



# **TOM GREEN COUNTY, TEXAS**

## **ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2018**



# TOM GREEN COUNTY, TEXAS

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# **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Honorable County Judge and Members of the  
Commissioners' Court of Tom Green County  
San Angelo, Texas

### 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 Tom Green County (the "County") as of September 30, 2018, 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

#### OFFICE LOCATIONS

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NEW MEXICO | Albuquerque

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County, as of September 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in the notes to the financial statements, in fiscal year 2018 the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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



### *Other Information*

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

The combining nonmajor fund financial statements are the responsibility of management and were derived from and related 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 fund financial statements 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 22, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Waco, Texas  
March 22, 2019

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Tom Green County, Texas, we offer readers of Tom Green County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here with the County's financial statements which follow.

### FINANCIAL HIGHLIGHTS

- The assets of Tom Green County exceeded its liabilities as of September 30, 2018, by \$69,628,672. Of this amount, \$15,507,565 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designations and fiscal policies.
- The County's total net position increased by \$3,601,410 .
- As of the close of the current fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$54,634,792, an decrease of \$17,216,969 compared to the prior year.
- The unassigned fund balance for the General Fund was \$16,612,197 or 38% of total General Fund expenditures. Unassigned fund balance increased 34.0% from the prior year's unassigned fund balance.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

***Government-wide Financial Statements:*** The government-wide financial statements are designed to provide readers with a broad overview of Tom Green County's finances in a manner similar to a private sector business. The *Statement of Net Position* presents information on all of the County's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Tom Green County is improving or deteriorating.

The *Statement of Activities* presents a comparison between direct expenses and revenues for each of the County's functions or programs. Direct expenses are those that are specially associated with an activity and are clearly identifiable with that activity. Program revenues include charges paid by the recipient of services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not programmatic are presented as general revenues. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Tom Green County that are principally supported by taxes and intergovernmental revenues. The governmental activities of Tom Green County include general government, public safety, conservation, highways and streets, health and welfare, and culture and recreation. Tom Green County has no business-type activities.

***Fund Financial Statements:*** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Tom Green County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County are categorized as either governmental funds or fiduciary funds.

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

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

Tom Green County maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Tom Green County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and the Capital Projects Fund to demonstrate compliance with these budgets. More information is available concerning the County's budget by reviewing the approved annual budget on file with the Tom Green County Clerk.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are *not* available to support Tom Green County’s own programs.

**Notes to the Financial Statements:** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Supplementary Information:** Generally accepted accounting principles also require certain information to be presented in the required supplementary information immediately following the notes to the financial statements. Combining fund statements can also be found following this section.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County’s financial position. In the case of Tom Green County, assets exceeded liabilities by \$69,628,672 at the close of the fiscal year.

Tom Green County’s investment in capital assets (e.g. land, buildings, furniture and equipment, and roads and bridges), less any related outstanding debt used to acquire those assets, is 72% of net position. Tom Green County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Tom Green County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining net position, \$15,507,565 is unrestricted and may be used to meet the County’s ongoing obligations to citizens and creditors, and 6%, \$4,102,684, of net position is restricted.

### TOM GREEN COUNTY’S NET POSITION

	Governmental Activities	
	2018	2017
Current assets	\$ 62,431,538	\$ 79,180,178
Capital assets	88,716,756	59,212,163
Total assets	<u>151,148,294</u>	<u>138,392,341</u>
Deferred outflows of resources	2,274,329	7,222,257
Current liabilities	7,917,074	5,123,473
Long-term liabilities	73,511,747	73,068,486
Total liabilities	<u>81,428,821</u>	<u>78,191,959</u>
Deferred inflows of resources	2,365,130	947,786
Net position:		
Net investment in capital assets	50,018,423	5,368,330
Restricted	4,102,684	4,054,967
Unrestricted	<u>15,507,565</u>	<u>57,051,556</u>
Total net position	<u>\$ 69,628,672</u>	<u>\$ 66,474,853</u>

As of September 30, 2018, the County has positive balances in all categories of net position.

## TOM GREEN COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2018	2017
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 7,790,507	\$ 7,448,865
Operating grants and contributions	3,279,962	5,747,172
General revenues:		
Property taxes	34,787,711	31,741,954
Other taxes	9,946,726	8,918,139
Investment earnings	1,066,777	821,943
Gain (Loss) on sale of capital assets	-	1,291,601
Miscellaneous	164,446	124,550
Total revenues	57,036,129	56,094,224
<b>EXPENSES</b>		
General government	17,563,371	16,738,722
Public safety	26,091,195	28,673,415
Highways and streets	3,277,085	3,648,268
Conservation	360,262	217,480
Health and welfare	653,070	331,660
Culture and recreation	3,229,925	3,270,237
Interest on long-term debt	2,259,811	2,300,187
Total expenses	53,434,719	55,179,969
<b>CHANGE IN NET POSITION</b>	3,601,410	914,255
<b>NET POSITION, BEGINNING</b>	66,392,037	65,552,684
<b>PRIOR PERIOD ADJUSTMENT</b>	( 364,775)	7,914
<b>NET POSITION, ENDING</b>	\$ 69,628,672	\$ 66,474,853

Key elements of the analysis of governmental activities through revenues and expenses include the following:

- Property tax revenues increased by \$3,045,757 from fiscal year 2017 to 2018. This was the result of increases in the property tax base and rate in the County. Property taxes levied on new property added to the tax base this year were \$551,716. The Commissioners Court set a total property tax rate in fiscal year 2018 of \$.53500 per \$100 of appraised value.
- Other tax revenue included sales tax collections of \$9,546,345. This is an increase of 11.7% from fiscal year 2017, indicating a strengthening economy after oil field activity slowed in 2016. The diversity of the businesses located in the County continues to provide long-term stability.
- Total expenses for governmental activities decreased by 3.2% across the functions of government. The decrease was composed of a \$2,582,220 decrease in public safety expenses. Additionally, there was a \$371,183 decrease in highways and streets expenses.



## FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

At the end of the 2018 fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$54,634,792, a decrease of \$17,216,969 compared with the prior year.

The General Fund is the chief operating fund of Tom Green County. At the end of fiscal year 2018, the General Fund had a fund balance of \$17,193,037 with \$26,306 classified as nonspendable. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 38% of total General Fund expenditures. In addition, overall revenue in the General Fund increased \$3,813,838 from 2017, and General Fund expenditures decreased \$1,689,213 in the same time.

### **Descriptions of Functions/Programs:**

*General Government:* The costs associated with management and support departments (e.g. County Treasurer, Human Resources, and Risk Management), operations of the court systems and prosecution offices (District and County Courts, Justices of the Peace, District and County Attorneys), costs of maintaining public facilities including the Justice Center and the Juvenile Detention Center, the Elections Department, and financial administration for the County.

*Public Safety:* The costs associated with the investigation and arrest of individuals suspected to be involved in criminal activities as well as costs associated with emergency services (i.e. Sheriff's Department, Constables, and Volunteer Fire Departments), in addition to the operations of the court systems and prosecution offices (District and County Courts, Justices of the Peace, District and County Attorneys).

*Conservation:* Includes support for the agriculture and homemakers extension office.

*Highways and Streets:* The costs associated with County road and bridge departments and maintaining the County's infrastructure.

*Health and Welfare:* The costs associated with providing health benefits to citizens of the County (i.e. Indigent Health Care, Mental Health Unit, and contributions to support organizations).

*Culture and Recreation:* The costs associated with the operations of the County Library and Parks.

*Interest on Long-term Debt:* The finance charges associated with debt issuances for construction of County facilities.

## Capital Assets and Debt Administration

The County's investment in capital assets for its governmental activities as of September 30, 2018, amounts to \$88,716,756 net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, infrastructure (roads and bridges), equipment, and furnishings. In addition, the County capitalized the following amounts during the year in completing capital projects or purchasing assets:

Land	\$	5,112
Construction in progress		32,265,050
Buildings		95,149
Machinery and equipment		726,119
Infrastructure		541,533

### CAPITAL ASSETS

	Historical Cost	Accumulated Depreciation	Net Investment
Land	\$ 3,799,913	\$ -	\$ 3,799,913
Construction in progress	41,310,861	-	41,310,861
Buildings and improvements	70,754,067	35,728,944	35,025,123
Improvements other than buildings	57,870	45,094	12,776
Machinery and equipment	20,769,043	15,444,322	5,324,721
Infrastructure	24,202,083	20,958,721	3,243,362
Total	<u>\$ 160,893,837</u>	<u>\$ 72,177,081</u>	<u>\$ 88,716,756</u>

### LONG-TERM DEBT

At the end of the current fiscal year, the County's long-term outstanding debt was as follows:

	Original Amount	Interest Rate	Balance 09/30/18
Certificates of Obligation	\$ 59,515,000	2-5%	\$ 65,940,000
Bond premium	4,405,468	N/A	4,409,029
Compensated absences	N/A	N/A	1,548,543
Net pension liability	N/A	N/A	1,089,147
Net OPEB obligation	N/A	N/A	1,126,645
Retainage payable	N/A	N/A	1,791,839
Total			<u>\$ 75,905,203</u>

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

In fiscal year 2018, significant budget items included cost of living wage increases for County employees, and new vehicle and equipment purchases as the County maintains its fleet. The Commissioners Court also made revisions during the year to the original appropriations approved for the 2018 fiscal year budget. These revisions were mainly transfers within departments necessary to cover the expenditures of office by individual line items. Property tax rate and values increased in fiscal year 2018. This allowed the County to pay for scheduled interest and principal payments due on debt, and the ability to pay anticipated expense for capital murder trials and outside prisoner housing. The County budgets conservatively for anticipated revenues and expenditures, allowing for an adequate reserve in fund balance as a safety net and savings for the future.

