5.2%	75,003,446	5,119,216,442
7,332	4.6%	79,332,779	5,653,943,729
7,418	3.9%	84,628,235	5,512,308,810
7,652	9.8%	117,548,299	5,692,229,247



Nueces County, Texas
Principal Employers
Current Year and Nine Years Ago
September 30, 2020

Exhibit 18

Employer Name	2020			2011		
	Number of Employees	Rank	Percent of total County Employment	Number of Employees	Rank	Percent of total County Employment
Corpus Christi ISD	5,944	1	4.00%	5,178	2	3.41%
Naval Air Station Corpus Christi	4,500	2	3.03%	2,822	6	1.86%
H.E.B. Stores & Bakery	3,840	3	2.58%	5,000	4	3.29%
Corpus Christi Army Depot	3,400	4	2.29%	5,800	1	3.81%
City of Corpus Christi	3,202	5	2.15%	3,171	5	2.09%
Christus Spohn Hospital	3,000	6	2.02%	5,144	3	3.38%
Driscoll Children's Hospital	2,512	7	1.69%	1,800	8	1.18%
Kiewit Offshore Services	1,750	8	1.18%	-	-	-
Bay, Ltd.	1,700	9	1.14%	2,100	7	1.38%
Del Mar College	1,500	10	1.01%	1,542	9	1.01%
Corpus Christi Medical Center	1,500	10	1.01%	1,300	10	0.85%
Total	32,848		22.08%	33,857		22.27%
Total Employed in the County ⁽¹⁾	148,736			152,054		

Source: Corpus Christi Regional Economic Development Corporation

(1) Bureau of Labor Statistics

**Nueces County, Texas
 Construction and Commercial Permits Valuations
 Last Ten Fiscal Years
 September 30, 2020**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
New Construction (1)				
Residential				
Dwelling Units	880	1,217	1,790	1,367
Permits	660	951	976	998
Valuation	118,003,701	178,113,660	193,356,876	183,877,132
Commercial				
Permits	214	198	196	272
Valuation	<u>172,797,003</u>	<u>155,968,117</u>	<u>105,906,153</u>	<u>210,751,936</u>
Total Permits Valuations	<u><u>290,800,704</u></u>	<u><u>334,081,777</u></u>	<u><u>299,263,029</u></u>	<u><u>394,629,068</u></u>

(1) Source: City of Corpus Christi Building Division (Calendar Year)

Exhibit 19

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
1,090	954	865	952	980	1,086
1,090	954	865	952	980	1,086
191,238,582	176,846,614	154,152,293	165,647,055	120,680,729	N/A
311	269	137	138	124	185
<u>243,951,272</u>	<u>310,971,822</u>	<u>407,641,669</u>	<u>292,864,942</u>	<u>149,326,580</u>	<u>345,491,365</u>
<u><u>435,189,854</u></u>	<u><u>487,818,436</u></u>	<u><u>561,793,962</u></u>	<u><u>458,511,997</u></u>	<u><u>270,007,309</u></u>	<u><u>345,491,365</u></u>

**Nueces County, Texas
Housing & Motor Vehicle Sales Volume
Last Ten Fiscal Years
September 30, 2020**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Home Sales Volume(1)	534,980,028	689,413,715	829,025,327	930,473,282
Units Sold(1)	3,396	4,058	4,589	4,690
Median Price Real Estate(1)	135,700	142,300	152,200	168,600
Registered Vehicles(2)	276,139	285,373	292,278	300,564
Motor vehicle sales tax(3)	46,167,854	56,734,057	65,516,565	67,508,283

Source:

(1) Real Estate Center at Texas A&M University

(2) Texas Department of Transportation

(3) Nueces Tax Office

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
996,087,857	884,478,979	874,706,343	949,356,771	1,027,888,666	1,281,439,253
4,811	4,156	3,889	4,322	4,454	4,941
178,700	186,900	189,765	191,392	196,625	254,975
301,993	289,017	285,911	287,512	286,776	268,605
67,756,629	62,301,881	58,197,613	65,387,700	63,895,006	59,760,076

