

*BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION*

**COUNTY OF GILLESPIE,  
TEXAS**

*Fredericksburg, Texas*

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

GILLESPIE COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2021

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

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page</u>
Independent Auditors' Report .....	1
Management's Discussion and Analysis.....	3
<u>Basic Financial Statements</u>	
<b>Government Wide Statements:</b>	
A-1 Statement of Net Position .....	9
B-1 Statement of Activities.....	10
<b>Governmental Fund Financial Statements:</b>	
C-1 Balance Sheet .....	12
C-2 Reconciliation for C-1 .....	14
C-3 Statement of Revenues, Expenditures and Changes in Fund Balance.....	15
C-4 Reconciliation for C-3 .....	17
<b>Fiduciary Funds:</b>	
E-1 Statement of Net Position Fiduciary Funds.....	18
E-2 Statement of Changes in Net Position Fiduciary Funds.....	19
Notes to the Financial Statements.....	20
<u>Required Supplementary Information</u>	
G-1 Budgetary Comparison Schedule - General Fund.....	43
G-2 Budgetary Comparison Schedule - Road and Bridge Fund .....	44
G-3 Schedule of Changes in Net Pension Liability and Related Ratios .....	45
G-4 Schedule of Employer Contributions.....	47
G-5 Notes to Schedules of Contributions .....	48
<u>Supplementary Information</u>	
H-1 Combining Balance Sheet - Nonmajor Governmental Funds .....	49
H-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	55
H-3 Combining Statement of Net Position - Private Purpose Trust Funds .....	61
H-4 Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Private Purpose Trust Funds .....	62
H-5 Combining Statement of Fiduciary Net Position- Custodial Funds.....	63
H-6 Combining Statement of Additions, Deductions and Changes in Net Position- Custodial Funds.....	65

Report on Internal Controls, Compliance and Federal Awards

	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 <i>Government Auditing Standards</i> .....	67
	Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	69
	Schedule of Findings and Questioned Costs.....	71
	Summary Schedule of Prior Audit Findings & Corrective Action Plan.....	72
K-1	Schedule of Expenditures of Federal Awards.....	73
	Notes on Accounting Policies for Federal Awards.....	74



# NEFFENDORF & BLOCKER, P.C.

---

## INDEPENDENT AUDITOR'S REPORT

Honorable Judge and County Commissioners  
Gillespie County, Texas  
Fredericksburg, TX 78624

### **Report on the Financial Statements**

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

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

---

TEL: 830 997 3348

EMAIL: [info@nb-cpa.com](mailto:info@nb-cpa.com)

P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gillespie County, Texas, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (Pages 3 through 8), budgetary comparison information (pages 43 and 44), the schedule of changes in net pension liability and related ratios, schedule of employer contributions and notes to the schedule of contributions (pages 45 through 48) 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.

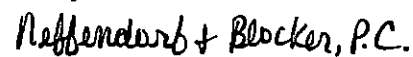
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gillespie County's basic financial statements. The combining nonmajor and fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor and fiduciary fund financial statements 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 nonmajor and fiduciary fund financial statements 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2022, on our consideration of Gillespie County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Gillespie County's internal control over financial reporting and compliance.

  
Neffendorf & Blocker, P.C.  
Fredericksburg, Texas  
March 24, 2022

GILLESPIE COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

---

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

#### FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$50,792,563 (Net Position). Of this amount, \$19,324,213 (unrestricted Net Position) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's Net Position increased by \$8,756,410 as a result of this year's operations.
- At September 30, 2021, the County's governmental funds reported combined ending fund balances of \$28,384,681, an increase of \$4,946,865 in comparison with the prior year.
- At September 30, 2021, the unassigned fund balance of the general fund was \$18,280,307 or 101 percent of total general fund expenditures.

#### USING THIS ANNUAL REPORT

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

Fund financial statements (on pages 12 & 15) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

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

The Budgetary Comparison Schedules (General and Road & Bridge Funds) are presented as required supplementary information on pages 43 and 44.

## **Reporting the County as a Whole**

### ***The Statement of Net Position and the Statement of Activities***

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

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

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

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

➤ Governmental activity - Most of the County's basic services are reported here, including the general administration, public safety, roads and bridges, judicial system, health and sanitation services, public facilities, libraries and education, and agricultural services. Property taxes, user charges, sales tax and governmental grants and contributions finance most of these activities.

## **Reporting the County's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements on pages 12 & 15 provide detailed information about the most significant funds - not the County as a whole.

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



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position of the County's governmental activities increased from \$42,024,431 to \$50,792,563. Unrestricted Net Position - the part of Net Position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was \$19,324,213 at September 30, 2021. This increase in governmental Net Position was the result of six factors. First, the County's revenues exceeded the expenditures by \$4,946,865. Second, the County acquired capital assets in the amount of \$3,908,710. Third, the County retired principal on long-term debt of \$1,370,361. Fourth, the County recorded depreciation in the amounts of \$1,570,593. Fifth, the County issued capital lease proceeds in the amount of \$184,625. Sixth, a net increase of \$505,284 due to the required entries of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**Table I**  
**Gillespie County, Texas**

### NET POSITION in thousands

	Governmental Activities	
	2021	2020
Current and Other Assets	\$ 30,250	\$ 25,977
Capital Assets	33,325	30,987
Net Pension Asset	-	342
Total Assets	<u>\$ 63,575</u>	<u>\$ 57,306</u>
Deferred Outflows of Resources	<u>\$ 2,672</u>	<u>\$ 1,139</u>
Long-Term Liabilities	\$ 12,074	\$ 13,511
Net Pension Liability	232	-
Other Liabilities	1,810	1,912
Total Liabilities	<u>\$ 14,116</u>	<u>\$ 15,423</u>
Deferred Inflows of Resources	<u>\$ 1,338</u>	<u>\$ 998</u>
Net Position:		
Net Investment in Capital Assets	\$ 21,364	\$ 17,815
Restricted	10,104	9,525
Unrestricted	19,324	14,684
Total Net Position	<u>\$ 50,792</u>	<u>\$ 42,024</u>

**Table II**  
**Gillespie County, Texas**

**CHANGES IN NET POSITION**  
in thousands

	Governmental Activities	
	<u>2021</u>	<u>202</u>
<b>Revenues:</b>		
Charges for Services	\$ 3,634	\$ 3,290
Operating Grants and Contributions	1,381	441
Capital Grants and Contributions	233	46
Property Taxes	19,889	19,280
Sales Tax	3,687	3,234
Other Taxes	1,422	779
Penalty and Interest	198	140
Miscellaneous Revenue	340	322
Investment Earnings	170	324
<b>Total Revenue</b>	<b>\$ <u>30,954</u></b>	<b>\$ <u>27,856</u></b>
<b>Expenses:</b>		
Judicial	\$ 1,447	\$ 1,539
General Administration	9,034	7,878
Public Safety	7,606	7,986
Road and Bridge	1,637	3,014
Health and Sanitation	307	292
Public Facilities	1,033	1,293
Libraries and Education	331	346
Agricultural Services	445	373
Debt Interest	242	377
Debt Fees	116	1
<b>Total Expenses</b>	<b>\$ <u>22,198</u></b>	<b>\$ <u>23,099</u></b>
<b>Increase in Net Position</b>	<b>\$ 8,756</b>	<b>\$ 4,757</b>
Net Position - Beginning	42,024	37,267
Prior Period Adjustment	12	-
<b>Net Position - Ending</b>	<b>\$ <u>50,792</u></b>	<b>\$ <u>42,024</u></b>

The cost of all governmental activities this year was \$22,197,929. However, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$19,888,797 because the other costs were paid by sales tax (\$3,686,824), capital and operating grants and contributions (\$1,614,374), user charges (\$3,633,784), other taxes (\$1,422,172), penalties and interest on taxes (\$197,888), investment earnings (\$170,466), and other miscellaneous (\$340,034).

## THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$28,384,681, which is more than last year's total of \$23,426,094. Included in this year's total change in fund balance is an increase of \$4,382,315 in the County's General Fund, an increase of \$353,640 in the County's Road and Bridge Fund, and a decrease of \$686,750 in the County's Capital Projects Funds. The primary reasons for the General Fund's increase mirror the governmental activities analysis highlighted on page 5.

The Commissioner's Court adopted the General Fund and the Road and Bridge Budgets. For the general fund actual revenues were more than budgeted amounts and expenditures were less than budgeted amounts. For the Road and Bridge Fund, actual revenues were more than the budgeted amounts and actual expenditures were less than budgeted amounts. This resulted in a positive variance with final budget of \$6,682,700 for the General Fund and a positive variance with final budget of \$1,753,684 for the Road and Bridge Fund.

## CAPITAL ASSET AND DEBT ADMINISTRATION

At September 30, 2021, the County had the following amounts invested in capital assets, net of depreciation:

### CAPITAL ASSETS in thousands

	2021	2020
Land and Easements	\$ 2,735	\$ 2,735
Construction in Progress	443	4,565
Buildings & Improvements	26,289	20,423
Machinery & Equipment	10,801	10,271
Infrastructure	6,540	5,068
Total Capital Assets	\$ 46,808	\$ 43,062
Less Accumulated Depreciation	13,483	12,075
Capital Assets, Net	\$ <u>33,325</u>	\$ <u>30,987</u>

This year's major additions included:

Vehicles & Equipment	692,499
Improvements	95,763
Agriculture Building	1,205,269
Road Infrastructure	1,472,020
Construction in Progress	443,159
TOTALS	\$ <u>3,908,710</u>

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

## DEBT

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

### OUTSTANDING DEBT

in thousands

	<u>2021</u>	<u>2020</u>
General Obligation Refunding Bonds – Series 2010	\$ -	\$ 175
General Obligation Bonds – Series 2013	1,315	10,355
General Obligation Refunding Bonds- Series 2021	8,365	
Net Pension Liability	232	-
Capital Leases	1,568	1,898
Premium on Bonds	827	690
Compensated Absences	482	392
Total Outstanding Debt	<u>\$ 12,789</u>	<u>\$ 13,510</u>

For governmental activities, the County had \$11,247,501 in general obligation bonds, general obligation refunding bonds and capital leases, a decrease of 14 percent. The County retired \$1,370,361 in principle on the outstanding long-term debt. The annual amortization for the bond premium was \$92,070 in fiscal year 2021. The net increase in compensated absences was \$89,512.