## **ECONOMIC FACTORS**

The rebound in oil field activity and related industries continued to strengthen during fiscal year 2018 due to the market prices of crude. While neighboring Counties have felt a more substantial effect of changes in market prices of crude, Tom Green County's diverse local economy continues to provide long-term stability. Property tax values continued to increase, with some more expected growth in the next few years due to market conditions and some areas of under-valuation from previous years.

## **FUTURE BUDGET CONCERNS**

The County continues to budget and plan for capital improvements to maintain its assets and provide suitable space for public business and County employees. In fiscal year 2018, the County issued additional certificates of obligation to fund the budgets for completion of construction of a new County jail and to pay for renovations to court room facilities at the Tom Green County courthouse. While most of the proceeds will be necessary for the jail, the County will need to address the future renovation and significant maintenance that the County courthouse requires. Planning for the operations of these facilities must incorporate long term growth in the County and include comprehensive needs assessments for all departments affected, to include a number of new staff positions that will be necessary for the new jail. The County also must continue to address employee retention and compensation for its employees. In addition, a large number of employees are nearing retirement age, and a plan is necessary to attract and retain qualified workers. Certain departments within the County are facing staffing challenges. Vacant positions remain unfilled due to relatively low unemployment and the County's inability to compete with salaries in other industries for skilled labor. Additionally, the County has experienced a significant increase in felony criminal caseload, including several capital trials. These trials, and the processing of the remainder of the felony docket, are large cost drivers. The County's docket for murder cases has substantially reduced as one trial has been completed and others have taken pleas in fiscal year 2018. The County must still plan to fund the remaining cases while still maintaining an adequate reserve in equity. Lastly, the County is exposed to a significant risk that the State Legislature may lower the rollback rate cap in an effort labeled as property tax reform. However, the discussion so far has not included any corresponding caps or reductions in expenditures, or any additional State assistance to help the County pay for unfunded mandates imposed by the State on local County taxpayers. If revenue is capped, while the programs the County is required to operate continue to get more expensive, the inevitable result will be financial hardship for the County in the long term. The County anticipates that a lower cap of some form will result from this Legislative session, and the future budget process and planning will be significantly affected. Different concepts of budgeting will be necessary to see the County into the future.

## **REQUESTS FOR INFORMATION**

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

County Auditor's Office  
113 W. Beauregard Avenue  
San Angelo TX 76903

**BASIC  
FINANCIAL STATEMENTS**

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**TOM GREEN COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 10,478,376
Investments	46,549,368
Receivables (net of allowances for uncollectibles)	4,568,487
Due from other governments	809,001
Prepaid expenses	6,388
Inventory	19,918
Capital assets:	
Land	3,799,913
Construction in progress	41,310,861
Buildings	70,754,067
Improvements other than buildings	57,870
Furniture and equipment	20,769,043
Infrastructure	24,202,083
Less: accumulated depreciation	( 72,177,081)
Total capital assets	<u>88,716,756</u>
Total assets	<u>151,148,294</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>2,274,329</u>
Total deferred outflows	<u>2,274,329</u>
<b>LIABILITIES</b>	
Accounts payable	4,490,508
Accrued liabilities	492,029
Due to other governments	101,559
Accrued interest	439,522
Noncurrent liabilities:	
Due within one year	
Long-term debt	2,299,708
Total OPEB liability	93,748
Due in more than one year	
Long-term debt	71,389,703
Total OPEB liability	1,032,897
Net pension liability	<u>1,089,147</u>
Total liabilities	<u>81,428,821</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	2,351,045
Deferred inflows related to postemployment benefits	<u>14,085</u>
Total deferred inflows	<u>2,365,130</u>
<b>NET POSITION</b>	
Net investment in capital assets	50,018,423
Restricted for:	
Debt service	314,866
Juvenile probation	1,280,699
Road and bridge	901,947
Other	1,605,172
Unrestricted	<u>15,507,565</u>
Total net position	<u>\$ 69,628,672</u>

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

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**TOM GREEN COUNTY, TEXAS**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
General government	\$ 17,563,371	\$ 4,297,893	\$ 1,703,837	\$( 11,561,641)
Public safety	26,091,195	1,542,088	1,192,542	( 23,356,565)
Highways and streets	3,277,085	1,861,913	19,694	( 1,395,478)
Conservation	360,262	52,475	179,025	( 128,762)
Health and welfare	653,070	8,748	64,664	( 579,658)
Culture and recreation	3,229,925	27,390	120,200	( 3,082,335)
Interest on long-term debt	<u>2,259,811</u>	<u>-</u>	<u>-</u>	<u>( 2,259,811)</u>
 Total governmental activities	 <u>\$ 53,434,719</u>	 <u>\$ 7,790,507</u>	 <u>\$ 3,279,962</u>	 <u>( 42,364,250)</u>
 <b>General revenues:</b>				
Taxes:				
Property, levied for general purposes				30,597,930
Property, levied for debt service				4,189,781
Sales				9,546,345
Other				400,381
Unrestricted investment earnings				1,066,777
Miscellaneous				<u>164,446</u>
Total general revenues				<u>45,965,660</u>
Change in net position				3,601,410
Net position - beginning				<u>66,392,037</u>
Prior period adjustment				<u>( 364,775)</u>
Net position - beginning - restated				<u>66,027,262</u>
Net position - ending				<u>\$ 69,628,672</u>

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

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**TOM GREEN COUNTY, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2018**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 1,663,055	\$ 6,184,314	\$ 2,631,007	\$ 10,478,376
Investments	15,240,260	29,696,687	1,612,421	46,549,368
Receivables (net of allowances for uncollectibles):				
Accounts	1,916,949	2,159	36,231	1,955,339
Taxes:				
Property	759,086	-	103,464	862,550
Sales	1,657,199	-	-	1,657,199
Mixed beverage	93,399	-	-	93,399
Due from other funds	427,331	-	6,154	433,485
Due from other governments	158,643	-	650,358	809,001
Inventory	19,918	-	-	19,918
Prepaid items	6,388	-	-	6,388
Total assets	<u>21,942,228</u>	<u>35,883,160</u>	<u>5,039,635</u>	<u>62,865,023</u>
<b>LIABILITIES</b>				
Accounts payable	1,591,343	2,440,625	458,540	4,490,508
Accrued liabilities	449,148	-	42,881	492,029
Due to other governments	99,514	-	2,045	101,559
Due to other funds	-	-	433,485	433,485
Total liabilities	<u>2,140,005</u>	<u>2,440,625</u>	<u>936,951</u>	<u>5,517,581</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	706,417	-	103,464	809,881
Unavailable revenue - fines and fees	1,902,769	-	-	1,902,769
Total deferred inflows of resources	<u>2,609,186</u>	<u>-</u>	<u>103,464</u>	<u>2,712,650</u>
<b>FUND BALANCES</b>				
Nonspendable	26,306	-	-	26,306
Restricted	-	33,442,535	3,999,220	37,441,755
Assigned	554,534	-	-	554,534
Unassigned	16,612,197	-	-	16,612,197
Total fund balances	<u>17,193,037</u>	<u>33,442,535</u>	<u>3,999,220</u>	<u>54,634,792</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,942,228</u>	<u>\$ 35,883,160</u>	<u>\$ 5,039,635</u>	<u>62,865,023</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 88,716,756
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not included in fund balance.	2,712,650
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.	( 76,344,725)
Deferred outflows of resources related to pensions and deferred inflows of resources related to pensions are not included in the fund financial statements.	( 90,801)
Net position of governmental activities	<u>\$ 69,628,672</u>

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

**TOM GREEN COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 40,637,263	\$ -	\$ 4,181,030	\$ 44,818,293
Fees of office	2,654,501	-	2,085,281	4,739,782
Intergovernmental	1,795,274	-	1,967,442	3,762,716
Fines and forfeitures	1,001,347	-	-	1,001,347
Licenses and permits	56,418	-	-	56,418
Investment income	322,412	704,531	39,834	1,066,777
Miscellaneous	1,247,305	-	269,621	1,516,926
Total revenues	<u>47,714,520</u>	<u>704,531</u>	<u>8,543,208</u>	<u>56,962,259</u>
<b>EXPENDITURES</b>				
Current:				
General government	14,602,988	-	961,403	15,564,391
Public safety	23,879,727	-	1,218,028	25,097,755
Highways and streets	1,177,779	-	1,763,071	2,940,850
Culture and recreation	2,533,512	-	115,803	2,649,315
Health and welfare	651,860	-	-	651,860
Conservation	156,502	-	202,245	358,747
Debt service:				
Principal	-	-	1,535,000	1,535,000
Interest and other charges	-	-	2,546,609	2,546,609
Capital outlay	<u>586,336</u>	<u>30,473,211</u>	<u>123,810</u>	<u>31,183,357</u>
Total expenditures	<u>43,588,704</u>	<u>30,473,211</u>	<u>8,465,969</u>	<u>82,527,884</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,125,816</u>	<u>( 29,768,680)</u>	<u>77,239</u>	<u>( 25,565,625)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	987	-	-	987
Proceeds from the issuance of debt	-	7,960,000	-	7,960,000
Bond premium	-	240,000	147,669	387,669
Transfers in	100,517	-	-	100,517
Transfers out	<u>-</u>	<u>-</u>	<u>( 100,517)</u>	<u>( 100,517)</u>
Total other financing sources (uses)	<u>101,504</u>	<u>8,200,000</u>	<u>47,152</u>	<u>8,348,656</u>
<b>NET CHANGE IN FUND BALANCES</b>	4,227,320	( 21,568,680)	124,391	( 17,216,969)
<b>FUND BALANCES, BEGINNING</b>	<u>12,965,717</u>	<u>55,011,215</u>	<u>3,874,829</u>	<u>71,851,761</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 17,193,037</u>	<u>\$ 33,442,535</u>	<u>\$ 3,999,220</u>	<u>\$ 54,634,792</u>

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

**TOM GREEN COUNTY, TEXAS**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Net change in fund balances - total governmental funds: \$( 17,216,969)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. 27,846,810

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. ( 134,056)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 65,270

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of debt ( 7,960,000)

Net pension obligation ( 228,901)

Amortization of:

Premium ( 387,669)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. 81,925

Change in net position of governmental activities \$ 3,601,410

**TOM GREEN COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2018**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 6,636,365
Investments	597,956
Accounts receivable	25,812
Due from other governments	20,919
Total assets	\$ 7,281,052
<b>LIABILITIES</b>	
Accounts payable	\$ 3,776,403
Due to other governments	3,504,649
Total liabilities	\$ 7,281,052

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

# TOM GREEN COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Reporting Entity**

The County of Tom Green is an independent governmental entity created under the laws of the State of Texas. The County is governed by an elected Commissioners' Court. The reporting entity is defined as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either (a) the primary government must be able to impose its will, or (b) the primary government may potentially benefit financially or be financially responsible for the component unit. The County has no component units.

#### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County has no business-type activities.

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

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

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

## **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County has the following major governmental funds:

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

The ***Capital Projects Fund*** is used to account for proceeds from the 2015 Certificates of Obligation, 2017 Certificates of Obligation and the 2018 Certificates of Obligations which are to be used for the construction and improvements of a variety of County facilities.

Additionally, the County reports the following fund types:

***Debt Service Funds*** are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

***Special Revenue Grants Fund*** are used to account for a variety of federal and state awards received by the County during the course of a given fiscal year. Revenues and expenditures of these awards are accounted for separately from other governmental funds to aid in reporting and record keeping requirements of the grants.

***Agency Funds*** are used to account for assets held by the County as an agent for individuals, private organizations or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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



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

## **Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/ Fund Balance**

### **Deposits and Investments**

The County maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

Investments for the County are reported at fair value, except for the position in investment pools. The County's investments in Pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The County has adopted a written investment policy regarding the investment of its funds as defined in Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the County is authorized to invest in the following:

- Obligations of the United States or its agencies and instruments;
- Obligations of State of Texas or its agencies and instrumentalities; and
- Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities.

### **Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the time of the fiscal year is referred to as "due to/from other funds" (i.e., the current portion of interfund loans).

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

Taxes are due October 1 and become delinquent after January 31. No split payments or discounts are allowed. Penalties and Interest: (a) a delinquent tax incurs a penalty of six percent of the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax on July 1 incurs a total penalty of 12 percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent; (b) a delinquent tax accrues interest at a rate of one percent for each month or portion of a month the tax remains unpaid; and an additional penalty up to a maximum of 15% of taxes, penalty and interest may be imposed to defray costs of collection for taxes delinquent after July 1.

## Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$3,000 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 acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Infrastructure (roads and bridges)	20
Buildings and improvements	20 - 30
Vehicles	5
Machinery and equipment	3 - 15

## Deferred Outflows/Inflows of Resources

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

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions related to the pension – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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

- Under the modified accrual basis of accounting, unavailable revenue is reported in the governmental funds balance sheet as a deferred inflow of resources.
- Difference in experience and actual pension and OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – The difference is deferred and amortized over a closed five-year period.

### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, 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 legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred 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 using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized during the current period.

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

## **Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the Commissioners' Court, the County's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court or County Judge.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

## **Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets 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 is reported as restricted when there are limitations imposed on its 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.

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

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(76,344,725) difference are as follows:

Bonds and notes payable	\$( 65,940,000)
Accrued interest payable	( 439,522)
Compensated absences	( 1,548,543)
Net OPEB obligation	( 1,126,645)
Net pension liability	( 1,089,147)
Retainage payable	( 1,791,839)
Bond premium	<u>( 4,409,029)</u>
 Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 \$( <u>76,344,725</u> )

### Explanation of Certain Differences between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$27,846,810 difference are as follows:

Capital outlay	\$ 31,841,124
Depreciation expense	<u>( 3,994,314)</u>
 Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	 \$ <u>27,846,810</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$65,270 difference are as follows:

Property tax revenue	\$( 83,856)
Fines and fees	<u>149,126</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 65,270</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$81,925 difference are as follows:

Compensated absences	\$( 79,021)
Accrued interest	85,730
Increase in net OPEB obligation	( 125,852)
Amortized bond premium	<u>201,068</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 81,925</u>

### III. DETAILED NOTES ON ALL FUNDS

#### Deposits and Investments

As of September 30, 2018, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Texas CLASS	\$ 25,730,856	22
TexPool	4,689,048	28
Certificates of deposit	<u>16,129,464</u>	
Total fair value	<u>\$ 46,549,368</u>	
Portfolio weighted average maturity (days)		27

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under a written investment policy (the “Investment Policy”) that primarily emphasizes safety of principal, availability of liquidity to meet the County’s obligations and market rate of return. The Investment Policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under Chapter 2256 of the Texas Government Code.

The County's deposits and investments are invested pursuant to the Investment Policy. The Investment Policy includes a list of authorized investment instruments and a maximum allowable stated maturity of any individual investment. In addition, it includes an "Investment Strategy" that specifically addresses limitations on instruments, diversification, and maturity scheduling.

The County is authorized to invest in the following investment instruments, provided that they meet the guidelines of the Investment Policy:

Obligations of the United States of America, its agencies and instrumentalities;

Certificates of deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the law of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner and amount provided by law for deposits for the County.

Money market mutual funds that are 1) registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) rated AAA by at least one nationally recognized rating service, and 4) seek to maintain a net position value of \$1 per share;

Local government investment pools, which 1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and 3) are authorized by resolution or ordinance by Commissioners' Court.

### **Interest Rate Risk**

In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 90 days.

### **Custodial Credit Risk**

In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2018, the County's deposit balance was entirely collateralized with securities held by the pledging financial institution or covered by FDIC insurance.

## Credit Risk

It is the County's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The County's investment pools are rated as follows by Standard & Poor's Investors Service.

Texas CLASS	AAAm
TexPool	AAAm

## Receivables

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

	<u>General</u>	<u>Capital Projects</u>	<u>Governmental Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 2,654,753	\$ -	\$ 123,140	\$ 2,777,893
Accounts	<u>6,323,869</u>	<u>2,159</u>	<u>36,231</u>	<u>6,362,259</u>
Gross receivables	8,978,622	2,159	159,371	9,140,152
Less: allowance for uncollectibles	<u>4,551,989</u>	<u>-</u>	<u>19,676</u>	<u>4,571,665</u>
Net total receivables	<u>\$ 4,426,633</u>	<u>\$ 2,159</u>	<u>\$ 139,695</u>	<u>\$ 4,568,487</u>



## Capital Assets

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,794,801	\$ 5,112	\$ -	\$ 3,799,913
Construction in progress	9,045,811	32,265,050	-	41,310,861
Total capital assets being depreciated	<u>12,840,612</u>	<u>32,270,162</u>	<u>-</u>	<u>45,110,774</u>
Capital assets, being depreciated:				
Buildings	70,663,046	95,149	( 4,128)	70,754,067
Improvements other than buildings	57,870	-	-	57,870
Infrastructure	23,660,550	541,533	-	24,202,083
Machinery and equipment	20,474,989	726,119	( 432,065)	20,769,043
Total capital assets being depreciated	<u>114,856,455</u>	<u>1,362,801</u>	<u>( 436,193)</u>	<u>115,783,063</u>
Less accumulated depreciation:				
Buildings	( 33,722,895)	( 2,006,049)	-	( 35,728,944)
Improvements other than buildings	( 42,200)	( 2,894)	-	( 45,094)
Infrastructure	( 20,609,323)	( 349,398)	-	( 20,958,721)
Machinery and equipment	( 14,110,486)	( 1,635,973)	302,137	( 15,444,322)
Total accumulated depreciation	<u>( 68,484,904)</u>	<u>( 3,994,314)</u>	<u>302,137</u>	<u>( 72,177,081)</u>
Total capital assets being depreciated, net	<u>46,371,551</u>	<u>( 2,631,513)</u>	<u>( 134,056)</u>	<u>43,605,982</u>
Governmental activities capital assets, net	<u>\$ 59,212,163</u>	<u>\$ 29,638,649</u>	<u>\$ ( 134,056)</u>	<u>\$ 88,716,756</u>

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

Governmental activities:	
General government	\$ 1,902,420
Public safety	679,482
Highways and streets	853,722
Culture and recreation	<u>558,690</u>
	<u>\$ 3,994,314</u>

## Interfund Receivables, Payables and Transfers

### Due to/from other funds:

	Due to:	
	<u>Nonmajor Funds</u>	<u>Total</u>
Due from:		
General	\$ 427,331	\$ 427,331
Nonmajor Funds	<u>6,154</u>	<u>6,154</u>
Total	<u>\$ 433,485</u>	<u>\$ 433,485</u>

These balances resulted from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

### Interfund transfers:

	<u>Transfers out</u>	
	<u>Nonmajor Funds</u>	<u>Total</u>
Transfers in:		
General Fund	\$ <u>100,517</u>	\$ <u>100,517</u>
Total transfers	<u>\$ 100,517</u>	<u>\$ 100,517</u>

Transfers are used to: (1) move revenues from the fund required by statute or budget to collect them to the fund required by budget to expend them; and (2) fund the County's match portion for grants.