Nueces County, Texas
Full-Time Equivalent
County Government Employees by Function Last Ten Fiscal Years
September 30, 2020

	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>
General Government	183	184	184	190
Buildings & Facilities	41	41	39	37
Administration of Justice	355	355	308	307
Law Enforcement & Corrections	384	388	442	444
Social Services	36	36	36	36
Health, Safety & Sanitation	22	18	28	55
Agr, Ed & Consumer Sciences	16	16	15	15
Roads, Bridges & Airport	92	92	93	93
Parks & Recreation	38	40	40	42
Total Employee Positions	<u>1,167</u>	<u>1,170</u>	<u>1,184</u>	<u>1,219</u>

Source: Nueces County Clerk, adopted annual budgets.

<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>
197	201	205	195	203	201
37	37	39	39	41	41
307	308	307	306	298	300
444	446	448	456	456	477
36	36	37	36	36	36
57	55	57	48	52	53
15	16	16	16	16	16
93	93	93	92	92	90.5
42	46	46	46	48	48.5
<u>1,227</u>	<u>1,238</u>	<u>1,247</u>	<u>1,234</u>	<u>1,241</u>	<u>1,263</u>

Nueces County, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years
September 30, 2020

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Administration of Justice				
JP Courts				
Cases Filed	27,150	22,041	25,797	22,079
Cases Disposed	22,532	15,833	75,316	20,231
Cases Appealed	83	4	112	97
County Courts at Law				
Civil Cases Filed	2,425	2,242	2,057	2,174
Child Protective Services	192	181	152	229
Civil Cases Disposed	2,474	2,378	1,836	1,944
Criminal Cases Filed	6,963	7,826	7,868	8,912
Criminal Cases Disposed	8,126	7,350	8,142	7,489
District Courts				
Civil Cases Filed	7,945	6,322	6,472	6,308
Child Protective Services	1	1	1	1
Civil Cases Disposed	6,561	6,414	6,126	5,721
Criminal Cases Filed	3,138	2,878	2,795	3,055
Criminal Cases Disposed	4,501	4,813	4,728	4,668
Juvenile				
Juvenile Cases Filed	184	243	244	175
Juvenile Cases Disposed	74	249	295	261
General Government				
County Clerk Filing	73,729	85,517	110,525	147,679

(1) Information required for GASB Statement 44 not previously tracked before this fiscal year

Sources:

Office of Court Administration
Nueces County District Clerk

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
17,702	15,529	18,995	25,676	31,927	24,497
19,795	23,386	15,467	19,723	21,745	17,737
99	136	119	119	154	190
2,367	2,463	2,110	1,900	1,898	1,339
249	346	396	383	330	359
2,190	2,269	2,120	1,892	2,038	1,726
6,627	4,960	3,347	6,807	5,841	8,154
7,030	6,520	7,012	5,007	8,213	4,562
6,657	6,945	6,408	7,072	7,292	5,278
28	21	3	2	1	1
4,844	5,752	7,254	7,233	8,089	5,481
2,941	2,685	1,989	3,199	4,040	3,275
4,642	4,032	4,423	5,912	7,187	5,201
139	151	131	1,183	631	309
222	231	109	191	195	142
99,254	96,330	92,062	81,095	102,715	70,816

Nueces County, Texas
Capital Asset Statistics By Function
Last Ten Fiscal Years
September 30, 2020

<u>Functions</u>	2011	2012	2013	2014
General Government				
Number of Vehicles	6	11	11	11
Number of Buildings	2	2	2	2
Administration of Justice				
Number of Buildings	5	4	4	4
Number of Vehicles	9	8	6	7
Law Enforcement				
Number of Buildings	2	2	2	2
Jail Capacity - Main Jail	656	656	656	656
Jail Capacity - McKenzie Jail	412	412	412	412
Number of Vehicle	104	113	102	105
Health, Safety, and Sanitation				
Number of Vehicles	12	10	11	11
Social Services				
Number of Buildings	2	2	2	2
Number of Vehicles	9	8	13	12
Roads, Bridges, and Transportation				
Number of Buildings	14	14	14	14
Number of Bridges	80	80	80	80
Number of Miles (Paved Roads)	475	475	475	475
Number of Miles (Improved Caliche Roads)	50	50	50	50
Number of Miles (Dirt Roads)	178	178	178	178
Number of Vehicles	51	57	54	55
Parks and Recreation				
Number of Buildings	35	25	25	25
Number of Parks	13	13	13	13
Number of Vehicles	22	22	22	22
Building and Facilities				
Number of Buildings	26	37	36	36
Number of Vehicles	10	13	17	16
Agriculture, Education, Consumer Science				
Number of Vehicles	4	4	4	4
Number of Buildings	0	0	0	0