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

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2022 budget and tax rates. The major factors are the economy, population growth, and assessed property valuation. These indicators were taken into account when adopting the General Fund budget for 2022. Amounts available for appropriation in the General Fund budget are \$22,714,632 and expenditures are estimated to be \$27,189,781. If these estimates are realized, the County's budgetary General fund balance is expected to decrease \$4,475,149 by the close of 2022. Amounts available for appropriation in the Road and Bridge Fund budget are \$7,459,716 and expenditures are estimated to be \$9,934,859. If these estimates are realized, the County's budgetary Road and Bridge fund balance is expected to decrease \$2,475,143 by the close of 2022.

## CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

## BASIC FINANCIAL STATEMENTS

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

EXHIBIT A-1

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 28,714,864
Accounts Receivable, Net	1,174,400
Due from Other Governments	352,011
Due from Fiduciary Funds	141
Inventories	8,757
Capital Assets:	
Land	2,734,768
Infrastructure, Net	5,402,320
Buildings, Net	21,153,177
Improvements other than Buildings, Net	332,137
Furniture and Equipment, Net	3,259,126
Construction in Progress	443,159
Total Assets	63,574,860
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Charge for Refunding	113,386
Deferred Outflow Related to Pension Plan	2,558,436
Total Deferred Outflows of Resources	2,671,822
<b>LIABILITIES</b>	
Accounts Payable	640,304
Wages and Salaries Payable	538,636
Compensated Absences Payable	481,975
Intergovernmental Payable	5,348
Due to Other Funds	67,886
Accrued Interest Payable	41,028
Unearned Revenues	35,243
Noncurrent Liabilities:	
Debt Due Within One Year	1,180,173
Due in More Than One Year:	
Bonds Payable - Noncurrent	9,035,000
Capital Leases Payable - Noncurrent	1,032,328
Unamortized Premiums (Discounts) on Bonds	826,596
Net Pension Liability	231,866
Total Liabilities	14,116,383
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflow Related to Pension Plan	1,337,736
Total Deferred Inflows of Resources	1,337,736
<b>NET POSITION</b>	
Net Investment in Capital Assets	21,363,976
Restricted:	
Restricted for Special Revenue	6,261,263
Restricted for Capital Acquisition	3,706,002
Restricted for Debt Service	137,109
Unrestricted	19,324,213
Total Net Position	\$ 50,792,563

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

GILLESPIE COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government:</b>			
GOVERNMENTAL ACTIVITIES:			
Judicial	\$ 1,446,357	\$ 371,752	\$ 150,346
General Administration	9,034,439	1,016,519	947,616
Public Safety	7,606,093	102,091	110,622
Road and Bridges	1,636,610	994,369	26,536
Health and Sanitation	306,904	795,537	22,385
Public Facilities	1,032,877	331,418	123,377
Libraries and Education	330,922	22,098	-
Agriculture Services	444,897	-	-
Interest on Debt	242,393	-	-
Bond Issuance Costs	115,287	-	-
Fiscal Agent Fees	1,150	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 22,197,929</b>	<b>\$ 3,633,784</b>	<b>\$ 1,380,882</b>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

General Sales and Use Taxes

Other Taxes

Penalty and Interest on Taxes

Miscellaneous Revenue

Investment Earnings

Total General Revenues

Change in Net Position

Net Position-- Beginning

Prior Period Adjustment

Net Position - Ending

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

		Net (Expense) Revenue and Changes in Net Position	
		Capital Grants and Contributions	Primary Government Governmental
\$	-	\$	(924,259)
	-		(7,070,304)
	-		(7,393,380)
	-		(615,705)
	-		511,018
	233,492		(344,590)
	-		(308,824)
	-		(444,897)
	-		(242,393)
	-		(115,287)
	-		(1,150)
\$	<u>233,492</u>		<u>(16,949,771)</u>

18,690,786
1,198,011
3,686,824
1,422,172
197,888
340,034
170,466
<u>25,706,181</u>
8,756,410
42,024,431
11,722
<u>\$ 50,792,563</u>



GILLESPIE COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021

	General Fund	Road and Bridge Fund	Capital Projects
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 18,479,225	\$ 3,530,429	\$ 3,552,391
Taxes Receivable	400,057	70,598	-
Allowance for Uncollectible Taxes (credit)	(8,001)	(1,412)	-
Accounts Receivable, Net	473,409	45,076	5,197
Due from Other Governments	307,198	21,813	-
Due from Other Funds	914	-	-
Inventories	6,637	2,120	-
<b>Total Assets</b>	<b>\$ 19,659,439</b>	<b>\$ 3,668,624</b>	<b>\$ 3,557,588</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 362,470	\$ 268,697	\$ 2,738
Wages and Salaries Payable	516,371	19,285	-
Intergovernmental Payable	5,348	-	-
Due to Other Funds	67,887	762	-
Unearned Revenues	35,000	-	-
<b>Total Liabilities</b>	<b>987,076</b>	<b>288,744</b>	<b>2,738</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	392,056	69,186	-
<b>Total Deferred Inflows of Resources</b>	<b>392,056</b>	<b>69,186</b>	<b>-</b>
<b>FUND BALANCES</b>			
Federal or State Funds Grant Restriction	-	-	-
Restricted for Road and Bridge	-	3,310,694	-
Capital Acquisition and Contractual Obligation	-	-	3,554,850
Retirement of Long-Term Debt	-	-	-
Other Restricted Fund Balance	-	-	-
Unassigned Fund Balance	18,280,307	-	-
<b>Total Fund Balances</b>	<b>18,280,307</b>	<b>3,310,694</b>	<b>3,554,850</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 19,659,439</b>	<b>\$ 3,668,624</b>	<b>\$ 3,557,588</b>

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

Debt Service Fund	Other Funds	Total Governmental Funds
\$ 137,110	\$ 3,015,709	\$ 28,714,864
30,089	-	500,744
(602)	-	(10,015)
-	72,644	596,326
-	23,000	352,011
-	-	914
-	-	8,757
<u>\$ 166,597</u>	<u>\$ 3,111,353</u>	<u>\$ 30,163,601</u>
\$ -	\$ 6,399	\$ 640,304
-	2,980	538,636
-	-	5,348
-	10	68,659
-	243	35,243
-	9,632	1,288,190
29,488	-	490,730
<u>29,488</u>	-	<u>490,730</u>
-	22,219	22,219
-	25	3,310,719
-	151,152	3,706,002
137,109	-	137,109
-	2,928,325	2,928,325
-	-	18,280,307
<u>137,109</u>	<u>3,101,721</u>	<u>28,384,681</u>
<u>\$ 166,597</u>	<u>\$ 3,111,353</u>	<u>\$ 30,163,601</u>

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

<b>Total Fund Balances - Governmental Funds</b>	\$	28,384,681
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		17,868,269
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays and debt principal payments is to increase net position.		5,279,071
The County is required under GASB Statement No. 68 to report their net pension liability/asset in the Government Wide Statement of Net Position. The items reported as a result of this requirement included a net pension liability of \$231,866, a deferred resource outflow of \$2,558,436 and a deferred resource inflow of \$1,337,736. The net effect of these is to increase net position.		988,834
The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(1,570,593)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of refunding bonds as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		(157,699)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>50,792,563</b>

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

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

	General Fund	Road and Bridge Fund	Capital Projects
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ 15,933,372	\$ 2,811,771	\$ -
General Sales and Use Taxes	3,686,824	-	-
Other Taxes	302,617	-	-
Penalty and Interest on Taxes	157,644	27,819	-
Licenses and Permits	71,302	725,958	-
Intergovernmental Revenue and Grants	301,257	-	-
Charges for Services	1,903,230	-	-
Fines	82,114	197,020	-
Forfeits	-	-	-
Investment Earnings	117,767	23,966	18,517
Rents and Royalties	86,441	-	-
Other Revenue	233,711	11,932	-
<b>Total Revenues</b>	<b>22,876,279</b>	<b>3,798,466</b>	<b>18,517</b>
<b>EXPENDITURES:</b>			
Current:			
General Government:			
Judicial	1,345,202	-	-
General Administration	7,182,858	-	-
Public Safety	7,589,452	-	-
Public Works:			
Road and Bridges	-	3,704,082	-
Health and Sanitation	295,514	-	-
Public Facilities	868,759	-	-
Libraries and Education	319,417	-	-
Agriculture Services	419,223	-	-
Debt Service:			
Principal on Debt	-	-	-
Interest on Debt	-	-	-
Bond Issuance Costs	-	-	-
Fiscal Agent Fees	-	-	-
Capital Outlay:			
Capital Outlay	-	-	1,205,267
<b>Total Expenditures</b>	<b>18,020,425</b>	<b>3,704,082</b>	<b>1,205,267</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,855,854	94,384	(1,186,750)
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of Bonds	-	-	-
Sale of Real and Personal Property	41,750	48,038	-
Proceeds from Capital Leases	-	184,625	-
Transfers In	-	26,593	500,000
Premium or Discount on Issuance of Bonds	-	-	-
Transfers Out	(515,289)	-	-
Other (Uses)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(473,539)</b>	<b>259,256</b>	<b>500,000</b>
Net Change in Fund Balances	4,382,315	353,640	(686,750)
Fund Balance - October 1 (Beginning)	13,897,992	2,957,054	4,241,600
Prior Period Adjustment	-	-	-
<b>Fund Balance - September 30 (Ending)</b>	<b>\$ 18,280,307</b>	<b>\$ 3,310,694</b>	<b>\$ 3,554,850</b>

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

Debt Service Fund	Other Funds	Total Governmental Funds
\$ 1,203,698	\$ -	\$ 19,948,841
-	-	3,686,824
-	1,119,555	1,422,172
12,425	-	197,888
-	-	797,260
-	1,313,117	1,614,374
-	306,596	2,209,826
-	2,451	281,585
-	13,698	13,698
312	9,904	170,466
-	244,978	331,419
2,786	55,582	304,011
<u>1,219,221</u>	<u>3,065,881</u>	<u>30,978,364</u>
-	41,106	1,386,308
-	1,637,745	8,820,603
-	6,846	7,596,298
-	26,537	3,730,619
-	-	295,514
-	466,341	1,335,100
-	-	319,417
-	-	419,223
855,000	-	855,000
341,412	-	341,412
115,287	-	115,287
1,150	-	1,150
-	-	1,205,267
<u>1,312,849</u>	<u>2,178,575</u>	<u>26,421,198</u>
<u>(93,628)</u>	<u>887,306</u>	<u>4,557,166</u>
8,425,000	-	8,425,000
-	-	89,788
-	-	184,625
-	60,016	586,609
765,417	-	765,417
-	(71,320)	(586,609)
<u>(9,075,131)</u>	<u>-</u>	<u>(9,075,131)</u>
<u>115,286</u>	<u>(11,304)</u>	<u>389,699</u>
21,658	876,002	4,946,865
115,451	2,213,997	23,426,094
-	11,722	11,722
<u>\$ 137,109</u>	<u>\$ 3,101,721</u>	<u>\$ 28,384,681</u>