## **Fund Balance**

As of September 30, 2018, governmental fund balance is composed of the following:

Fund Balance Classification	General	Capital Projects	Other Governmental	Total
Nonspendable:				
Inventories	\$ 19,918	\$ -	\$ -	\$ 19,918
Prepaid items	6,388	-	-	6,388
Total Nonspendable	26,306	-	-	26,306
Restricted:				
Retirement of long-term debt	-	-	211,402	211,402
Road and bridge	-	-	901,947	901,947
Library services	-	-	371,403	371,403
Federal and state programs	-	-	1,347,476	1,347,476
Judicial services	-	-	284,595	284,595
County Clerk	-	-	425,127	425,127
District Clerk	-	-	89,277	89,277
Justice Court technology	-	-	184,937	184,937
Courthouse security	-	-	70,128	70,128
County Attorney	-	-	14,861	14,861
Election services	-	-	98,067	98,067
Capital projects	-	33,442,535	-	33,442,535
Total Restricted	-	33,442,535	3,999,220	37,441,755
Assigned:				
Juvenile services	34,079	-	-	34,079
Judicial services	520,455	-	-	520,455
Total Assigned	554,534	-	-	554,534
Unassigned	16,612,197	-	-	16,612,197
Total governmental fund balance	\$ 17,193,037	\$ 33,442,535	\$ 3,999,220	\$ 54,634,792

## **Long-term Debt**

The County had the following outstanding debt issues as of September 30, 2018:

\$ 50,000,000 Certificate of Obligation issued in 2015; interest at 3% - 5%	\$ 48,635,000
9,515,000 Certificate of Obligation issued in 2017; interest at 2% - 4%	9,345,000
7,960,000 Certificate of Obligation issued in 2018; interest at 3% - 5%	7,960,000
Total	\$ 65,940,000

On April 26, 2018, the County issued \$7,960,000 of Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2018. The proceeds from the sale of the Certificates will be used together with the proceeds of the County's Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2015 and Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2017, for (i) completion of constructing and equipping a new County jail, including additional capacity and related parking, landscaping and infrastructure; (ii) completion of acquiring, constructing and equipping improvements and renovations to the County Courthouse; (iii) constructing and equipping improvements and renovations to the Michael D. Brown Justice Center; (iv) the acquisition of land and interests in land for such projects; and (v) legal, fiscal, architectural, engineering and other professional fees in connection with such projects. The Certificates have an interest rate ranging from 3.00% to 5.00% and a maturity date of 2039.

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2019	\$ 1,990,000	\$ 2,724,557
2020	2,165,000	2,549,988
2021	2,300,000	2,444,913
2022	2,405,000	2,334,288
2023	2,520,000	2,216,538
2024-2028	14,405,000	9,293,600
2029-2033	17,915,000	5,988,260
2034-2038	21,710,000	2,144,610
2039	<u>530,000</u>	<u>7,950</u>
Total	<u>\$ 65,940,000</u>	<u>\$ 29,704,704</u>

### Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Government activities</b>					
Certificates of obligation	\$ 59,515,000	\$ 7,960,000	\$ 1,535,000	\$ 65,940,000	\$ 1,990,000
Compensated absences	1,469,522	2,303,743	2,224,722	1,548,543	309,708
Unamortized bond premium	4,222,428	387,669	201,068	4,409,029	-
Retainage payable	-	<u>1,791,839</u>	-	<u>1,791,839</u>	-
Governmental activity long-term liabilities	<u>\$ 65,206,950</u>	<u>\$ 12,443,251</u>	<u>\$ 3,960,790</u>	<u>\$ 73,689,411</u>	<u>\$ 2,299,708</u>

## **Conduit Debt Obligations**

In 2013, the County created the Tom Green County Cultural Education Facilities Finance Corporation, which issued Education Revenue Bonds, the proceeds thereof were loaned to an open enrollment public charter school in San Angelo, Texas. The proceeds were used to finance the construction and repair of public-school facilities and the acquisition of land deemed to be in the public interest. The bonds are secured by the property financed and are payable solely by the public charter school. Tom Green County, the State, or any other political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2018, there are three series of Education Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$16.4 million.

## **Defined Benefit Pension Plan**

**Plan Description.** The County participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

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.

**Benefits Provided.** TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. By law, employee accounts earn 7% interest. At retirement, death or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

***Employees covered by benefit terms***

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	776
Active employees	<u>746</u>
	<u><u>1,522</u></u>

**Contributions.** The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, 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. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability. Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 7.57% and 7.72% in calendar years 2017 and 2018, respectively. The County’s contributions to TCDRS for the year ended September 30, 2018, were \$2,093,002, and were equal to the required contributions.

**Net Pension Liability.** The County’s Net Pension Liability (NPL) was measured as of December 31, 2017, 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 the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Overall payroll growth	3.25% per year
Investment rate of return	8%, net of pension plan investment expense, including inflation

The County has no automatic cost-of-living adjustments (“COLA”) and one is not considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the County may elect an ad-hoc COLA for its retirees.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

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

The actuarial assumptions that determined the total pension liability as of December 31, 2017, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except for mortality assumptions. Mortality assumptions were updated for the 2016 valuation to reflect projected improvements.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2018 information for a 7 to 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. The target allocation and best estimates of geometric real rates return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation</b> <sup>(1)</sup>	<b>Geometric Real Rate of Return (Expected minus Inflation)</b> <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	11.5%	4.55%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	16.0%	7.55%
Global Equities	MSCI World (net) Index	1.50%	4.85%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	11.0%	4.55%
International Equities - Emerging Markets	MSCI Emerging Markets Standard (net) Index	8.0%	5.55%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	0.75%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	8.0%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.0%	8.06%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	2.0%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.0%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.0%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.0%	6.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	18.0%	4.10%

<sup>(1)</sup> Target asset allocation adopted at the April 2018 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.95%, per Cliffwater's 2018 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

## **Discount Rate**

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



## Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2016	\$ 99,403,824	\$ 92,192,391	\$ 7,211,433
Changes for the year:			
Service cost	3,062,112	-	3,062,112
Interest on total pension liability <sup>(1)</sup>	8,087,265	-	8,087,265
Effect of economic/demographic gains or losses	( 571,543)	-	( 571,543)
Effect of assumptions changes or inputs	542,682	-	542,682
Refund of contributions	( 687,733)	( 687,733)	-
Benefit payments	( 4,662,755)	( 4,662,755)	-
Administrative expenses	-	( 69,220)	69,220
Member contributions	-	1,872,784	( 1,872,784)
Net investment income	-	13,433,519	( 13,433,519)
Employer contributions	-	2,025,266	( 2,025,266)
Other <sup>(2)</sup>	-	( 19,547)	19,547
Balance at 12/31/2017	<u>\$ 105,173,852</u>	<u>\$ 104,084,705</u>	<u>\$ 1,089,147</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> Relates to allocation of system-wide items.

## Sensitivity Analysis

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

	Current		
	1% Decrease 7.1%	Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$ 118,783,492	\$ 105,173,852	\$ 93,744,653
Fiduciary net position	<u>104,084,705</u>	<u>104,084,705</u>	<u>104,084,705</u>
Net pension liability/(asset)	<u>\$ 14,698,787</u>	<u>\$ 1,089,147</u>	<u>\$( 10,340,052)</u>

## Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. The report may be obtained on the Internet at [www.tcdrs.org](http://www.tcdrs.org).

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

For the year ended September 30, 2018, the County recognized pension expense of \$2,321,890.

At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 936,388	\$ -
Changes in actuarial assumptions	-	666,833
Difference between projected and actual investment earnings	1,414,657	-
Contributions subsequent to the measurement date	-	1,607,496
Total	<u>\$ 2,351,045</u>	<u>\$ 2,274,329</u>

\$1,607,496 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended September 30,	
2019	\$ 393,142
2020	222,393
2021	( 1,094,318)
2022	( 1,205,429)

### **Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases workers' compensation insurance coverage from the Texas Association of Counties Self-insurance Fund, a public entity risk pool, which is self-sustaining through member premiums. The Fund reinsures through commercial companies for claims in excess of \$300,000.

The County maintains commercial insurance coverage covering other risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. There have been no significant reductions in insurance coverage from the prior year.

### **Commitments and Contingencies**

#### **Litigation**

The County is party to various legal proceedings which normally occur in governmental operations. In the opinion of management, these legal proceedings are not likely to have a material adverse impact on the affected funds of the County. No accrual has been made for any contingency in these financial statements.

## **Federal and State Grants**

In the normal course of operations, the County receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

## **Post-Employment Benefits Other Than Pension Benefits**

### **Plan Participants**

Eligible plan participants are retirees who are eligible and elect to receive a monthly annuity from the Texas County and District Retirement System (TCDRS). TCDRS retirement forms must be completed prior to resignation and must take effect immediately upon terminating employment with the County. Retirees who subscribe to the County's health insurance may stay on the plan until they reach the age of Medicare eligibility (currently age 65). Dependents of retirees may be eligible only if the dependent has been on the County's insurance plan for a minimum of one year prior to the employee's retirement date.

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Active employees	<u>480</u>
	<u><u>481</u></u>

### **Medical Benefits**

The Plan is a fully insured plan. Current medical retiree premium rates (2017) include:

- a) Pre-age 65 Individual MED: Generally \$816 per month.
- b) Pre-age 65 Spouse MED: Generally \$686 per month.
- c) Pre-age 65 Family MED: Generally \$1,957 per month.
- d) Post-age 65 MED: None, is a pre-Medicare plan only.

Adjustments to these premium rates to reflect the difference between the active/retiree group (for which the current premium rates were based on) and the retiree-only group, were required, in accordance with ASOP 6. The retiree and the spouse are covered under the program. For Tom Green County, these adjustments were required for the Pre-Medicare medical liabilities.