2015	2016	2017	2018	2019	2020
6	19	22	28	9	9
2	2	2	2	2	2
4	4	4	4	4	4
7	7	7	7	7	7
2	2	2	2	2	2
656	656	656	656	656	656
412	412	412	412	412	412
122	119	119	129	134	142
11	11	12	13	13	14
2	2	2	2	2	2
8	8	8	8	8	8
17	17	17	17	17	17
80	80	80	80	80	80
475	475	475	475	475	475
50	50	50	50	50	50
178	178	178	178	178	178
54	52	57	60	57	58
25	25	25	25	25	25
13	13	13	13	13	14
21	22	23	23	25	28
37	37	37	37	38	38
11	11	11	11	11	11
3	4	4	4	4	4
0	0	0	0	0	4



Nueces County, Texas
Salaries and Surety Bonds of Elected Officials
September 30, 2020

Exhibit 24

<u>Official Title</u>	<u>Incumbent</u>	<u>Budget Salary</u>	<u>Surety Bond</u>	<u>Term Ending Dates</u>
Elected Officials:				
Commissioner, Precinct 1	Carolyn Vaughn	\$78,683	\$3,000	12/31/2020
Commissioner, Precinct 2	Joe A. Gonzalez	84,732	3,000	12/31/2022
Commissioner, Precinct 3	John Marez	80,650	3,000	12/31/2020
Commissioner, Precinct 4	Brent Chesney	80,650	3,000	12/31/2022
County Judge	Barbara Canales	96,032	10,000	12/31/2022
County Attorney	Laura A. Jimenez	127,467	2,500	12/31/2020
County Clerk	Kara Sands	85,782	500,000	12/31/2022
Assessor-Collector of Taxes	Kevin Kieschnick	87,927	100,000	12/31/2020
District Clerk	Anne Lorentzen	94,688	100,000	12/31/2022
Sheriff	John Hooper	86,054	30,000	12/31/2020
County Court At Law Judge, Court At Law 1	Robert J. Vargas	193,400	10,000	12/31/2022
County Court At Law Judge, Court At Law 2	Anna Elisabeth Gonzales	193,400	10,000	12/31/2022
County Court At Law Judge, Court At Law 3	Deeanne Galvan	171,000	10,000	12/31/2022
County Court At Law Judge, Court At Law 4	Mark Woerner	171,000	10,000	12/31/2022
County Court At Law Judge, Court At Law 5	Timothy McCoy	171,000	10,000	12/31/2022
District Judge, 28th District Court	Nanette Hasette	18,000	N/A (1)	12/31/2020
District Judge, 94th District Court	Robert Galvan Jr.	18,000	N/A (1)	12/31/2022
District Judge, 105th District Court	Jack Pulcher	18,000	N/A (1)	12/31/2022
District Judge, 117th District Court	Sandra Watts	18,000	N/A (1)	12/31/2022
District Judge, 148th District Court	Carlos Valdez	18,000	N/A (1)	12/31/2022
District Judge, 214th District Court	Inna Klein	18,000	N/A (1)	12/31/2020
District Judge, 319th District Court	David Stith	18,000	N/A (1)	12/31/2022
District Judge, 347th District Court	Missy Medary	18,000	N/A (1)	12/31/2020
District Attorney	Mark Gonzalez	12,000	5,000 (1)	12/31/2020
Constable, Precinct 1	Robert Cisneros	62,418	1,500	12/31/2020
Constable, Precinct 2	John Mitchel Clark	56,547	1,500	12/31/2020
Constable, Precinct 3	Jimmy Rivera	59,410	5,000	12/31/2020
Constable, Precinct 4	Robert W. Sherwood	62,418	1,500	12/31/2020
Constable, Precinct 5	Frank Flores III	62,418	1,500	12/31/2020
Justice of the Peace, Pct. 1, Place 1	Joe Benavides	61,744	5,000	12/31/2020
Justice of the Peace, Pct. 1, Place 2	Henry A. Santana	66,492	5,000	12/31/2022
Justice of the Peace, Pct. 1, Place 3	Luz Rubio	58,769	5,000	12/31/2022
Justice of the Peace, Pct. 2, Place 1	Jo Woolsey	60,238	5,000	12/31/2020
Justice of the Peace, Pct. 2, Place 2	Thelma Rodriguez	66,492	5,000	12/31/2022
Justice of the Peace, Pct. 3	Larry Lawrence	60,238	5,000	12/31/2022
Justice of the Peace, Pct. 4	Duncan Neblett, Jr.	66,492	5,000	12/31/2022
Justice of the Peace, Pct. 5, Place 1	Roberto H Gonzalez Jr.	66,492	5,000	12/31/2020
Justice of the Peace, Pct. 5, Place 2	Armando Gonzalez Jr.	58,769	5,000	12/31/2022