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

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	4,946,865
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2021 capital outlays and debt principal payments is to increase the change in net position.		5,279,071
The entries required by GASB Statement No. 68 did require that some expenses on B-1 be adjusted. Total credits to expenses were \$2,143,105 and total debits to expenses were \$1,637,821. The net effect on the change in net position on Exhibit B-1 is an increase of \$505,284.		505,284
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(1,570,593)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of refunding bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.		(404,217)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>8,756,410</b>

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

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

	Private Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 286,568	\$ 28,909,946
Accounts Receivable, Net	-	483
Due from Other Funds	-	67,887
Total Assets	<u>286,568</u>	<u>28,978,316</u>
<b>LIABILITIES</b>		
Accounts Payable	-	65,318
Intergovernmental Payable	-	310
Due to Other Funds	-	142
Due to Others	-	27,697,460
Total Liabilities	<u>-</u>	<u>27,763,230</u>
<b>NET POSITION</b>		
Restricted for Other Purposes	<u>286,568</u>	<u>1,215,086</u>
Total Net Position	<u>\$ 286,568</u>	<u>\$ 1,215,086</u>

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

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

EXHIBIT E-2

	Private Purpose Trust Funds	Custodial Funds
<b>ADDITIONS:</b>		
Licenses and Permits	\$ -	\$ 3,350
Fines	-	295,710
Investment Earnings	1,583	-
Other Revenue	-	1,560,168
<b>Total Additions</b>	<u>1,583</u>	<u>1,859,228</u>
<b>DEDUCTIONS:</b>		
Other Operating Costs	8,746	1,763,271
<b>Total Deductions</b>	<u>8,746</u>	<u>1,763,271</u>
Net Change in Fiduciary Net Position	(7,163)	95,957
Total Net Position - October 1 (Beginning)	293,731	-
Prior Period Adjustment	-	1,119,129
<b>Total Net Position - September 30 (Ending)</b>	<u>\$ 286,568</u>	<u>\$ 1,215,086</u>

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



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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1.A. REPORTING ENTITY

The County has developed criteria to determine if the activities of any outside agencies or organizations should be included within its financial statements. The criteria includes the amount of oversight responsibility exercised by the County over the activities of an agency or organization, the scope of public service of an agency or organization, and the nature of any special financing relationships which may exist between the County and an agency or organization. Oversight responsibility includes financial interdependency, selection of the governing authority, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The County's financial statements include all funds over which the County exercises oversight responsibility. Also, the County is not included as a part of any other reporting entity.

1.B. BASIS OF PRESENTATION

***Government-wide Financial Statements:***

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

***Fund Financial Statements:***

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

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

The funds of the financial reporting entity are described below:

## **Governmental Funds**

### General Fund

The General Fund, the main operating fund of the County, is always classified as a major fund. It is the primary fund of the County and is used to account for and report all financial resources not accounted for and reported in another fund.

### Special Revenue Funds

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

### Capital Projects Funds

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

### Debt Service Funds

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure of principal and interest on general long-term debt of the County. Ad valorem taxes are used for the payment of principal and interest on the County's debt.

## **Fiduciary Funds (Not included in government-wide statements)**

### Custodial Funds

Custodial funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the County. The County uses custodial funds to account for assets held in an agent capacity for other governments.

### Private Purpose Trust Funds

Private Purpose Trust Funds report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

## **Major and Nonmajor Funds**

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

<b>Major Fund</b>	<b>Brief Description</b>
General Fund	See above for description.
Special Revenue Fund: Road and Bridge	Accounts for all road and bridge construction and maintenance activity.
Debt Service Fund:	Accounts for the collection of taxes to pay principal and interest on bonds.
Capital Projects Fund	Accounts for all activity concerning construction projects.

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

## 1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

### **Measurement Focus**

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

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

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. Agency and Private Purpose Trust Funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

### **Basis of Accounting**

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

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

## 1.D. ASSETS, LIABILITIES AND EQUITY

### **Cash and Cash Investments**

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

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

## Receivables and Payables

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

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

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

## Inventories

Inventories are valued at cost using the first-in, first-out method. Inventories in the General Fund consist of fuel and postage held for consumption. Inventories in the Special Revenue Fund consist of sign machine supplies. The cost of inventories is recorded as expenditures when consumed rather than when purchased.

## Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 50
Vehicles	3 - 10
Machinery and Equipment	5 - 15
Infrastructure	5 - 50

## **Compensated Absences**

Vacation pay and sick leave benefits are accrued by County employees according to guidelines set out in the County's personnel policy. The policy allows employees to accumulate vacation, sick leave and overtime within certain limitations. Employees accrue 10 to 18 days of vacation each year (depending upon their length of service) and are allowed to accumulate unused vacation for two years. Unused vacation is paid upon termination or retirement. The County's policy allows for accumulation of up to 480 hours of sick leave, but does not provide for payment of any unused sick leave. The County has adopted a policy of granting compensatory time off in lieu of cash payment for overtime work in compliance with the Fair Labor Standards Act. Accumulated compensatory time is also paid upon termination of employment. The estimated cost of unused vacation and compensatory time is recorded in the accompanying financial statements in the government-wide financial statements.

## **Long-term Obligations**

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

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

## **Equity Classifications**

### Government-wide Statements

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

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

## Fund Statements

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

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

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

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

## **Net Position**

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **Use of Estimates**

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

## **Deferred Inflows of Resources and Deferred Outflows of Resources**

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

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

## **1.E. REVENUES, EXPENDITURES AND EXPENSES**

### **Revenues**

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

### **Expenditures/Expenses**

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

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

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

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

### **Interfund Transfers**

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

## **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

## **Budgetary Information**

Annual budgets, as required by state statute, are adopted on a basis consistent with generally accepted accounting principles for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year-end.

For each budgeted fund, budgetary control is maintained at the expenditure line-item level. This is the level at which expenditures cannot legally exceed appropriated amounts. The County Auditor is required to monitor the expenditures of the various funds and may make departmental budget transfers within each fund as needed. Any expenditures in excess of the total budgeted amount of a fund must be approved by the Commissioners' Court and the budget appropriately amended. It is the amended budget that is presented in the budget versus actual financial statement disclosure.

Encumbrance accounting, under which funds are reserved for purchase orders, contracts, and other commitments, is not utilized by Gillespie County.

### **NOTE 3 - DETAILED NOTES ON ALL FUNDS**

#### **3.A. DEPOSITS AND INVESTMENTS**

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

The County's cash deposits held at banks at September 30, 2021 and during the year ended September 30, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

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

The County's temporary investments consisted of certificates of deposit and local government investment pools at September 30, 2021 and are shown below:



<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>FDIC Coverage</u>	<u>Pledged Securities</u>
<u>Certificates of Deposit -</u>				
Texas Regional Bank	\$ 560,788	\$ 560,788	\$ 250,000	\$ 1,217,720
Security State Bank & Trust	3,856,459	3,856,459	250,000	1,800,000
Multi-Bank Securities, Inc	992,000	992,000	992,000	
<u>Liquid Asset Portfolio -</u>				
TexPool	3,172,096	3,170,522	*	*
TexasClass	1,667,818	1,667,818	*	*
IntraFi Network Deposits	27,404,538	27,404,538		
Total Governmental Activities	\$ <u>37,653,699</u>	\$ <u>37,652,125</u>	<u>1,492,000</u>	<u>3,017,720</u>

- \* TexPool and TexasClass are Local Government Investment Pools established in conformity with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code and the Public Investment Act, Chapter 2256 of the Code. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the funds seek to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. TexPool and TexasClass are rated AAAM and must maintain a weighted average maturity not to exceed 60 days.

At September 30, 2021, TexPool had a weighted average maturity of 34 days and TexasClass had a weighted average maturity of 41 days. The County considers the holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, short of a significant change in value. The State Comptroller oversees TexPool and TexasClass, with a third party managing the daily operations of the pool under contract.

#### Policies Governing Deposits and Investments

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

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

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

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

### 3.B. RECEIVABLES

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>TOTAL</u>
Receivables:					
Property Taxes	\$ 400,057	\$ 70,598	\$ 30,089	\$ -	\$ 500,744
Other	473,409	45,076	-	77,841	596,326
Intergovernmental	<u>307,198</u>	<u>21,813</u>	<u>-</u>	<u>23,000</u>	<u>352,011</u>
Gross Receivables	\$ 1,180,664	\$ 137,487	\$ 30,089	\$ 100,841	\$ 1,449,081
Less: Allowance for					
Uncollectibles	<u>8,001</u>	<u>1,412</u>	<u>602</u>	<u>-</u>	<u>10,015</u>
Net Total Receivables	<u>\$ 1,172,663</u>	<u>\$ 136,075</u>	<u>\$ 29,487</u>	<u>\$ 100,841</u>	<u>\$ 1,439,066</u>

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

General Fund -	
Unavailable Revenue - Property Taxes	\$ 392,056
Special Revenue Road and Bridge Fund -	
Unavailable Revenue - Property Taxes	69,186
Other Governmental Funds -	
Unavailable Revenue - Property Taxes	29,488
TOTAL UNAVAILABLE AND UNEARNED REVENUES	<u>\$ 490,730</u>

### 3.C. COURT FINES AND FEES RECEIVABLE

With the implementation of GASB Statement Number 34, the County has determined the amount of court fines and fees receivable to be \$291,150 which represents amounts owed and outstanding for the last 10 years. Based on historical collection rates for the various courts, the County has estimated an allowance for uncollectible court fines and fees of \$203,805, resulting in a net receivable of \$87,345.

### 3.D. PROPERTY TAXES

The County contracted with Gillespie Central Appraisal District for the appraisal of taxes. Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the 2020 tax roll, the total assessed valuation was \$5,367,371,831 and the taxes assessed amounted to \$19,980,961. The total tax rate was \$0.4044 per \$100 valuation and allocated \$0.3801 to maintenance and operations and \$0.0243 to interest and sinking funds. The maximum tax levy allowed by State law for the above purposes is \$0.80 per \$100 valuation.