### **Medicare Part B Premiums – None**

**Dental** – Premium (\$24 per month for individual, etc.), is 100% paid by the retiree.

### **Eligibility**

Generally, an employee may retire after the earlier of (i) age 60 with at least 8 years of service (i.e., "vested", (ii) 30 years of service, and (iii) attainment of 75 points (age plus service)

## County Subsidy

The County does not contribute toward retiree or dental medical coverage. The County allows the retirees to pay based on the “blended” premium rate (instead of a higher “retiree only” rate).

### Actuarial Funding Method

Entry Age Normal, level% pay

### Actuarial Assumptions

1. Valuation Date: 10/1/2017
2. Discount Rate: 3.64% per annum\*
3. Salary Scale: 3% per annum (for EAN)
4. Mortality: RP-2014 mortality table with MP-2016 projection
5. Withdrawal: Select rates include:  
1yr, 16%; 5yr, 7%; 10yr 4%;  
15yr, 2%
6. Disability: N/A
7. Retirement: The following table illustrates the retirement rates:

Retirement Age	Retirement Rates
50-51	12%
52-54	13%
55-59	14%
60	15%
61	13%
62	28%
63	17%
64	17%
65	100%

8. Health Care Cost  
Trend Rate

The following table illustrates the assumed health care trend rate for each future year:

Year	(Medical) Assumed Increase
1	7.50%
2	7.25%
3	7.00%
4	6.75%
5	6.50%
6	6.00%
7	5.50%
8	5.00%
9+	4.50%

9. Marital - Actives:	Wife is assumed to be same age as the husband. 10% of those who retire and take coverage are assumed elect coverage for the spouse.
10. Participation Rate:	15% of retirees are expected to take coverage and pay 100% of the blended premium.
11. Inflation Rate:	3.0% per annum
<b>Asset Valuation Method</b>	Market value.
<b>Amortization Basis</b>	For experience losses, over the average expected future working lifetime of the active group.

### Changes in Net OPEB Liability

Discount Rate (Proj.)	3.64%	FYE 9/30/2018	
Investment Return Rate (Proj.)	N/A	Index will apply	
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at 10/1/2017	\$ 1,014,878	\$ -	\$ 1,014,878
Change	<u>111,767</u>	<u>-</u>	<u>111,767</u>
Balances at 9/30/2018	<u>1,126,645</u>	<u>\$ -</u>	<u>\$ 1,126,645</u>
Regular Expense:			
Service Cost	93,748		
Interest Cost	36,880		
Experience (Gain)/Loss Amort	<u>( 1,409)</u>		
Annual OPEB Cost Regular Expense	<u>\$ 129,219</u>		
Prior Period Adjustment:			
Net OPEB Liability 10/01/2017	\$ 1,014,878		
(Less) OPEB Obligation as of 9/30/2017-GASB 45	<u>( 650,103)</u>		
Prior Period Adjustment at 10/01/2017-GASB 75	<u>364,775</u>		
Total GASB 75 Expense for FYE18	<u>\$ 493,994</u>		

### Sensitivity – Discount Rate

The following presents the net OPEB liability of the County, calculated using the discount rate of 3.64%, as well as what the County’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-higher (4.64%) than the current rate:

	1% Decrease 2.64%	Current Discount Rate 3.64%	1% Increase 4.64%
Net OPEB Liability 9/30/2018	\$ 1,285,473	\$ 1,126,645	\$ 967,818
Regular Expense	\$ 150,000	\$ 129,219	\$ 110,000
Prior Period Adjustment	530,000	364,775	210,000
Total GASB 75 Expense for FYE18	\$ 680,000	\$ 493,994	\$ 320,000

### Sensitivity – Health Care Trend Rate

	1% Decrease 7.0% decreasing to 3.5%	Current Discount Rate 8.0% decreasing to 4.5%	1% Increase 9.0% decreasing to 5.5%
Net OPEB Liability 9/30/2018	\$ 951,065	\$ 1,126,645	\$ 1,338,391
Regular Expense	\$ 110,000	\$ 129,219	\$ 150,000
Prior Period Adjustment	190,000	364,775	580,000
Total GASB 75 Expense for FYE18	\$ 300,000	\$ 493,994	\$ 730,000

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

For the year ended September 30, 2018, the County recognized OPEB expense of \$129,219. At September 30, 2018, the County reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 14,085
Total	\$ 14,085

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

Year Ended September 30,		
2019	\$(	1,049)
2020	(	1,049)
2021	(	1,049)
2022	(	1,049)
2023	(	1,049)
Thereafter	(	8,840)

**Prior Period Adjustment**

During the fiscal year 2018, the County adopted GASB statement No. 75 for Accounting and Financial Reporting for Postemployment Benefits Other Than Pension. With GASB 75, the County is required to report their liability based on actual rates of year end. The adoption required a prior period adjustment to report the effect of GASB 75 retroactively. The prior period adjustment totaled \$364,775

**Tax Abatement**

The County can enter into agreements with new, developing, and expanding businesses to promote local economic development. The County has effective agreements with two businesses to rebate 50% of the incremental increase in property taxes since 2014. The County entered into these agreements in March 2014 and may extend these agreements for an additional period of five years. Commitments by the developer include establishing a facility, house commercial vehicles, and equipment. As of year-end \$496,585 was rebated, including \$48,741 in the current fiscal year.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

**TOM GREEN COUNTY, TEXAS**

**GENERAL FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 39,372,981	\$ 39,372,981	\$ 40,637,263	\$ 1,264,282
Fees of office	2,421,853	2,421,853	2,654,501	232,648
Intergovernmental	1,669,286	1,669,286	1,795,274	125,988
Fines and forfeitures	1,012,200	1,012,200	1,001,347	( 10,853)
Licenses and permits	39,500	39,500	56,418	16,918
Investment income	101,100	101,100	322,412	221,312
Miscellaneous	624,724	677,891	1,247,305	569,414
Total revenues	<u>45,241,644</u>	<u>45,294,811</u>	<u>47,714,520</u>	<u>2,419,709</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Salaries and wages	5,349,156	5,265,825	5,067,164	198,661
Benefits	2,486,010	2,483,875	2,146,067	337,808
Operations	8,711,226	8,048,305	7,389,757	658,548
Capital outlay	1,228,208	1,218,409	263,181	955,228
Total general government	<u>17,774,600</u>	<u>17,016,414</u>	<u>14,866,169</u>	<u>2,150,245</u>
Public safety:				
Salaries and wages	13,028,675	13,120,376	12,765,082	355,294
Benefits	5,013,438	5,021,598	4,644,183	377,415
Operations	6,861,479	7,269,266	6,470,462	798,804
Capital outlay	320,416	370,909	323,155	47,754
Total public safety	<u>25,224,008</u>	<u>25,782,149</u>	<u>24,202,882</u>	<u>1,579,267</u>
Highways and streets:				
Salaries and wages	518,500	519,500	490,752	28,748
Benefits	230,331	230,331	192,194	38,137
Operations	534,535	534,535	494,833	39,702
Total highways and streets	<u>1,283,366</u>	<u>1,284,366</u>	<u>1,177,779</u>	<u>106,587</u>
Conservation:				
Salaries and wages	95,254	95,254	95,252	2
Benefits	36,349	36,349	34,853	1,496
Operations	28,400	28,400	26,397	2,003
Total conservation	<u>160,003</u>	<u>160,003</u>	<u>156,502</u>	<u>3,501</u>

**TOM GREEN COUNTY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Health and welfare:				
Salaries and wages	\$ 99,164	\$ 97,064	\$ 76,169	\$ 20,895
Benefits	53,826	53,826	34,994	18,832
Operations	324,208	626,722	540,697	86,025
Total health and welfare	<u>477,198</u>	<u>777,612</u>	<u>651,860</u>	<u>125,752</u>
Culture and recreation:				
Salaries and wages	1,448,073	1,452,425	1,408,858	43,567
Benefits	526,629	527,182	490,262	36,920
Operations	669,209	667,909	634,392	33,517
Capital outlay	125,000	125,000	-	125,000
Total culture and recreation	<u>2,768,911</u>	<u>2,772,516</u>	<u>2,533,512</u>	<u>239,004</u>
Total expenditures	<u>47,688,086</u>	<u>47,793,060</u>	<u>43,588,704</u>	<u>4,204,356</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 2,446,442)</u>	<u>( 2,498,249)</u>	<u>4,125,816</u>	<u>6,624,065</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of capital assets	15,000	15,000	987	( 14,013)
Transfers in	-	-	100,517	100,517
Transfers out	50,000	70,000	-	( 70,000)
Total other financing sources (uses)	<u>65,000</u>	<u>85,000</u>	<u>101,504</u>	<u>16,504</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$( 2,381,442)</u>	<u>\$( 2,413,249)</u>	<u>\$ 4,227,320</u>	<u>\$ 6,640,569</u>
<b>FUND BALANCE, BEGINNING</b>			<u>12,965,717</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 17,193,037</u>	

**TOM GREEN COUNTY, TEXAS**

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

**CAPITAL PROJECTS FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>REVENUES</b>				
Investment income	<u>253,347</u>	<u>253,347</u>	<u>704,531</u>	<u>451,184</u>
Total revenues	<u>253,347</u>	<u>253,347</u>	<u>704,531</u>	<u>451,184</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>55,350,092</u>	<u>55,350,092</u>	<u>30,473,211</u>	<u>24,876,881</u>
Total expenditures	<u>55,350,092</u>	<u>55,350,092</u>	<u>30,473,211</u>	<u>24,876,881</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from the issuance of debt	-	7,960,000	7,960,000	-
Bond premium	<u>-</u>	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>8,200,000</u>	<u>8,200,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ ( 55,096,745)</u></u>	<u><u>\$ ( 46,896,745)</u></u>	<u><u>\$ ( 21,568,680)</u></u>	<u><u>\$ 25,328,065</u></u>
<b>FUND BALANCE, BEGINNING</b>			<u>55,011,215</u>	
<b>FUND BALANCE, ENDING</b>			<u><u>\$ 33,442,535</u></u>	

## **TOM GREEN COUNTY, TEXAS**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY SCHEDULES**

**YEAR ENDED SEPTEMBER 30, 2018**

#### **Budgetary Information**

The County follows these procedures in establishing the budgetary data reflected in the financial report:

1. The County Judge and Commissioners' Court have departmental meetings with management to determine the departmental budget requests.
2. The County Judge and Commissioners must meet in several workshops to establish a proposed budget for the fiscal year commencing the following October. The operational budget includes proposed expenditures and the means of financing them. The proposed budget is filed with the County Clerk and made available for public inspection at least 15 days prior to public budget hearing.
3. Public hearings are conducted to obtain taxpayer comments.
4. After the public hearings, the Commissioners' Court reviews the budget and makes any adjustments they feel necessary.
5. The budget is then legally enacted by the Commissioners' Court on or before October 1, in the timeframe required by statute.