Notes:

(1) Official of the State of Texas. Salary represents County portion only.

Nueces County, Texas
Summary of Insurance Coverage
Last Ten Fiscal Years
September 30, 2020

Type of Coverage	Premiums Paid FY 10-11	Premiums Paid FY 11-12	Premiums Paid FY 12-13	Premiums Paid FY 13-14
Property Without Excess Windstorm	123,259	136,120	154,343	179,542
Primary Windstorm	755,168	858,524	845,948	824,545
Subtotal Windstorm	878,427	994,644	1,000,291	1,004,087
Flood Insurance				
Building and Contents	83,441	91,802	86,043	98,677
Excess Flood	56,530	56,415	61,324	65,228
Subtotal Flood	139,971	148,217	147,367	163,905
Inland Marine:	7,418	7,051	7,418	7,785
Subtotal Inland Marine	7,418	7,051	7,418	7,785
Public Official Employee Liability	31,361	30,153	32,771	32,771
Crime Policy Includes				
Dishonesty	2,783	2,783	4,231	4,397
Money & Securities				
Auto Liability Blanket	115,029	106,706	87,812	91,902
Airport Hangar keepers Legal	2,837	2,258	2,258	1,734
Total	1,177,826	1,291,812	1,155,076	1,306,581

Premiums Paid FY 14-15	Premiums Paid FY 15-16	Premiums Paid FY 16-17	Premiums Paid FY 17-18	Premiums Paid FY 18-19	Premiums Paid FY 19-20
179,542	152,646	234,470	234,660	8,778	7,072
747,536	961,438	971,775	868,350	837,147	1,639,435
927,078	1,114,084	1,206,245	1,103,010	845,925	1,646,507
106,988	101,844	115,829	110,154	106,305	111,892
64,001	63,640	59,728	59,728	59,728	59,728
170,989	165,484	175,557	169,882	166,033	171,620
7,785	7,826	7,474	7,474	11,795	12,995
7,785	7,826	7,474	7,474	11,795	12,995
32,771	35,805	35,175	44,337	26,217	2,994
4,700	5,000	4,700	5,025	4,271	4,271
91,180	118,545	91,561	96,791	78,986	68,299
1,734	3,258	1,734	1,770	1,636	1,912
1,236,237	1,450,002	1,522,446	1,428,289	1,134,863	1,908,598



FEDERAL AWARDS PROGRAMS



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

Honorable County Judge and
Commissioners' Court
Nueces County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Nueces County, Texas as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Nueces County, Texas' basic financial statements, and have issued our report thereon dated March 26, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nueces County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas
March 26, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable County Judge and
Commissioners' Court
Nueces County, Texas

Report on Compliance for Each Major Federal Program

We have audited Nueces County, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Nueces County, Texas' major federal programs for the year ended September 30, 2020. Nueces County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Nueces County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Nueces County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Nueces County, Texas' compliance.