Ad valorem taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Ad valorem taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible within the funds are based upon historical experience in collecting property taxes. The County is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

3.E. CAPITAL ASSETS

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

**Primary Government**

	Balance 10/01/20	Increases	Decreases	Balance 09/30/21
<i>Governmental Activities:</i>				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,149,698	\$	\$	\$ 2,149,698
Easements	585,070			585,070
Construction In Progress	4,564,894	443,159	4,564,894	443,159
Total Capital Assets, Not Being Depreciated	<u>\$ 7,299,662</u>	<u>\$ 443,159</u>	<u>\$ 4,564,894</u>	<u>\$ 3,177,927</u>
Capital Assets, Being Depreciated:				
Buildings	20,043,692	5,770,163		25,813,855
Building Improvements	378,857	95,763		474,620
Machinery and Equipment	10,270,748	692,499	161,750	10,801,497
Infrastructure	5,068,183	1,472,020		6,540,203
Total Capital Assets Being Depreciated	<u>35,761,480</u>	<u>8,030,445</u>	<u>161,750</u>	<u>43,630,175</u>
Less Accumulated Depreciation:				
Buildings	4,258,765	401,913		4,660,678
Building Improvements	117,660	24,823		142,483
Machinery and Equipment	6,749,835	954,286	161,750	7,542,371
Other Improvements	948,312	189,571		1,137,883
Total Accumulated Depreciation	<u>12,074,572</u>	<u>1,570,593</u>	<u>161,750</u>	<u>13,483,415</u>
Total Capital Assets Being Depreciated, Net	<u>23,686,908</u>	<u>6,459,852</u>	<u>-</u>	<u>30,146,760</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,986,570</u>	<u>\$ 6,903,011</u>	<u>\$ 4,564,894</u>	<u>\$ 33,324,687</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 582,962
Public Safety	503,584
Judicial	92,411
Road and Bridge	248,683
Health and Sanitation	19,699
Public Facilities	73,433
Libraries and Education	21,875
Agricultural Services	<u>27,946</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,570,593</u>

### 3.F. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at September 30, 2021, consisted of the following:

#### Due to/from other funds

	Due To	Due From
General Fund	\$ 67,887	\$ 914
Road & Bridge Fund	762	-
Nonmajor Governmental Funds	10	-
Custodial Funds	142	67,887
<b>TOTAL</b>	<b>\$ 68,801</b>	<b>\$ 68,801</b>

### 3.G. LONG-TERM LIABILITIES

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

	Balance 10/01/20	Issued	Retired	Balance 09/30/21	Due Within One Year
General Obligation Refunding Bonds – Series 2010	\$ 175,000	\$	\$ 175,000	\$ -	\$ -
General Obligation Bonds – Series 2013	10,355,000		9,040,000	1,315,000	645,000
General Obligation Refunding Bonds- Sereis 2021	-	8,425,000	60,000	8,365,000	-
Premium on Bonds:					
General Obligation Bonds Series 2013	690,064		596,993	93,071	
General Obligation Refunding Bonds- Sereis 2021	-	765,417	31,892	733,525	
Capital Leases	1,898,237	184,625	515,361	1,567,501	535,173
Subtotal	\$ 13,118,301	\$ 9,375,042	\$ 10,419,246	\$ 12,074,097	\$ 1,180,173
Net Pension Liability/ (Asset)	(342,099)	2,447,636	1,873,671	231,866	
Compensated Absences	392,463	371,230	281,718	481,975	
<b>TOTAL</b>	<b>\$ 13,168,665</b>	<b>\$ 12,193,908</b>	<b>\$ 12,574,635</b>	<b>\$ 12,787,938</b>	<b>\$ 1,180,173</b>

General Obligation Bonds	Balance at 9/30/21	Due Within One Year
General Obligation Bonds – Series 2013 Original issue amount \$14,110,000, interest rates of 2.0% to 4.0%, With final maturity date February 15, 2023	1,315,000	645,000
General Obligation Refunding Bonds – Series 2021 Original issue amount \$8,425,000, interest rates of 1.98% to 4.0%, With final maturity date February 15, 2033	8,365,000	-
<b>TOTAL BONDS PAYABLE</b>	<b>\$ 9,680,000</b>	<b>\$ 645,000</b>

## Long Term Debt Advance Refunding

On April 1, 2021 the County issued \$8,425,000 of refunding bonds (Gillespie County, Texas General Obligation Refunding Bonds, Series 2021) to finance the \$8,420,000 of the callable obligations from the County's Series 2013 General Obligation Bonds. The bonds were called and were redeemed by depositing \$9,190,417 into an escrow account on April 1, 2021. The financial gain on these refunding bonds was \$707,287 and the economic gain was \$637,621. The following obligations are considered to be defeased and the liability removed from the accompanying financial statements:

Description	Refunded Amount	Balance 9/30/2021
General Obligation Bonds - Series 2013	\$ 8,420,000	\$ 8,420,000
Total Amount Refunded	<u>\$ 8,420,000</u>	<u>\$ 8,420,000</u>

## General Obligation Bonds

On May 15, 2013, the County issued \$14,110,000 General Obligation Bonds, Series 2013 for the construction and equipping of a new County Jail. The bonds mature on February 15 in each of the years 2014 through 2033, bearing interest at rates from 2.0% to 4.0%.

On April 1, 2021, the County issued \$8,425,000 General Obligation Refunding Bonds, Series 2021 for partial refunding of the General Obligation Bonds, Series 2013. The bonds mature on February 15 in each of the years 2024 thru 2033, bearing interest at rates from 1.98% to 4.0%.

Debt service requirements for the General Obligation Bonds – Series 2013 and the General Obligation Refunding Bonds – Series 2021 are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2022	\$ 645,000	315,324	\$ 960,324
2023	670,000	289,024	959,024
2024	700,000	261,624	961,624
2025	725,000	233,124	958,124
2026	760,000	203,424	963,424
2027-2031	4,295,000	534,402	4,829,402
2032-2036	1,885,000	37,004	1,922,004
TOTAL	<u>\$ 9,680,000</u>	<u>\$ 1,873,926</u>	<u>\$ 11,553,926</u>

## Capital Leases

In October 2014, the County executed a \$576,301 Capital Lease obligation with Government Capital – Extraco Bank for the purchase of two LCRA radio sites and mobile radios. The finance contract is due in 120 monthly installments of \$5,714 until 10/28/2024, with an interest rate of 3.548%.

In April 2017, Gillespie County executed a \$602,250 Capital Lease obligation with Government Capital Corporation- Southside Bank for the purchase of a John Deere 770D Motor Grader, a Bush Hog Rotary Cutter, a Chipspreader, a Kalyn Siebert Trailer, a 2008 Peterbilt Truck, a 2007 3500 Chevrolet Silverado, a 2015 Ford F750, a STCC Cross Conveyor, and two 2002 International Water Trucks. The finance contract is dated April 10, 2017 and is due in sixty monthly installments of \$11,084.19 until 6/28/2022, with an interest rate of 3.761%.

In October 2017, Gillespie County executed a \$817,515 Capital Lease obligation with Government Capital Corporation- Southside Bank for the purchase of three 2018 Peterbilt 337 Dump Truck, a 2017 John Deere 310L Backhoe, a Noram 65E Motorgrader, and a 2017 Distributor Truck. The finance contract is dated October 9, 2017 and is due in eighty-four monthly installments of \$11,102.96 until 12/15/2024, with an interest rate of 3.724%.

In March 2019, Gillespie County executed a \$559,098 Capital Lease obligation with Government Capital Corporation- Southside Bank for purchase of various road equipment. The finance contract is dated March 11, 2019 and is due in sixty monthly installments of \$10,3613.15 until 4/1/2024, with an interest rate of 4.198%.

In November 2019, the County executed a \$541,031 Capital Lease obligation with Government Capital- Southside Bank for the purchase of various equipment. The finance contract is due in sixty monthly installments of \$9,929.96 until 1/15/2025, with an interest rate of 3.635%.

In June 2021, the County executed a \$184,625 Capital Lease obligation with Government Capital-Mineola Community Bank for the purchase on a loader and related equipment. The finance contract is due in sixty monthly installments of \$3,355.07 until 9/1/2026, with an interest rate of 3.238%.

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

Year Ended September 30,	
2022	\$ 585,315
2023	485,559
2024	433,752
2025	119,004
2026	40,261
2027-2031	-
Total Minimum Lease Payments	\$ 1,663,891
Less Amount Representing Interest	<u>(96,390)</u>
Present Value of Lease Payments	\$ <u>1,567,501</u>

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery & Equipment	\$ 3,399,191
Less: Accumulated Depreciation	<u>1,691,181</u>
NET	\$ <u>1,708,010</u>

## Operating Leases

Commitments under operating (non-capitalized) lease agreements for equipment provide for minimum future rental payments as of September 30, 2021, as follows:

Year Ended September 30	
2022	\$ 129,920
2023	93,560
2024	38,010
2025	16,631
2026	6,535
	<u>\$ 284,656</u>
Rental Expenditures in Fiscal Year 2021	<u>\$ 233,347</u>

### 3.H. CLAIMS AND CONTINGENT LIABILITIES

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

The County is currently involved in one pending litigation suit and is subject to other various litigation and claims arising out of the normal course of operations. Although the outcome of this claim is not presently determinable, in the opinion County management, the resolution of this matter will not have a material adverse effect on the County's financial position. Therefore, no provision for any liability, if any, has been made in the accompanying financial statements.

### 3.I. RISK MANAGEMENT

Gillespie County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, error and omissions and personnel risks which relate to workers' compensation.

The County contracted with USI Southwest, Inc. to provide the aforementioned types of insurance coverage through OneBeacon Insurance Group, LLC.

Gillespie County also provides a Blanket Accident Insurance Policy for Emergency Service Organizations covering the Gillespie County Rural Volunteer Departments; a property and liability insurance policy covering Gillespie County Rural Schools; a liability policy covering the Gillespie County Airport; and a Crime Policy through commercial insurance carriers.

### 3.J. HEALTH INSURANCE

The County provides group medical and basic life insurance coverage for full-time employees through the Texas Association of Counties (TAC). The county pays the premiums for these eligible employees. Employees, at their options, may authorize payroll withholdings to pay premiums for eligible family members or for other supplemental coverage.

3. K. EMPLOYEE RETIREMENT PLAN

**Plan Description**

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

- a. Gillespie County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
  - 1) All full-and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
  - 2) The plan provides retirement, disability and survivor benefits.
  - 3) TCDRS is a savings-based plan. For the county’s plan, 7% of each employee’s pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 235%) and is then converted to an annuity.
  - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
  - 5) Benefit terms are established under the TCDRS Act. They may be amended as of January 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county’s contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Gillespie County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2020 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, [TCDRS.org/Employer](http://TCDRS.org/Employer).

*Members covered by benefit terms.*

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

Inactive employees or beneficiaries currently receiving benefits	93
Inactive employees entitled to but not yet receiving benefits	107
Active employees	<u>170</u>
	370

**Contributions**

TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system funds its plan independently. A combination of three elements fund each employer’s plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer’s governing body.



- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer’s plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

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

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

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

The contribution rate payable by the employee members for calendar year 2020 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County’s contributions to TCDRS for the year ended September 30, 2021 were \$1,301,474 and were equal to the required contributions.