Only the governing body, composed of the Commissioners' Court, may amend the budget after its adoption so long as the amendment continues to meet the requirements of Section 111 of the Local Government Code. During the year, several supplementary amendments to the original budget were required. All amendments were legally made. The final budget amounts shown in the financial statements represent the budget as amended at September 30, 2018. Under state statute, actual expenditures cannot exceed budgetary appropriations at any level for which the budget is formally approved. The County's legally adopted budget is at the department level in those funds with multiple departments and at the fund level in single department funds. Management can, with the exception of personnel items, make adjustments to their budget within the departmental level with Commissioners' Court approval. All budgets are fixed in nature. All governmental funds have legally adopted budgets. For internal management purposes, the budgets are detailed by line item and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget appropriations lapse at year-end. All encumbrances lapse at year-end.

# TOM GREEN COUNTY, TEXAS

## TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Plan Year Ended December 31	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Total Pension Liability:</b>				
Service cost	\$ 2,813,846	\$ 2,962,064	\$ 3,133,160	\$ 3,062,113
Interest total pension liability	6,716,896	7,162,281	7,540,376	8,087,264
Effect of plan changes	-	( 499,200)	-	-
Effect of assumption changes or inputs	-	1,039,287	-	542,682
Effect of economic/demographic (gains) or losses	( 120,929)	( 1,247,664)	( 391,629)	( 571,543)
Benefit payments/refunds of contributions	( 4,131,317)	( 4,370,720)	( 4,773,184)	( 5,350,488)
Net change in total pension liability	5,278,496	5,046,048	5,508,723	5,770,028
Total pension liability - beginning	<u>83,570,558</u>	<u>88,849,053</u>	<u>93,895,101</u>	<u>99,403,824</u>
Total pension liability - ending (a)	<u>\$ 88,849,054</u>	<u>\$ 93,895,101</u>	<u>\$ 99,403,824</u>	<u>\$ 105,173,852</u>
<b>Plan Fiduciary Net Position:</b>				
Employer contributions	\$ 2,067,828	\$ 2,111,233	\$ 2,117,315	\$ 2,025,266
Member contributions	1,706,935	1,786,305	1,824,236	1,872,784
Investment income net of investment expenses	5,555,011	5,530	6,377,104	13,433,519
Benefit payments, including refunds of contributions	( 4,131,317)	( 4,370,720)	( 4,773,184)	( 5,350,488)
Administrative expenses	( 64,944)	( 62,319)	( 69,358)	( 69,220)
Other	<u>224,601</u>	<u>( 215,393)</u>	<u>472,551</u>	<u>( 19,547)</u>
Net change in plan fiduciary net position	5,358,114	( 745,364)	5,948,664	11,892,314
Plan fiduciary net position - beginning	<u>81,630,977</u>	<u>86,989,091</u>	<u>86,243,727</u>	<u>92,192,391</u>
Plan fiduciary net position - ending (b)	<u>86,989,091</u>	<u>86,243,727</u>	<u>92,192,391</u>	<u>104,084,705</u>
Net pension liability - ending (a) - (b)	<u>\$ 1,859,963</u>	<u>\$ 7,651,374</u>	<u>\$ 7,211,433</u>	<u>\$ 1,089,147</u>
Fiduciary net position as a percentage of total pension liability	97.91%	91.85%	92.75%	98.96%
Pensionable covered payroll	\$ 24,384,792	\$ 25,133,798	\$ 26,043,329	\$ 26,754,053
Net pension liability as a percentage of covered payroll	7.63%	30.44%	27.69%	4.07%

Note: This schedule is intended to show ten years of information. Additional years' information will be displayed as it becomes available.

**TOM GREEN COUNTY, TEXAS**

**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**

**SCHEDULE OF CONTRIBUTIONS**

**LAST FOUR FISCAL YEARS**

<b><u>Fiscal Year Ended September 30</u></b>	<b><u>Actuarially Determined Contribution</u></b>	<b><u>Actual Employer Contribution</u></b>	<b><u>Contribution Deficiency (Excess)</u></b>	<b><u>Pensionable Covered Payroll</u></b>	<b><u>Actual Contribution as a % of Covered Payroll</u></b>
2015	\$ 2,100,968	\$ 2,100,968	\$ -	\$ 24,947,079	8.4%
2016	2,200,830	2,200,830	-	26,839,540	8.2%
2017	2,040,402	2,040,402	-	26,498,261	7.7%
2018	2,093,002	2,093,002	-	27,236,046	7.7%

Note: This schedule is intended to show ten years of information. Additional years' information will be displayed as it becomes available.

## TOM GREEN COUNTY, TEXAS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2018

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Methods and assumptions used to determine contribution rates:</b>	
<b>Actuarial Cost Method</b>	Entry age
<b>Amortization Method</b>	Level percentage of payroll, closed
<b>Remaining Amortization Period</b>	11.5 years (based on contribution rate calculated in 12/31/2017 valuation)
<b>Asset Valuation Method</b>	5-year smoothed market
<b>Inflation</b>	2.75%
<b>Salary Increases</b>	Varies by age and service. 4.9% average over career including inflation.
<b>Investment Rate of Return</b>	8.00%, net of investment expenses, including inflation
<b>Retirement Age</b>	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.
<b>Mortality</b>	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.
<b>Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions</b>	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
<b>Changes in Plan Provisions Reflected in the Schedule</b>	2015: No changes in plan provisions were reflected in the schedule. 2016: No changes in plan provisions were reflected in the schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.



**TOM GREEN COUNTY, TEXAS**

**OTHER POST-EMPLOYMENT BENEFITS**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
AND RELATED RATIOS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<b>Plan Year Ended December 31</b>	<b>2018</b>
<b>Total OPEB Liability:</b>	
Service cost	\$ 93,748
Interest	36,880
Difference between expected and actual experience	( 15,494)
Benefit payments	( 3,367)
Net change in total pension liability	111,767
Total pension liability - beginning	<u>1,014,878</u>
Total pension liability - ending (a)	<u>\$ 1,126,645</u>
<b>Plan Fiduciary Net Position:</b>	
Employer contributions	\$ 3,367
Benefit payments	<u>( 3,367)</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending (b)	<u>-</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 1,126,645</u>
Fiduciary net position as a percentage of total pension liability	0.00%
Pensionable covered payroll	\$ 20,993,709
Net pension liability as a percentage of covered payroll	5.37%

Note: This schedule is intended to show ten years of information. Additional years' information will be displayed as it becomes available.

**TOM GREEN COUNTY, TEXAS**

**OTHER POST-EMPLOYMENT BENEFITS**

**SCHEDULE OF CONTRIBUTIONS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<b>Fiscal Year Ended September 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2018	\$ 129,219	\$ 3,367	\$( 125,852)	\$ 20,993,709	0.02%

Note: This schedule is intended to show ten years of information. Additional years' information will be displayed as it becomes available.

## TOM GREEN COUNTY, TEXAS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OTHER POST EMPLOYMENT BENEFITS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

<b>Valuation date</b>	10/01/2017 (disclosures 9/30/2018)
<b>Methods and assumptions used to determine contribution rates:</b>	
<b>Actuarial Cost Method</b>	Entry age normal
<b>Amortization Method</b>	N/A
<b>Amortization Period</b>	N/A
<b>Asset Valuation Method</b>	Market
<b>Inflation</b>	3.00%
<b>Salary Increases</b>	Varies by age and service. 4.9% average over career including inflation.
<b>Investment Rate of Return</b>	8.00%, net of investment expenses, including inflation
<b>Healthcare cost trend rates</b>	8% decr to 55 ultimate
<b>Salary increases</b>	3.00%
<b>Investment rate of return</b>	3.64%
<b>Retirement age</b>	Rates from age 50
<b>Mortality</b>	RP 2014 w/MP2016 proj

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**COMBINING STATEMENTS  
NONMAJOR GOVERNMENTAL FUNDS**

**TOM GREEN COUNTY, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2018**

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
<b>ASSETS</b>				
Cash	\$ 161,339	\$ 12,859	\$ 64,562	\$ 308,763
Investments	398,744	426,833	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	12,565	11,069	280	3,128
Property taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	<u>20,897</u>	<u>20,897</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 593,545</u>	<u>\$ 471,658</u>	<u>\$ 64,842</u>	<u>\$ 311,891</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 86,304	\$ 70,027	\$ 4,641	\$ 497
Accrued liabilities	3,794	3,131	192	-
Due to other governments	-	-	-	-
Due to other funds	<u>3,077</u>	<u>3,077</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>93,175</u>	<u>76,235</u>	<u>4,833</u>	<u>497</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	<u>503,447</u>	<u>398,500</u>	<u>60,009</u>	<u>311,394</u>
Total fund balances	<u>503,447</u>	<u>398,500</u>	<u>60,009</u>	<u>311,394</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 596,622</u>	 <u>\$ 474,735</u>	 <u>\$ 64,842</u>	 <u>\$ 311,891</u>