Opinion on Each Major Federal Program

In our opinion, Nueces County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Report on Internal Control over Compliance

Management of Nueces County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Nueces County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Nueces County, Texas' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Waco, Texas
March 26, 2021

NUECES COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	None
--	------

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal or State Program or Cluster:</u>
15.435	Gulf of Mexico Energy Security Act (GoMESA)
21.019	COVID-19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B federal programs	\$750,000
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Auditee qualified as low-risk auditee for federal single audit?	Yes
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**Findings Related to the Financial Statements Which Are
Required to be Reported in Accordance With Generally
Accepted Government Auditing Standards**

None

Findings and Questioned Costs for Federal Awards

None

NUECES COUNTY, TEXAS
Corrective Action Plan
For The Year Ended September 30, 2020

None Required

NUECES COUNTY, TEXAS
Schedule of Prior Audit Findings
For The Year Ended September 30, 2020

None Noted

NUECES COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

FEDERAL / STATE GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES, INDIRECT COSTS AND REFUNDS	PASS THROUGH AMOUNT TO RECIPIENTS
FEDERAL AWARDS:				
US DEPARTMENT OF AGRICULTURE				
Pass Through: Texas Department of Agriculture				
3490-4464	School Breakfast Program	10.553	806780706	\$ 30,869 \$ -
3490-4469	National School Lunch Program	10.555	806780706	50,404 -
3492-4469	Emergency Assistance Program (Food Commodities)	10.569	806780706	1,816 -
TOTAL CHILD NUTRITION CLUSTER PROGRAM:			\$ 83,089	\$ -
TOTAL US DEPARTMENT OF AGRICULTURE:			\$ 83,089	\$ -
2480	CDBG-DR Infrastructure Projects	14.228	20-065-091-C254	335,735 -
TOTAL US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			335,735	-
US DEPARTMENT OF THE INTERIOR				
Direct Grant				
1307	Gulf of Mexico Energy Security Act Program	15.435	664025911	\$ 881,167 \$ -
Pass Through: Texas Park and Wildlife Department				
2456	Sport Fish Restoration	15.605	F-284-B-1	3,177 -
SUBTOTAL US DOI FOR FISH AND WILDLIFE CLUSTER:			\$ 3,177	\$ -
TOTAL US DEPARTMENT OF THE INTERIOR			\$ 884,344	\$ -
US DEPARTMENT OF JUSTICE:				
Pass Through: US Attorney, SW Region				
2230	(OCDETF) State & Local Overtime and Authorized Expense Agreement	16.111	SW-TXS-1097	\$ 2,160 \$ -
Direct Grant				
3720-4463	State Criminal Alien Assistance Program	16.606	2019-AP-BX-1098	43,725 -
0104	Coronavirus Emergency Supplemental Funding "COVID-19"	16.034	2020-VD-BX-0596	58,008 -
Pass Through: Texas Office of the Governor - Criminal Justice Division				
0104	Coronavirus Emergency Supplemental Funding "COVID-19"	16.034	4160301	\$ 330,457 \$ -
TOTAL CFDA 16.034			388,465	-
2190	Victims of Crime Act Formula Grant	16.575	3799701	\$ 24,970 \$ -
2010	Violence Against Women Formula Grants	16.588	2987405	46,150 -
2100	Edward Byrne Memorial J.A.G. Program	16.738	3799601	68,135 -
Through: City of Corpus Christi				
2390	Edward Byrne Memorial J.A.G. Program	16.738	2018-DJ-BX-0408	\$ 64 -
2391	Edward Byrne Memorial J.A.G. Program	16.738	2018-DJ-BX-0829	3,075 -
2399	Edward Byrne Memorial J.A.G. Program	16.738	2017-DJ-BX-0571	17,883 -
TOTAL CFDA 16.738			\$ 89,157	\$ -
TOTAL US DEPARTMENT OF JUSTICE			\$ 594,627	\$ -
US DEPARTMENT OF TREASURY				
Pass Through: Texas Division of Emergency Management				
0104	Coronavirus Relief Fund "COVID-19"	21.019	FEMA-2020-SPA-TX-122	3,444,495 -
TOTAL US DEPARTMENT OF TREASURY			3,444,495	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Pass Through: Texas State Library & Archives Commission				
2130	Grants to States	45.310	CAR1-21026	\$ 16,283 -
2150	Grants to States	45.310	TXR-20011	8,697 -
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			\$ 24,980	\$ -
US ENVIRONMENTAL PROTECTION AGENCY				
Pass Through: Texas Water Development Board				
2795	Capitalization Grants for Drinking Water-State Revolving Fund	66.468	LF1000661	\$ 645,516 -
Total Total Drinking Water State Revolving Fund Cluster			\$ 645,516	\$ -
Pass Through: Texas General Land Office				
2630	Beach Monitoring & Notification Program Implementation Grants	66.472	16-099-000-9299-04	\$ 95,800 \$ -
2631	Beach Monitoring & Notification Program Implementation Grants	66.472	21-043-001	14,445 -
Total CFDA Number 66.472			\$ 110,245	\$ -
TOTAL US ENVIRONMENTAL PROTECTION AGENCY			\$ 755,761	\$ -
US ELECTION ASSISTANCE COMMISSION				
Pass Through: Texas Secretary of State				
2131	HAVA Election Security Grants "COVID-19"	90.404	TX20101CARES-178	\$ 34,006 -
TOTAL US ELECTION ASSISTANCE COMMISSION			34,006	-