**Net Pension Liability**

The County’s Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

***Actuarial assumptions:***

The Total Pension Liability in December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal (1)
Amortization Method	
Recognition of Economic/Demographic Gains or Losses	Straight-Line amortization over Expected Working Life
Recognition of Assumptions, Changes or Inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smooth Period	5 years
Recognition Method	Non-asymptotic

Corridor	None
Inflation	2.50%
Salary Increases	The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and .5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost of Living Adjustments	Cost-of-Living Adjustments for Gillespie County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of: a) age 60; b) earliest retirement eligibility.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	RP-2014 Mortality Tables

*(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.*

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

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

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation (1)</b>	<b>Geometric Real Rate of Return (2)</b>
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (Net) Index	2.50%	4.55%
International Equities – Developed	MSCI World Ex USA (Net) Index	5.00%	4.25%
International Equities – Emerging	MSCI Emerging Markets (Net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(3)</sup>	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(5)</sup>	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

<sup>(1)</sup> Target asset allocation adopted at the March 2021 TCDRS Board Meeting

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0% per Cliffwater's 2021 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage year 2006-present of Quarter Pooled Horizon IRRs.

## Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pensions plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

## Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Increase/(Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Balances as of December 31, 2019	\$ 32,767,454	\$ 33,109,554	\$ (342,100)
Changes for the Year:			
Service Cost	1,199,483		1,199,483
Interest on Total Pension Liability <sup>(1)</sup>	2,698,813		2,698,813
Effect of Plan Changes <sup>(2)</sup>	-		-
Effects of Economic/Demographic Gains or Losses	(7,778)		(7,778)
Effect of Assumptions Changes or Inputs	1,996,278		1,996,278
Refund of Contributions	(84,360)	(84,360)	-
Benefit Payments	(1,237,894)	(1,237,894)	-
Administrative Expenses		(27,147)	27,147
Member Contributions		603,922	(603,922)
Net Investment Income		3,421,616	(3,421,616)
Employer Contributions		1,294,120	(1,294,120)
Other <sup>(3)</sup>		20,319	(20,319)
Balances as of December 31, 2020	<u>\$ 37,331,995</u>	<u>\$ 37,100,130</u>	<u>\$ 231,866</u>

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

<sup>(2)</sup> No plan changes valued.

<sup>(3)</sup> Relates to allocation of system-wide items.

### Sensitivity Analysis

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

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.60%</u>	<u>7.60%</u>	<u>8.60%</u>
Total Pension Liability	\$ 42,047,852	\$ 37,331,996	\$ 33,340,772
Fiduciary Net Position	<u>37,100,130</u>	<u>37,100,130</u>	<u>37,100,130</u>
Net Pension Liability/(Asset)	<u>\$ 4,947,722</u>	<u>\$ 231,866</u>	<u>\$ (3,759,358)</u>

## Pension Expense / (Income)

Prepaid Expense/(Income)	January 1, 2020 to December 31, 2020
Service Cost	\$ 1,199,483
Interest on Total Pension Liability <sup>(1)</sup>	2,698,813
Effect of Plan Changes	-
Administrative Expenses	27,147
Member Contributions	(603,922)
Expected Investment Return Net of Investment Expenses	(2,704,468)
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of Economic/Demographic Gains or Losses	(28,282)
Recognition of Assumption Changes or Inputs	549,785
Recognition of Investment Gains or Losses	(322,046)
Other <sup>(2)</sup>	(20,319)
 Pension Expense/(Income)	 \$ 796,190

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

<sup>(2)</sup> Relates to allocation of system-wide items.

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

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 189,383	\$ 60,360
Changes of assumptions	-	1,547,925
Net difference between projected and actual earnings	1,148,353	-
Contributions made subsequent to measurement date <sup>(3)</sup>	N/A	950,151

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

Year Ended December 31	
2021	\$ 165,525
2022	420,929
2023	(172,474)
2024	(143,431)
2025	-
Thereafter <sup>(4)</sup>	-

<sup>(3)</sup> Employer contributions made subsequent to the measurement date through the employer's fiscal year end.

<sup>(4)</sup> Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

### 3.L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Retired County employees and their dependents are eligible to elect continued coverage under the County's healthcare program upon retirement if they were carrying the healthcare coverage at the time of their retirement and they have at least 8 years of continuous service upon retirement with the County. The County currently contributes 50% (or up to \$100/month) of the premium charged for such benefits for qualifying retirees. The County does not contribute any amount for continued dependent coverage. The Commissioners' Court, as the governing body of the County, approves such Other Postemployment Benefits (OPEB) on a year-to-year basis during the annual budget process and has not created a constitutionally valid obligation for OPEB beyond fiscal year 2021. As of September 30, 2021, there are 18 retirees who qualify for the \$100/month OPEB benefit. The cost of OPEB for the year ended September 30, 2021 was \$21,000 and the amount projected to be incurred in the year ending September 30, 2022 is \$18,000.

Governmental Accounting Standards Board (GASB) Statement No. 75 (Accounting and Financial Reporting for Postemployment Benefits Other than Pensions) establishes accounting and financial reporting for OPEB that are provided to the employees of state and local governmental employers. For purposes of projecting benefit payments, this Statement carries forward from Statement 45 a requirement to consider the established pattern of sharing benefit-related costs with benefit recipients. Since the Commissioners' Court (governing body of the County) approves the other postemployment benefit (OPEB) on a year to year basis during the annual budget process and has not created a constitutionally valid obligation beyond the current budget period, the provisions of GASB No. 75 do not apply for recognition of the total OPEB liability, deferred inflows/outflows of resources, and total OPEB expense.

### 3.M. DEFERRED COMPENSATION PLAN

The County offers all its employees deferred compensation programs through Nationwide Retirement Solutions, Inc. and the Variable Annuity Life Insurance Company (VALIC). The plan, created in accordance with Internal Revenue Code Section 457(B), permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County, subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

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

At September 30, 2021, the participant balances were \$229,097 in Nationwide and \$56,776 in VALIC.

### 3.N. PRIOR PERIOD ADJUSTMENT

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

Implementation of GASB Statement No. 84 required a restatement of net position for the fiduciary funds of \$1,119,129 and a restatement of fund balance for the governmental funds of \$11,722. This adjustment was needed to move the beginning balances to newly created fiduciary funds.

	Special Revenue	Private Purpose Trust	Custodial Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Prior Year Fund Balance/Net Position		\$ 305,453	
GASB 84 Adjustments-			
Record Special Revenue Fund	\$ 11,722	\$ (11,722)	
Record Agency Fund as Custodial Fund			\$ 1,119,129
As Restated- Fund Balance/ Net Position	<u>\$ 11,722</u>	<u>\$ 293,731</u>	<u>\$ 1,119,129</u>

### 3.O SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 24, 2022, the date which the financial statements were available to be issued. The County is not aware of any subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION



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

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 15,965,877	\$ 15,965,877	\$ 15,933,372	\$ (32,505)
General Sales and Use Taxes	2,251,500	2,251,500	3,686,824	1,435,324
Other Taxes	120,000	120,000	302,617	182,617
Penalty and Interest on Taxes	85,000	85,000	157,644	72,644
Licenses and Permits	40,000	40,000	71,302	31,302
Intergovernmental Revenue and Grants	272,000	272,000	301,257	29,257
Charges for Services	1,528,370	1,528,370	1,903,230	374,860
Fines	62,000	62,000	82,114	20,114
Investment Earnings	150,000	150,000	117,767	(32,233)
Rents and Royalties	87,920	87,920	86,441	(1,479)
Other Revenue	40,500	40,500	233,711	193,211
Total Revenues	<u>20,603,167</u>	<u>20,603,167</u>	<u>22,876,279</u>	<u>2,273,112</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Judicial	1,573,764	1,573,764	1,345,202	228,562
General Administration	8,707,887	8,695,559	7,182,858	1,512,701
Public Safety	8,248,654	8,248,654	7,589,452	659,202
Health and Sanitation	1,946,579	1,946,579	295,514	1,651,065
Public Facilities	1,071,687	1,075,683	868,759	206,924
Libraries and Education	350,802	350,802	319,417	31,385
Agriculture Services	486,880	492,511	419,223	73,288
Total Expenditures	<u>22,386,253</u>	<u>22,383,552</u>	<u>18,020,425</u>	<u>4,363,127</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,783,086)</u>	<u>(1,780,385)</u>	<u>4,855,854</u>	<u>6,636,239</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	41,750	41,750
Transfers Out	(520,000)	(520,000)	(515,289)	4,711
Total Other Financing Sources (Uses)	<u>(520,000)</u>	<u>(520,000)</u>	<u>(473,539)</u>	<u>46,461</u>
Net Change	<u>(2,303,086)</u>	<u>(2,300,385)</u>	<u>4,382,315</u>	<u>6,682,700</u>
Fund Balance - October 1 (Beginning)	<u>13,897,992</u>	<u>13,897,992</u>	<u>13,897,992</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 11,594,906</u>	<u>\$ 11,597,607</u>	<u>\$ 18,280,307</u>	<u>\$ 6,682,700</u>

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

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 2,816,861	\$ 2,816,861	\$ 2,811,771	\$ (5,090)
Penalty and Interest on Taxes	16,000	16,000	27,819	11,819
Licenses and Permits	570,000	570,000	725,958	125,958
Intergovernmental Revenue and Grants	30,000	30,000	-	-
Fines	122,500	122,500	197,020	74,520
Investment Earnings	20,000	26,000	23,966	(2,034)
Other Revenue	1,500	1,500	11,932	10,432
Total Revenues	<u>3,576,861</u>	<u>3,582,861</u>	<u>3,798,466</u>	<u>215,605</u>
<b>EXPENDITURES:</b>				
Road and Bridges	5,308,405	5,086,347	3,704,082	1,382,265
Total Expenditures	<u>5,308,405</u>	<u>5,086,347</u>	<u>3,704,082</u>	<u>1,382,265</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,731,544)</u>	<u>(1,503,486)</u>	<u>94,384</u>	<u>1,597,870</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	48,038	48,038
Proceeds from Capital Leases	75,000	325,500	184,625	(140,875)
Transfers In	-	-	26,593	26,593
Transfers Out	-	(222,058)	-	222,058
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>103,442</u>	<u>259,256</u>	<u>155,814</u>
Change in Fund Balance	(1,656,544)	(1,400,044)	353,640	1,753,684
Fund Balance - October 1 (Beginning)	<u>2,957,054</u>	<u>2,957,054</u>	<u>2,957,054</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 1,300,510</u>	<u>\$ 1,557,010</u>	<u>\$ 3,310,694</u>	<u>\$ 1,753,684</u>