Special Revenue

Grants	County Clerk Preservation and Archive	Justice Court Technology	Records Management District Clerk	Courthouse and Justice Security	County Attorney Fee Account
\$ -	\$ 74,425	\$ 27,721	\$ 2,342	\$ 69,776	\$ 13,573
-	391,557	149,508	-	-	-
-	2,917	152	36	352	1,432
-	-	-	-	-	-
-	-	-	-	-	-
<u>460,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 460,774</u>	<u>\$ 468,899</u>	<u>\$ 177,381</u>	<u>\$ 2,378</u>	<u>\$ 70,128</u>	<u>\$ 15,005</u>
\$ 23,829	\$ 42,185	\$ 296	\$ -	\$ -	\$ -
9,614	1,587	-	-	-	144
-	-	-	-	-	-
<u>427,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>460,774</u>	<u>43,772</u>	<u>296</u>	<u>-</u>	<u>-</u>	<u>144</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>425,127</u>	<u>177,085</u>	<u>2,378</u>	<u>70,128</u>	<u>14,861</u>
<u>-</u>	<u>425,127</u>	<u>177,085</u>	<u>2,378</u>	<u>70,128</u>	<u>14,861</u>
<u>\$ 460,774</u>	<u>\$ 468,899</u>	<u>\$ 177,381</u>	<u>\$ 2,378</u>	<u>\$ 70,128</u>	<u>\$ 15,005</u>

**TOM GREEN COUNTY, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**(Continued)**

**SEPTEMBER 30, 2018**

	Special Revenue			
	District Attorney Fee Accounts	Records Management County Courts	Judicial Efficiency	LEOSE Training
<b>ASSETS</b>				
Cash	\$ 2,114	\$ 9,543	\$ 19,710	\$ 31,819
Investments	-	245,779	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	321	-	-
Property taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	1,461	-
Total assets	\$ 2,114	\$ 255,643	\$ 21,171	\$ 31,819
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 389	\$ 1,597	\$ 897
Accrued liabilities	-	1,965	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	2,354	1,597	897
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	2,114	253,289	19,574	30,922
Total fund balances	2,114	253,289	19,574	30,922
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 2,114	 \$ 255,643	 \$ 21,171	 \$ 31,819



Special Revenue

Judicial Education County Judge	Lateral Road	TCDP Christoval Water Project	Graffiti Eradication	Election Contract Service	Guardianship
\$ 9,254	\$ 11,345	\$ 23,220	\$ 633	\$ 97,989	\$ 141
-	-	-	-	-	-
-	-	-	-	275	20
-	-	-	-	-	-
-	6,154	-	-	-	-
2,478	-	132,946	-	-	-
<u>\$ 11,732</u>	<u>\$ 17,499</u>	<u>\$ 156,166</u>	<u>\$ 633</u>	<u>\$ 98,264</u>	<u>\$ 161</u>
\$ -	\$ 11,345	\$ 156,166	\$ -	\$ 197	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11,345	156,166	-	197	-
-	-	-	-	-	-
-	-	-	-	-	-
11,732	-	-	633	98,067	161
<u>11,732</u>	<u>-</u>	<u>-</u>	<u>633</u>	<u>98,067</u>	<u>161</u>
<u>\$ 11,732</u>	<u>\$ 11,345</u>	<u>\$ 156,166</u>	<u>\$ 633</u>	<u>\$ 98,264</u>	<u>\$ 161</u>

**TOM GREEN COUNTY, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**(Continued)**

**SEPTEMBER 30, 2018**

	Special Revenue			
	Child Abuse Prevention	County Attorney Pretrial Diversion Program	District Attorney Pretrial Diversion Program	District Clerk Technology
<b>ASSETS</b>				
Cash	\$ 2,564	\$ 5,091	\$ 24,517	\$ 86,829
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	1,500	500	70
Property taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total assets	\$ 2,564	\$ 6,591	\$ 25,017	\$ 86,899
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 109	\$ -	\$ -
Accrued liabilities	-	723	393	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	832	393	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	2,564	5,759	24,624	86,899
Total fund balances	2,564	5,759	24,624	86,899
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 2,564	 \$ 6,591	 \$ 25,017	 \$ 86,899

<u>Special Revenue</u>		<u>Debt Service</u>	
<u>District/ County Court Technology</u>	<u>Texas Juvenile Probation Contracts</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
\$ 7,830	\$ 1,287,004	\$ 276,044	\$ 2,631,007
-	-	-	1,612,421
22	-	1,592	36,231
-	-	103,464	103,464
-	-	-	6,154
-	10,905	-	650,358
<u>\$ 7,852</u>	<u>\$ 1,297,909</u>	<u>\$ 381,100</u>	<u>\$ 5,039,635</u>
\$ -	\$ 15,022	\$ 45,039	\$ 458,540
-	143	21,195	42,881
-	2,045	-	2,045
-	-	-	433,485
<u>-</u>	<u>17,210</u>	<u>66,234</u>	<u>936,951</u>
-	-	103,464	103,464
-	-	103,464	103,464
<u>7,852</u>	<u>1,280,699</u>	<u>211,402</u>	<u>3,999,220</u>
<u>7,852</u>	<u>1,280,699</u>	<u>211,402</u>	<u>3,999,220</u>
<u>\$ 7,852</u>	<u>\$ 1,297,909</u>	<u>\$ 381,100</u>	<u>\$ 5,039,635</u>

**TOM GREEN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	708,517	608,432	72,765	-
Intergovernmental	194,400	165,600	-	-
Investment income	8,061	8,132	176	1,010
Miscellaneous	84,788	66,250	-	35,687
Total revenues	<u>995,766</u>	<u>848,414</u>	<u>72,941</u>	<u>36,697</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	61,254	-
Public safety	-	-	-	-
Highways and streets	929,910	792,315	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	27,841
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>929,910</u>	<u>792,315</u>	<u>61,254</u>	<u>27,841</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>65,856</u>	<u>56,099</u>	<u>11,687</u>	<u>8,856</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond premium	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	65,856	56,099	11,687	8,856
<b>FUND BALANCES, BEGINNING</b>	<u>437,591</u>	<u>342,401</u>	<u>48,322</u>	<u>302,538</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 503,447</u>	<u>\$ 398,500</u>	<u>\$ 60,009</u>	<u>\$ 311,394</u>

Special Revenue

Grants	County Clerk Preservation and Archive	Justice Court Technology	Records Management District Clerk	Courthouse and Justice Security	County Attorney Fee Account
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	388,643	32,699	8,636	65,959	9,863
1,262,236	-	-	-	-	-
-	9,761	2,640	83	319	43
-	-	-	-	-	10
<u>1,262,236</u>	<u>398,404</u>	<u>35,339</u>	<u>8,719</u>	<u>66,278</u>	<u>9,916</u>
-	476,288	-	30,000	-	-
1,028,975	-	3,436	-	15,205	7,724
-	-	-	-	-	-
-	-	-	-	-	-
87,962	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
100,724	-	-	-	7,790	-
<u>1,217,661</u>	<u>476,288</u>	<u>3,436</u>	<u>30,000</u>	<u>22,995</u>	<u>7,724</u>
<u>44,575</u>	<u>( 77,884)</u>	<u>31,903</u>	<u>( 21,281)</u>	<u>43,283</u>	<u>2,192</u>
-	-	-	-	-	-
<u>( 42,495)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 50,000)</u>	<u>-</u>
<u>( 42,495)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 50,000)</u>	<u>-</u>
2,080	( 77,884)	31,903	( 21,281)	( 6,717)	2,192
<u>( 2,080)</u>	<u>503,011</u>	<u>145,182</u>	<u>23,659</u>	<u>76,845</u>	<u>12,669</u>
<u>\$ -</u>	<u>\$ 425,127</u>	<u>\$ 177,085</u>	<u>\$ 2,378</u>	<u>\$ 70,128</u>	<u>\$ 14,861</u>

**TOM GREEN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue			
	District Attorney Fee Accounts	Records Management County Courts	Judicial Efficiency	LEOSE Training
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	58,785	-	-
Intergovernmental	-	-	6,016	13,620
Investment income	4	4,866	64	106
Miscellaneous	1,677	-	-	-
Total revenues	<u>1,681</u>	<u>63,651</u>	<u>6,080</u>	<u>13,726</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	120,502	-	-
Public safety	-	-	5,578	16,777
Highways and streets	-	-	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>120,502</u>	<u>5,578</u>	<u>16,777</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,681</u>	<u>( 56,851)</u>	<u>502</u>	<u>( 3,051)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond premium	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,681	( 56,851)	502	( 3,051)
<b>FUND BALANCES, BEGINNING</b>	<u>433</u>	<u>310,140</u>	<u>19,072</u>	<u>33,973</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,114</u>	<u>\$ 253,289</u>	<u>\$ 19,574</u>	<u>\$ 30,922</u>