NUECES COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

FEDERAL / STATE GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES, INDIRECT COSTS AND REFUNDS	PASS THROUGH AMOUNT TO RECIPIENTS
FEDERAL AWARDS-Continued				
US DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass Through: Texas Department of Aging and Disability Services				
Through: Coastal Bend Council of Governments:				
Special Programs for the Aging Title III, Part B Grants for				
4190-4445	Supportive Services and Senior Centers, Title III, B	93.044	AA3-0848-11	\$ 11,572 \$ -
4190-4446	Special Programs for the Aging, Title III, Part C1 Nutrition Svcs	93.045	AA3-0848-11	30,320 -
4190-4447	Special Programs for the Aging, Title III, Part C2 Nutrition Svcs	93.045	AA3-0848-11	189,407 -
Total Aging Cluster			\$ 231,299	\$ -
Pass Through: Texas Health and Human Services Commission				
2690	Public Health Emergency Preparedness	93.074	537-18-0172-00001-2	\$ 170,552 -
2691	Public Health Emergency Preparedness	93.074	537-18-0172-00001-4	61,484 -
Total CFDA 93.074			\$ 232,036	\$ -
Pass Through: Office of the Attorney General				
3530-4363	Child Support Enforcement	93.563	17-C0061	\$ 158,069 \$ -
3530-4365	Child Support Enforcement	93.563	17-C0061	105 -
3540-4365	Child Support Enforcement	93.563	00-3721,00-082010	12,524 -
3820-4365	Child Support Enforcement	93.563	82010	6,336 -
Total CFDA 93.563			\$ 177,034	\$ -
Pass Through: Texas Department of Family and Protective Services				
1130	Title IV-E Foster Care Legal Services	93.658	HHS000285000042	45,892 -
4130	Title IV-E Foster Care Child Welfare Services	93.658	HHS000285100043	24,005 -
Total CFDA 93.658			\$ 69,897	\$ -
Pass Through: Department of Aging and Disability Services				
4190-4450	Social Services Block Grant	93.667	167600	\$ 59,602 \$ -
Pass Through: Department of State Health Services				
2509	Centers for Disease Control and Prevention	93.354	HHS000371500014	\$ 52,712 \$ -
2590	HIV Prevention Health Department Based	93.940	HHS000288900003-1	156,658 -
2599	HIV Prevention Health Department Based	93.940	HHS000288900003-1	106,985 -
Total CFDA 93.940			\$ 316,355	\$ -
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 1,086,223	\$ -
EXECUTIVE OFFICE OF THE PRESIDENT				
Pass Through: Office of National Drug Control Policy				
2379	High Intensity Drug Trafficking Area Programs	95.001	G18HN0007A	\$ 43,370 \$ -
Total CFDA 95.001			\$ 43,370	\$ -
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			\$ 43,370	\$ -
US DEPARTMENT OF HOMELAND SECURITY				
Pass Through: United Way				
2132	Emergency Food and Shelter National Board Program "COVID-19"	97.024	Phase CARES	\$ 7,811 \$ -
2160	Emergency Food and Shelter National Board Program	97.024	37-8284-00-001	9,268 -
2169	Emergency Food and Shelter National Board Program	97.024	36-8284-00-001	31,715 -
Total CFDA 97.024			\$ 48,794	\$ -
Pass Through Department of Public Safety				
0104	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01095	4,454 -
0104	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW00833	428 -
0104	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01502	758 -
0104	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW02700	846 -
0104	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01182	2,359 -
0104	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01097	1,245 -
0104	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01096	310 -
0104	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW02015	382 -
0104	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW01460	391 -
0104	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-TX-4332-PW06272	295,582 -
Total CFDA 97.036			\$ 306,755	\$ -
2470	Hazard Mitigation Grant Program	97.039	HMGP DR-4245-007	220,773 -
Total CFDA 97.039			\$ 220,773	\$ -
5105	Emergency Management Performance Grant	97.042	EMT-2019-EP-00005	30,383 -
Pass Through Texas Office of the Governor-HSGD				
2249	Homeland Security Grant Program	97.067	3614001	3,552 -
2259	Homeland Security Grant Program	97.067	3588501	146,672 -
2418	Homeland Security Grant Program	97.067	3173504	115,919 -
Total CFDA 97.067			\$ 266,143	\$ -
TOTAL US DEPARTMENT OF HOMELAND SECURITY			\$ 872,848	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,159,478	\$ -