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

GILLESPIE COUNTY, TEXAS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
<b>A. Total Pension Liability</b>			
Service Cost	\$ 1,199,483	\$ 1,063,754	\$ 997,761
Interest (on the Total Pension Liability)	2,698,813	2,532,025	2,348,001
Changes of Benefit Terms	-	-	143,582
Difference between Expected and Actual Experience	(7,778)	(305,918)	127,557
Changes of Assumptions	1,996,278	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,322,254)	(1,409,014)	(1,412,889)
Net Change in Total Pension Liability	<u>\$ 4,564,542</u>	<u>\$ 1,880,847</u>	<u>\$ 2,204,012</u>
Total Pension Liability - Beginning	32,767,454	30,886,607	28,682,594
Total Pension Liability - Ending	<u>\$ 37,331,996</u>	<u>\$ 32,767,454</u>	<u>\$ 30,886,606</u>
<b>B. Total Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,294,120	\$ 1,219,781	\$ 1,111,374
Contributions - Employee	603,922	569,232	518,640
Net Investment Income	3,421,616	4,617,434	(527,469)
Benefit Payments, Including Refunds of Employee Contributions	(1,322,254)	(1,409,014)	(1,412,889)
Administrative Expense	(27,147)	(25,231)	(22,586)
Other	20,319	17,622	9,326
Net Change in Plan Fiduciary Net Position	<u>\$ 3,990,576</u>	<u>\$ 4,989,824</u>	<u>\$ (323,604)</u>
Plan Fiduciary Net Position - Beginning	33,109,554	28,119,729	28,443,332
Plan Fiduciary Net Position - Ending	<u>\$ 37,100,130</u>	<u>\$ 33,109,553</u>	<u>\$ 28,119,728</u>
<b>C. Net Pension Liability (Asset)</b>	<u>\$ 231,866</u>	<u>\$ (342,099)</u>	<u>\$ 2,766,878</u>
<b>D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	99.38%	101.04%	91.04%
<b>E. Covered Payroll</b>	\$ 8,627,464	\$ 8,131,886	\$ 7,409,148
<b>F. Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	2.69%	(4.21%)	37.34%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 899,249	\$ 896,841	\$ 785,760	\$ 632,865
2,167,752	2,012,203	1,858,411	1,670,406
-	-	15,653	112,591
46,678	(447,913)	(67,466)	522,846
253,577	-	240,999	-
(1,074,644)	(928,859)	(800,297)	(727,591)
<u>\$ 2,292,612</u>	<u>\$ 1,532,272</u>	<u>\$ 2,033,060</u>	<u>\$ 2,211,117</u>
<u>26,389,982</u>	<u>24,857,710</u>	<u>22,824,650</u>	<u>20,613,533</u>
<u>\$ 28,682,594</u>	<u>\$ 26,389,982</u>	<u>\$ 24,857,710</u>	<u>\$ 22,824,650</u>
\$ 1,038,533	\$ 997,228	\$ 883,020	\$ 795,145
484,648	465,375	412,076	371,068
3,573,745	1,662,016	(112,177)	1,373,943
(1,074,644)	(928,859)	(800,297)	(727,591)
(18,916)	(18,103)	(16,042)	(16,254)
5,833	(204,441)	50,041	134,709
<u>\$ 4,009,199</u>	<u>\$ 1,973,216</u>	<u>\$ 416,621</u>	<u>\$ 1,931,018</u>
<u>24,434,133</u>	<u>22,460,917</u>	<u>22,044,297</u>	<u>20,113,278</u>
<u>\$ 28,443,332</u>	<u>\$ 24,434,133</u>	<u>\$ 22,460,918</u>	<u>\$ 22,044,296</u>
<u>\$ 239,262</u>	<u>\$ 1,955,849</u>	<u>\$ 2,396,792</u>	<u>\$ 780,353</u>
99.17%	92.59%	90.36%	96.58%
\$ 6,923,537	\$ 6,648,208	\$ 5,886,800	\$ 5,300,965
3.46%	29.42%	40.71%	14.72%

GILLESPIE COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Year Ending December 31	Actuarially Determined Contribution <sup>(1)</sup>	Actual Employer Contribution <sup>(1)</sup>	Contribution Deficiency (Excess)	Pensionable Covered Payroll <sup>(2)</sup>	Actual Contribution as a % of Covered Payroll
2011	500,172	720,021	(219,848)	4,800,119	15.00%
2012	517,139	735,268	(218,129)	4,901,795	15.00%
2013	525,243	737,012	(211,769)	4,913,407	15.00%
2014	571,974	795,145	(223,171)	5,300,965	15.00%
2015	664,031	883,020	(218,989)	5,886,800	15.00%
2016	771,192	997,228	(226,036)	6,648,208	15.00%
2017	769,205	1,038,533	(269,328)	6,923,537	15.00%
2018	797,224	1,111,374	(314,149)	7,409,148	15.00%
2019	872,551	1,219,781	(347,229)	8,131,886	15.00%
2020	928,315	1,294,120	(365,805)	8,627,464	15.00%

<sup>(1)</sup> TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

<sup>(2)</sup> Payroll is calculated based on contributions as reported to TCDRS.

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

**Valuation Date:** Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which 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	4.6 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: Employer contributions reflect that the current service matching rate was increased to 200%.
	2016: Employer contributions reflect that the current service matching rate was increased to 225%.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: No changes in plan provisions were reflected in the Schedule.
	2019: Employer contributions reflect that the current service matching rate was increased to 235% for future benefits.
	2020: No changes in plan provisions were reflected in the Schedule.

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

**SUPPLEMENTARY INFORMATION**

GILLESPIE COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2021

	11 Grants Fund	20 Law Library Fund	21 Lateral Road Fund	24 Probate Training Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 2,373	\$ 25	\$ 8,036
Accounts Receivable, Net	-	4,729	-	205
Due from Other Governments	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 7,102</u>	<u>\$ 25</u>	<u>\$ 8,241</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 699	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>699</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	-	-	-
Restricted for Road and Bridge	-	-	25	-
Capital Acquisition and Contractual Obligation	-	-	-	-
Other Restricted Fund Balance	-	6,403	-	8,241
Total Fund Balances	<u>-</u>	<u>6,403</u>	<u>25</u>	<u>8,241</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 7,102</u>	<u>\$ 25</u>	<u>\$ 8,241</u>

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



25 Court Reporter Service Fund	26 Guardianship Fund	28 County Records Management	29 County Clerk Records Management	30 Sheriff Seizure Fund	31 Justice Courthouse Security Fund	32 Courthouse Security Fund	33 County Clerk Archive Fund
\$ 6,988	\$ 46,149	\$ 56,500	\$ 125,116	\$ 53,916	\$ 11,141	\$ 106,743	\$ 100,020
1,172	-	1,232	29,487	-	68	3,856	28,000
-	-	-	-	-	-	-	-
<u>\$ 8,160</u>	<u>\$ 46,149</u>	<u>\$ 57,732</u>	<u>\$ 154,603</u>	<u>\$ 53,916</u>	<u>\$ 11,209</u>	<u>\$ 110,599</u>	<u>\$ 128,020</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	352	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	352	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,160	46,149	57,732	154,251	53,916	11,209	110,599	128,020
<u>8,160</u>	<u>46,149</u>	<u>57,732</u>	<u>154,251</u>	<u>53,916</u>	<u>11,209</u>	<u>110,599</u>	<u>128,020</u>
<u>\$ 8,160</u>	<u>\$ 46,149</u>	<u>\$ 57,732</u>	<u>\$ 154,603</u>	<u>\$ 53,916</u>	<u>\$ 11,209</u>	<u>\$ 110,599</u>	<u>\$ 128,020</u>

GILLESPIE COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2021

	34 District Clerk Records Management	35 County & District Court Tech	36 Hotel Occupancy Tax Fund	37 Pretrial Intervention Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 17,688	\$ 39,399	\$ 1,386,488	\$ 168,673
Accounts Receivable, Net	466	815	-	-
Due from Other Governments	-	-	-	-
Total Assets	<u>\$ 18,154</u>	<u>\$ 40,214</u>	<u>\$ 1,386,488</u>	<u>\$ 168,673</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 859	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>859</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	-	-	-
Restricted for Road and Bridge	-	-	-	-
Capital Acquisition and Contractual Obligation	-	-	-	-
Other Restricted Fund Balance	<u>18,154</u>	<u>40,214</u>	<u>1,385,629</u>	<u>168,673</u>
Total Fund Balances	<u>18,154</u>	<u>40,214</u>	<u>1,385,629</u>	<u>168,673</u>
Total Liabilities and Fund Balances	<u>\$ 18,154</u>	<u>\$ 40,214</u>	<u>\$ 1,386,488</u>	<u>\$ 168,673</u>

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

EXHIBIT H-1 (Cont'd)

41 Elections Admin Fund	42 Elections HAVA Grant	45 County Jury Fund	46 County Specialty Court	47 Local Truancy P&D Fund	51 Justice Court Technology Fund	54 Pioneer Memorial Library	72 Airport Operations Fund
\$ 5,871	\$ -	\$ 486	\$ 6,806	\$ 8,006	\$ 95,269	\$ -	\$ 581,416
-	-	-	-	-	272	-	-
-	-	-	-	-	-	-	23,000
<u>\$ 5,871</u>	<u>\$ -</u>	<u>\$ 486</u>	<u>\$ 6,806</u>	<u>\$ 8,006</u>	<u>\$ 95,541</u>	<u>\$ -</u>	<u>\$ 604,416</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,038
-	-	-	-	-	-	-	1,920
-	-	-	-	-	-	-	10
-	-	-	-	-	-	-	243
-	-	-	-	-	-	-	4,211
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,871	-	486	6,806	8,006	95,541	-	600,205
<u>5,871</u>	<u>-</u>	<u>486</u>	<u>6,806</u>	<u>8,006</u>	<u>95,541</u>	<u>-</u>	<u>600,205</u>
<u>\$ 5,871</u>	<u>\$ -</u>	<u>\$ 486</u>	<u>\$ 6,806</u>	<u>\$ 8,006</u>	<u>\$ 95,541</u>	<u>\$ -</u>	<u>\$ 604,416</u>

GILLESPIE COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2021

	78 LEOSE Training Fund	80 Co Attorney Hot Check Fund	81 Tax Assessor M V I Fund	83 Appellate Judicial System
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 22,219	\$ 14,101	\$ 107	\$ -
Accounts Receivable, Net	-	-	-	676
Due from Other Governments	-	-	-	-
Total Assets	<u>\$ 22,219</u>	<u>\$ 14,101</u>	<u>\$ 107</u>	<u>\$ 676</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 1,137	\$ -	\$ -
Wages and Salaries Payable	-	708	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,845</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	22,219	-	-	-
Restricted for Road and Bridge	-	-	-	-
Capital Acquisition and Contractual Obligation	-	-	-	-
Other Restricted Fund Balance	-	12,256	107	676
Total Fund Balances	<u>22,219</u>	<u>12,256</u>	<u>107</u>	<u>676</u>
Total Liabilities and Fund Balances	<u>\$ 22,219</u>	<u>\$ 14,101</u>	<u>\$ 107</u>	<u>\$ 676</u>

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

84 Alternative Dispute Resolution	93 Sheriff Abandoned Vehicle	Total Nonmajor Special Revenue Funds	61 GOB Series 2013 Jail Project	71 Airport Capital Projects	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ 1,021	\$ 2,864,557	\$ 151,137	\$ 15	\$ 151,152	\$ 3,015,709
1,666	-	72,644	-	-	-	72,644
-	-	23,000	-	-	-	23,000
<u>\$ 1,666</u>	<u>\$ 1,021</u>	<u>\$ 2,960,201</u>	<u>\$ 151,137</u>	<u>\$ 15</u>	<u>\$ 151,152</u>	<u>\$ 3,111,353</u>
\$ 1,666	\$ -	\$ 6,399	\$ -	\$ -	\$ -	\$ 6,399
-	-	2,980	-	-	-	2,980
-	-	10	-	-	-	10
-	-	243	-	-	-	243
<u>1,666</u>	<u>-</u>	<u>9,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,632</u>
-	-	22,219	-	-	-	22,219
-	-	25	-	-	-	25
-	-	-	151,137	15	151,152	151,152
-	1,021	2,928,325	-	-	-	2,928,325
<u>-</u>	<u>1,021</u>	<u>2,950,569</u>	<u>151,137</u>	<u>15</u>	<u>151,152</u>	<u>3,101,721</u>
<u>\$ 1,666</u>	<u>\$ 1,021</u>	<u>\$ 2,960,201</u>	<u>\$ 151,137</u>	<u>\$ 15</u>	<u>\$ 151,152</u>	<u>\$ 3,111,353</u>

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

	11 Grants Fund	20 Law Library Fund	21 Lateral Road Fund	24 Probate Training Fund
<b>REVENUES:</b>				
Other Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	774,209	-	26,537	-
Charges for Services	-	17,337	-	-
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	720	-	-	-
Rents and Royalties	-	-	-	-
Other Revenue	\$ -	\$ 1,831	\$ -	\$ 1,143
Total Revenues	774,929	19,168	26,537	1,143
<b>EXPENDITURES:</b>				
Judicial	-	24,911	-	-
General Administration	775,025	-	-	402
Public Safety	-	-	-	-
Road and Bridges	-	-	26,537	-
Public Facilities	-	-	-	-
Total Expenditures	775,025	24,911	26,537	402
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96)	(5,743)	-	741
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	36	-	-	-
Transfers Out	-	-	(26,593)	(42,649)
Total Other Financing Sources (Uses)	36	-	(26,593)	(42,649)
Net Change in Fund Balance	(60)	(5,743)	(26,593)	(41,908)
Fund Balance - October 1 (Beginning)	60	12,146	26,618	50,149
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ 6,403	\$ 25	\$ 8,241

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

25 Court Reporter Service Fund	26 Guardianship Fund	28 County Records Management	29 County Clerk Records Management	30 Sheriff Seizure Fund	31 Justice Courthouse Security Fund	32 Courthouse Security Fund	33 County Clerk Archive Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,902	3,500	11,224	110,003	-	-	21,007	103,530
-	-	-	-	-	2,451	-	-
-	-	-	-	13,698	-	-	-
-	-	-	-	267	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,902	3,500	11,224	110,003	13,965	2,451	21,007	103,530
8,082	-	-	-	-	-	-	-
-	-	6,750	68,587	-	-	-	50,400
-	-	-	-	1,992	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,082	-	6,750	68,587	1,992	-	-	50,400
(3,180)	3,500	4,474	41,416	11,973	2,451	21,007	53,130
-	42,649	-	-	-	-	2,078	-
-	-	-	-	-	(2,078)	-	-
-	42,649	-	-	-	(2,078)	2,078	-
(3,180)	46,149	4,474	41,416	11,973	373	23,085	53,130
11,340	-	53,258	112,835	41,943	10,836	87,514	74,890
-	-	-	-	-	-	-	-
\$ 8,160	\$ 46,149	\$ 57,732	\$ 154,251	\$ 53,916	\$ 11,209	\$ 110,599	\$ 128,020

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

	34 District Clerk Records Management	35 County & District Court Tech	36 Hotel Occupancy Tax Fund	37 Pretrial Intervention Fund
<b>REVENUES:</b>				
Other Taxes	\$ -	\$ -	\$ 1,119,555	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	1,741	4,003	-	3,000
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	-	-	5,888	-
Rents and Royalties	-	-	-	-
Other Revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	1,741	4,003	1,125,443	3,000
<b>EXPENDITURES:</b>				
Judicial	-	-	-	-
General Administration	-	-	567,617	-
Public Safety	-	-	-	-
Road and Bridges	-	-	-	-
Public Facilities	-	-	-	-
Total Expenditures	-	-	567,617	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,741	4,003	557,826	3,000
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	1,741	4,003	557,826	3,000
Fund Balance - October 1 (Beginning)	16,413	36,211	827,803	165,673
Prior Period Adjustment	-	-	-	-
Fund Balance - September 30 (Ending)	\$ 18,154	\$ 40,214	\$ 1,385,629	\$ 168,673

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



41 Elections Admin Fund	42 Elections HAVA Grant	45 County Jury Fund	46 County Specialty Court	47 Local Truancy P&D Fund	51 Justice Court Technology Fund	54 Pioneer Memorial Library	72 Airport Operations Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	151,123	-	-	-	-	-	165,569
-	-	363	5,082	6,043	6,214	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
38	130	-	-	-	-	-	2,711
-	-	-	-	-	-	-	244,978
\$ 20,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,910
20,874	151,253	363	5,082	6,043	6,214	-	442,168
-	-	-	-	-	-	-	-
15,512	151,266	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	275,041
15,512	151,266	-	-	-	-	-	275,041
5,362	(13)	363	5,082	6,043	6,214	-	167,127
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,362	(13)	363	5,082	6,043	6,214	-	167,127
509	13	123	1,724	1,963	89,327	-	433,078
-	-	-	-	-	-	-	-
\$ 5,871	\$ -	\$ 486	\$ 6,806	\$ 8,006	\$ 95,541	\$ -	\$ 600,205

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

	78 LEOSE Training Fund	80 Co Attorney Hot Check Fund	81 Tax Assessor M V I Fund	83 Appellate Judicial System
<b>REVENUES:</b>				
Other Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	4,379	-	-	-
Charges for Services	-	895	-	-
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	-	-	-	-
Rents and Royalties	-	-	-	-
Other Revenue	\$ -	\$ -	\$ -	\$ 2,862
Total Revenues	4,379	895	-	2,862
<b>EXPENDITURES:</b>				
Judicial	-	361	-	-
General Administration	-	-	-	2,186
Public Safety	4,604	-	-	-
Road and Bridges	-	-	-	-
Public Facilities	-	-	-	-
Total Expenditures	4,604	361	-	2,186
Excess (Deficiency) of Revenues Over (Under) Expenditures	(225)	534	-	676
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(225)	534	-	676
Fund Balance - October 1 (Beginning)	22,444	-	107	-
Prior Period Adjustment	-	11,722	-	-
Fund Balance - September 30 (Ending)	\$ 22,219	\$ 12,256	\$ 107	\$ 676

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

84 Alternative Dispute Resolution	93 Sheriff Abandoned Vehicle	Total Nonmajor Special Revenue Funds	61 GOB Series 2013 Jail Project	71 Airport Capital Projects	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,119,555	\$ -	\$ -	\$ -	\$ 1,119,555
-	-	1,121,817	-	191,300	191,300	1,313,117
7,752	-	306,596	-	-	-	306,596
-	-	2,451	-	-	-	2,451
-	-	13,698	-	-	-	13,698
-	-	9,754	150	-	150	9,904
-	-	244,978	-	-	-	244,978
\$ -	\$ -	\$ 55,582	\$ -	\$ -	\$ -	\$ 55,582
7,752	-	2,874,431	150	191,300	191,450	3,065,881
7,752	-	41,106	-	-	-	41,106
-	-	1,637,745	-	-	-	1,637,745
-	250	6,846	-	-	-	6,846
-	-	26,537	-	-	-	26,537
-	-	275,041	-	191,300	191,300	466,341
7,752	250	1,987,275	-	191,300	191,300	2,178,575
-	(250)	887,156	150	-	150	887,306
-	-	44,763	15,253	-	15,253	60,016
-	-	(71,320)	-	-	-	(71,320)
-	-	(26,557)	15,253	-	15,253	(11,304)
-	(250)	860,599	15,403	-	15,403	876,002
-	1,271	2,078,248	135,734	15	135,749	2,213,997
-	-	11,722	-	-	-	11,722
\$ -	\$ 1,021	\$ 2,950,569	\$ 151,137	\$ 15	\$ 151,152	\$ 3,101,721

GILLESPIE COUNTY, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 SEPTEMBER 30, 2021

	89 McDermott Building (Library)	92 Breiten Fund (PML)	Total Private Purpose Trust Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 117,608	\$ 168,960	\$ 286,568
Total Assets	<u>117,608</u>	<u>168,960</u>	<u>286,568</u>
<b>NET POSITION</b>			
Restricted for Other Purposes	117,608	168,960	286,568
Total Net Position	<u>\$ 117,608</u>	<u>\$ 168,960</u>	<u>\$ 286,568</u>

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

GILLESPIECOUNTY, TEXAS  
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Data Control Codes	89 McDermott Building (Library)	92 Breiten Fund (PML)	Total Private Purpose Trust Funds
ADDITIONS:			
Investment Earnings	\$ 643	\$ 940	\$ 1,583
Total Additions	<u>643</u>	<u>940</u>	<u>1,583</u>
DEDUCTIONS:			
Other Operating Costs	-	8,746	8,746
Total Deductions	<u>-</u>	<u>8,746</u>	<u>8,746</u>
Change in Net Position	643	(7,806)	(7,163)
Total Net Position - October 1 (Beginning)	<u>116,965</u>	<u>176,766</u>	<u>293,731</u>
Total Net Position - September 30 (Ending)	<u>\$ 117,608</u>	<u>\$ 168,960</u>	<u>\$ 286,568</u>

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

GILLESPIE COUNTY, TEXAS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 SEPTEMBER 30, 2021