NUECES COUNTY, TEXAS
Notes to Schedule of Federal Awards
For the year ended September 30, 2020

1. General

The accompanying Schedule of Federal Awards presents the activity of all Federal Awards programs of Nueces County, Texas. The reporting entity, Nueces County (the County) was created and organized by the State of Texas in 1846 from San Patricio County. The principal city and county seat is the City of Corpus Christi. Nueces County operates as a subdivision of the State of Texas and is governed by the Commissioners Court. All Federal Awards received directly from Federal agencies and passed through to other governmental agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Federal Awards is presented using the modified accrual basis of accounting. Grant revenues are recognized as soon as all eligibility requirements imposed by the provider have been met. 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. For this purpose, the County considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

3. Basic Financial Statements

Federal Awards revenues are reported in the County's basic financial statements as follows:

<u>Special Revenue Funds</u>	<u>Federal</u>
	\$ 7,464,448
(13) \$ 5,020,882	
(20) 2,443,566	
Federal \$ 7,464,448	
General Fund (11) 693,210	
Commodities (11) 1,820	
TOTAL	\$ 8,159,478

4. Relationship to State/Federal Financial Reports

Amounts reported in the Schedule of Federal Awards are in agreement with the amounts reported in the related Federal financial reports filed with grantor agencies. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also not a required part of the financial statements.

5. Commodities Valuation

The Juvenile Probation Department receives allotments of donated commodity items from the United States Department of Agriculture. A unit cost list provided by the Department is used to determine the valuation of the Federal financial assistance. Ending inventory is valued at cost.

6. De Minimis Indirect Cost Rate

The County did not elect to apply the 10% de Minimis indirect cost rate.

7. Public Assistance Grant Expenditures

The expenditures of \$306,755 for FEMA-4332-DR were incurred on a previous year but are reported on the Schedule of Expenditures of Federal Awards for the year ended September 30, 2020. This is the period in which the related project worksheets (PWs) were approved.

8. Requests for Information

This financial report is designed to provide a general review of Nueces County's Federal Financial Awards for the Fiscal Year Ended September 30, 2020. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Dale Atchley, CPA
County Auditor
901 Leopard St., Rm. 304
Corpus Christi, Texas 78401
(361) 888-0556 Phone
(361) 888-0584 Fax

Anna Velazquez
Supervisor Payroll and Grants
901 Leopard St., Rm. 304
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