	22 State Court Cost, Fees & Fines Fund	27 Waste Water (State Fee) Fund	43 Justice of the Peace No. 3	44 Justice of the Peace No. 4
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 1,210	\$ 47,751	\$ 10,765
Accounts Receivable, Net	483	-	-	-
Due from Other Funds	67,887	-	-	-
Total Assets	<u>68,370</u>	<u>1,210</u>	<u>47,751</u>	<u>10,765</u>
<b>LIABILITIES</b>				
Accounts Payable	65,318	-	-	-
Intergovernmental Payable	-	310	-	-
Due to Other Funds	142	-	-	-
Due to Others	-	-	-	-
Total Liabilities	<u>65,460</u>	<u>310</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Restricted for Other Purposes	<u>2,910</u>	<u>900</u>	<u>47,751</u>	<u>10,765</u>
Total Net Position	<u>\$ 2,910</u>	<u>\$ 900</u>	<u>\$ 47,751</u>	<u>\$ 10,765</u>

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

85 Justice of the Peace No. 1	86 Justice of the Peace No. 2	90 Unclaimed Money Fund	94 County Clerk	95 District Clerk	Total Custodial Funds
\$ 47,739	\$ 22,919	\$ 41,962	\$ 437,844	\$ 28,299,756	\$ 28,909,946
-	-	-	-	-	483
-	-	-	-	-	67,887
<u>47,739</u>	<u>22,919</u>	<u>41,962</u>	<u>437,844</u>	<u>28,299,756</u>	<u>28,978,316</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,318
-	-	-	-	-	310
-	-	-	-	-	142
-	-	38,736	-	27,658,724	27,697,460
-	-	<u>38,736</u>	-	<u>27,658,724</u>	<u>27,763,230</u>
<u>47,739</u>	<u>22,919</u>	<u>3,226</u>	<u>437,844</u>	<u>641,032</u>	<u>1,215,086</u>
<u>\$ 47,739</u>	<u>\$ 22,919</u>	<u>\$ 3,226</u>	<u>\$ 437,844</u>	<u>\$ 641,032</u>	<u>\$ 1,215,086</u>

GILLESPIE COUNTY, TEXAS  
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Data Control Codes	22 State Court Cost, Fees & Fines Fund	27 Waste Water (State Fee) Fund	43 Justice of the Peace No. 3	44 Justice of the Peace No. 4
<b>ADDITIONS:</b>				
Licenses and Permits	\$ -	\$ 3,350	\$ -	\$ -
Fines	295,710	-	-	-
Other Revenue	-	-	163,912	41,538
Total Additions	<u>295,710</u>	<u>3,350</u>	<u>163,912</u>	<u>41,538</u>
<b>DEDUCTIONS:</b>				
Other Operating Costs	<u>292,800</u>	<u>3,660</u>	<u>145,504</u>	<u>39,308</u>
Total Deductions	<u>292,800</u>	<u>3,660</u>	<u>145,504</u>	<u>39,308</u>
Change in Net Position	2,910	(310)	18,408	2,230
Total Net Position - October 1 (Beginning)	-	-	-	-
Prior Period Adjustment	-	1,210	29,343	8,535
Total Net Position - September 30 (Ending)	<u>\$ 2,910</u>	<u>\$ 900</u>	<u>\$ 47,751</u>	<u>\$ 10,765</u>

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



85 Justice of the Peace No. 1	86 Justice of the Peace No. 2	90 Unclaimed Money Fund	94 County Clerk	95 District Clerk	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,350
-	-	-	-	-	295,710
<u>118,500</u>	<u>101,186</u>	<u>-</u>	<u>888,439</u>	<u>246,593</u>	<u>1,560,168</u>
<u>118,500</u>	<u>101,186</u>	<u>-</u>	<u>888,439</u>	<u>246,593</u>	<u>1,859,228</u>
<u>95,869</u>	<u>98,118</u>	<u>-</u>	<u>858,400</u>	<u>229,612</u>	<u>1,763,271</u>
<u>95,869</u>	<u>98,118</u>	<u>-</u>	<u>858,400</u>	<u>229,612</u>	<u>1,763,271</u>
22,631	3,068	-	30,039	16,981	95,957
-	-	-	-	-	-
<u>25,108</u>	<u>19,851</u>	<u>3,226</u>	<u>407,805</u>	<u>624,051</u>	<u>1,119,129</u>
<u>\$ 47,739</u>	<u>\$ 22,919</u>	<u>\$ 3,226</u>	<u>\$ 437,844</u>	<u>\$ 641,032</u>	<u>\$ 1,215,086</u>



# NEFFENDORF & BLOCKER, P.C.

---

## 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

To the Honorable Judge and Members  
of the Commissioners' Court  
Gillespie County, Texas  
Fredericksburg, TX 78624

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of Gillespie County, Texas (the "County"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 24, 2022.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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.

---

TEL: 830 997 3348

EMAIL: [info@nb-cpa.com](mailto:info@nb-cpa.com)

P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

### Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Sincerely,

*Neffendorf & Blocker, P.C.*

Neffendorf & Blocker, P.C.  
Fredericksburg, Texas

March 24, 2022



# NEFFENDORF & BLOCKER, P.C.

---

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

### Independent Auditor's Report

Honorable Judge and Commissioners  
County of Gillespie, Texas  
Fredericksburg, TX 78624

Members of the Court:

#### **Report on Compliance for Each Major Federal Program**

We have audited Gillespie County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Gillespie County's major federal programs for the year ended September 30, 2021. Gillespie County's 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 Gillespie County's 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 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 Gillespie County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

In our opinion, Gillespie County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal for the year ended September 30, 2021

---

TEL: 830 997 3348

EMAIL: [info@nb-cpa.com](mailto:info@nb-cpa.com)

P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

### **Report on Internal Control Over Compliance**

Management of Gillespie County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Gillespie County's 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 Gillespie County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 have not been identified.

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Gillespie County as of and for the year ended September 30, 2021, and the related notes to the financial statements. We issued our report thereon dated March 24, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Neffendorf & Blocker, P.C.*

Neffendorf & Blocker, P.C.  
Fredericksburg, Texas  
March 24, 2022

GILLESPIE COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

**I. Summary of the Auditor's Results:**

- a. Type of report issued on the financial statements of the Gillespie County was: an unmodified opinion.
- b. The audit did not disclose any noncompliance which would have been material to the financial statements of the Gillespie County.
- c. The audit disclosed no findings of known questioned costs in excess of \$25,000 as described under Uniform Guidance 2 CFR §200-516.
- d. Type of report issued on compliance for major programs was: an unmodified opinion.
- d. The major program tested was:  
  
Coronavirus Relief Fund - (CFDA#21.019)
- f. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- g. Gillespie County did not qualify as a low risk auditee.

**II. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with *Generally Accepted Government Auditing Standards*.**

-None-

**III. Findings and Questioned Costs for Federal Awards**

-None-

GILLESPIE COUNTY, TEXAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS/CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

STATEMENT OF CORRECTIVE ACTION -  
CURRENT YEAR DISCLOSURES

-None-

STATEMENT OF CORRECTIVE ACTION -  
PRIOR YEAR DISCLOSURES

-None-

GILLESPIE COUNTY, TEXAS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b><u>U.S. FEDERAL AVIATION ADMINISTRATION</u></b>			
<u>Passed Through Texas Department of Transportation</u>			
Aiport Participation Project	20.106	2014FREDB	\$ 191,300
CARES Act Airport Grant	20.106	20CRFREDB	69,000
Coronavirus Relief Grant	20.106	21CRFREDB	23,000
Total CFDA Number 20.106			283,300
Total Passed Through Texas Department of Transportation			283,300
<b>TOTAL U.S. FEDERAL AVIATION ADMINISTRATION</b>			283,300
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>			
<u>Passed Through Texas Department of Emergency Management</u>			
Coronavirus Relief Fund	21.019		774,209
Total Passed Through Texas Department of Emergency Management			774,209
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			774,209
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<u>Direct Programs</u>			
Patrick Leahy Bulletproof Vest Partnership Grant	16.607	2019BUBX1906930	2,395
Patrick Leahy Bulletproof Vest Partnership Grant	16.607	2020BUBUBX20023	141
Patrick Leahy Bulletproof Vest Partnership Grant	16.607	2021BUBX2102847	3,200
Total CFDA Number 16.607			5,736
Total Direct Programs			5,736
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			5,736
<b><u>ELECTION ASSISTANCE COMMISSION</u></b>			
<u>Passed Through Secretary of State</u>			
2020 HAVA- Election Security Grant	90.404		120,000
2020 HAVA- CARES Act Grant	90.404	TX20101CARES-08	30,447
Total CFDA Number 90.404			150,447
Total Passed Through Secretary of State			150,447
<b>TOTAL ELECTION ASSISTANCE COMMISSION</b>			150,447
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 1,213,692



GILLESPIE COUNTY, TEXAS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2021

1. The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Gillespie County, Texas. The information in the Schedule is presented in accordance with the 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"). Federal and State financial assistance was accounted for in the Governmental fund types.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in the General Fund and Special Revenue Funds which are Governmental Fund types.

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in the Uniform Guidance.
4. Gillespie County, Texas has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



# NEFFENDORF & BLOCKER, P.C.

---

March 24, 2022

Honorable Judge and Commissioners  
County of Gillespie, Texas  
Fredericksburg, TX 78624

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gillespie County, Texas for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 20, 2021. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Gillespie County, Texas are described in Note I to the financial statements. GASB Statement No. 84 *Accounting and Reporting for Fiduciary Activities* was adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by Gillespie County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant accounting estimates.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 24, 2022.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the Management Discussion and Analysis; Budgetary Comparison Schedule - General Fund; Budgetary Comparison Schedule – Road and Bridge Fund; Schedule of Changes in Net Pension Liability and Related Ratio and Schedule of Employer Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining Balance Sheet – Nonmajor Governmental Funds; Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds; Combining Statement of Changes in Assets and Liabilities – All Agency Funds; Combining Statement of Net Position – Private Purpose Trust Funds; and Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Private Purpose Trust Funds, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the use of the Commissioner's Court and management of the County of Gillespie and is not intended to be, and should not be, used by anyone other than these specified parties.

Prior Year Recommendations

*Outstanding Checks*

Several old outstanding checks are being carried on the bank reconciliations on several of the officials' accounts. We recommend that the checks be researched for proper disposition (cleared or re-issued).

We appreciate the cooperation of the County Auditor's office and the various officials and employees of the County.

Sincerely,

*Neffendorf + Blocker, P.C.*

Neffendorf & Blocker, P.C.  
Fredericksburg, Texas

March 24, 2022