Special Revenue

Judicial Education County Judge	Lateral Road	TCDP Christoval Water Project	Graffiti Eradication	Election Contract Service	Guardianship
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,020	-	-	-	-	8,159
-	33,926	179,025	-	9,467	-
31	153	-	2	346	24
-	-	23,220	-	47,150	-
<u>3,051</u>	<u>34,079</u>	<u>202,245</u>	<u>2</u>	<u>56,963</u>	<u>8,183</u>
-	-	-	-	77,910	-
-	-	-	-	-	-
-	40,846	-	-	-	-
-	-	202,245	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>40,846</u>	<u>202,245</u>	<u>-</u>	<u>77,910</u>	<u>-</u>
<u>3,051</u>	<u>( 6,767)</u>	<u>-</u>	<u>2</u>	<u>( 20,947)</u>	<u>8,183</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 8,022)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 8,022)</u>
<u>3,051</u>	<u>( 6,767)</u>	<u>-</u>	<u>2</u>	<u>( 20,947)</u>	<u>161</u>
<u>8,681</u>	<u>6,767</u>	<u>-</u>	<u>631</u>	<u>119,014</u>	<u>-</u>
<u>\$ 11,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633</u>	<u>\$ 98,067</u>	<u>\$ 161</u>

**TOM GREEN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue			
	Child Abuse Prevention	County Attorney Pretrial Diversion Program	District Attorney Pretrial Diversion Program	District Clerk Technology
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	589	52,500	47,811	16,434
Intergovernmental	-	-	-	-
Investment income	8	10	20	266
Miscellaneous	-	-	-	-
Total revenues	<u>597</u>	<u>52,510</u>	<u>47,831</u>	<u>16,700</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	1,941
Public safety	-	44,142	23,613	-
Highways and streets	-	-	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>44,142</u>	<u>23,613</u>	<u>1,941</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>597</u>	<u>8,368</u>	<u>24,218</u>	<u>14,759</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond premium	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	597	8,368	24,218	14,759
<b>FUND BALANCES, BEGINNING</b>	<u>1,967</u>	<u>( 2,609)</u>	<u>406</u>	<u>72,140</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,564</u>	<u>\$ 5,759</u>	<u>\$ 24,624</u>	<u>\$ 86,899</u>



<u>Special Revenue</u>		<u>Debt Service</u>	
District/ County Court Technology	Texas Juvenile Probation Contracts	Debt Service	Total Governmental Funds
\$ -	\$ -	\$ 4,181,030	\$ 4,181,030
2,469	-	-	2,085,281
-	103,152	-	1,967,442
24	2,434	1,251	39,834
-	9,249	1,590	269,621
<u>2,493</u>	<u>114,835</u>	<u>4,183,871</u>	<u>8,543,208</u>
-	-	193,508	961,403
1,701	70,877	-	1,218,028
-	-	-	1,763,071
-	-	-	202,245
-	-	-	115,803
-	-	1,535,000	1,535,000
-	-	2,546,609	2,546,609
-	15,296	-	123,810
<u>1,701</u>	<u>86,173</u>	<u>4,275,117</u>	<u>8,465,969</u>
<u>792</u>	<u>28,662</u>	<u>( 91,246)</u>	<u>77,239</u>
-	-	147,669	147,669
-	-	-	( 100,517)
-	-	147,669	47,152
792	28,662	56,423	124,391
<u>7,060</u>	<u>1,252,037</u>	<u>154,979</u>	<u>3,874,829</u>
<u>\$ 7,852</u>	<u>\$ 1,280,699</u>	<u>\$ 211,402</u>	<u>\$ 3,999,220</u>

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# **AGENCY FUNDS**

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**SEPTEMBER 30, 2018**

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>COUNTY SHERIFF</u></b>				
ASSETS				
Cash	\$ -	\$ 53,782	\$ 53,782	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 53,782</u>	<u>\$ 53,782</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 53,782	\$ 53,782	\$ -
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 53,782</u>	<u>\$ 53,782</u>	<u>\$ -</u>
<b><u>COUNTY CLERK</u></b>				
ASSETS				
Cash	\$ 120,681	\$ 399,907	\$ 339,322	\$ 181,266
Investments	<u>257,546</u>	<u>68,182</u>	<u>53,008</u>	<u>272,720</u>
TOTAL ASSETS	<u>\$ 378,227</u>	<u>\$ 468,089</u>	<u>\$ 392,330</u>	<u>\$ 453,986</u>
LIABILITIES				
Accounts payable	\$ 378,227	\$ 468,089	\$ 392,330	\$ 453,986
TOTAL LIABILITIES	<u>\$ 378,227</u>	<u>\$ 468,089</u>	<u>\$ 392,330</u>	<u>\$ 453,986</u>
<b><u>DISTRICT CLERK</u></b>				
ASSETS				
Cash	\$ 182,073	\$ 662,065	\$ 576,940	\$ 267,198
Investments	<u>523,618</u>	<u>61,636</u>	<u>260,018</u>	<u>325,236</u>
TOTAL ASSETS	<u>\$ 705,691</u>	<u>\$ 723,701</u>	<u>\$ 836,958</u>	<u>\$ 592,434</u>
LIABILITIES				
Accounts payable	\$ 705,691	\$ 723,701	\$ 836,958	\$ 592,434
TOTAL LIABILITIES	<u>\$ 705,691</u>	<u>\$ 723,701</u>	<u>\$ 836,958</u>	<u>\$ 592,434</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

(Continued)

**SEPTEMBER 30, 2018**

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>TAX ASSESSOR-COLLECTOR</u></b>				
<b>ASSETS</b>				
Cash	\$ 1,494,760	\$ 59,285,834	\$ 59,299,818	\$ 1,480,776
Accounts receivable	<u>33,637</u>	<u>3,602,979</u>	<u>3,622,735</u>	<u>13,881</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,528,397</u></b>	<b><u>\$ 62,888,813</u></b>	<b><u>\$ 62,922,553</u></b>	<b><u>\$ 1,494,657</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 413	\$ 25,960	\$ 26,056	\$ 317
Due to other governments	<u>1,527,984</u>	<u>62,862,854</u>	<u>62,896,498</u>	<u>1,494,340</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 1,528,397</u></b>	<b><u>\$ 62,888,814</u></b>	<b><u>\$ 62,922,554</u></b>	<b><u>\$ 1,494,657</u></b>
<b><u>WATER WASTE TREATMENT FEES</u></b>				
<b>ASSETS</b>				
Cash	\$ <u>550</u>	\$ <u>1,830</u>	\$ <u>1,720</u>	\$ <u>660</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 550</u></b>	<b><u>\$ 1,830</u></b>	<b><u>\$ 1,720</u></b>	<b><u>\$ 660</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ <u>550</u>	\$ <u>3,620</u>	\$ <u>3,510</u>	\$ <u>660</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 550</u></b>	<b><u>\$ 3,620</u></b>	<b><u>\$ 3,510</u></b>	<b><u>\$ 660</u></b>
<b><u>JUROR DONATIONS</u></b>				
<b>ASSETS</b>				
Cash	\$ 480	\$ 2,127	\$ 2,271	\$ 336
Accounts receivable	<u>-</u>	<u>264</u>	<u>-</u>	<u>264</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 480</u></b>	<b><u>\$ 2,391</u></b>	<b><u>\$ 2,271</u></b>	<b><u>\$ 600</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ <u>480</u>	\$ <u>2,127</u>	\$ <u>2,007</u>	\$ <u>600</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 480</u></b>	<b><u>\$ 2,127</u></b>	<b><u>\$ 2,007</u></b>	<b><u>\$ 600</u></b>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

(Continued)

**SEPTEMBER 30, 2018**

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
<b><u>CAFETERIA PLAN TRUST</u></b>				
ASSETS				
Cash	\$ 36,806	\$ 59,396	\$ 50,059	\$ 46,143
TOTAL ASSETS	<u>\$ 36,806</u>	<u>\$ 59,396</u>	<u>\$ 50,059</u>	<u>\$ 46,143</u>
LIABILITIES				
Accounts payable	\$ 36,806	\$ 9,337	\$ -	\$ 46,143
TOTAL LIABILITIES	<u>\$ 36,806</u>	<u>\$ 9,337</u>	<u>\$ -</u>	<u>\$ 46,143</u>
<b><u>119TH DISTRICT ATTORNEY</u></b>				
<b><u>DPS FORFEITURE</u></b>				
ASSETS				
Cash	\$ 99	\$ -	\$ 99	\$ -
TOTAL ASSETS	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 99	\$ -	\$ 99	\$ -
TOTAL LIABILITIES	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ -</u>
<b><u>51ST DISTRICT ATTORNEY SPECIAL</u></b>				
<b><u>FORFEITURE</u></b>				
ASSETS				
Cash	\$ 9,488	\$ 34,409	\$ 20,181	\$ 23,716
Accounts receivable	-	407	-	407
Due from other governments	10,255	20,919	10,255	20,919
TOTAL ASSETS	<u>\$ 19,743</u>	<u>\$ 55,735</u>	<u>\$ 30,436</u>	<u>\$ 45,042</u>
LIABILITIES				
Accounts payable	\$ 19,743	\$ 56,504	\$ 31,205	\$ 45,042
TOTAL LIABILITIES	<u>\$ 19,743</u>	<u>\$ 56,504</u>	<u>\$ 31,205</u>	<u>\$ 45,042</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

(Continued)

**SEPTEMBER 30, 2018**

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
<b><u>119TH DISTRICT ATTORNEY</u></b>				
<b><u>SPECIAL FORFEITURE</u></b>				
<b>ASSETS</b>				
Cash	\$ 36,967	\$ 14,954	\$ 26,859	\$ 25,062
<b>TOTAL ASSETS</b>	<u>\$ 36,967</u>	<u>\$ 14,954</u>	<u>\$ 26,859</u>	<u>\$ 25,062</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 36,967	\$ 14,539	\$ 26,444	\$ 25,062
<b>TOTAL LIABILITIES</b>	<u>\$ 36,967</u>	<u>\$ 14,539</u>	<u>\$ 26,444</u>	<u>\$ 25,062</u>
<b><u>STATE MUNICIPAL FEES</u></b>				
<b>ASSETS</b>				
Cash	\$ 11,154	\$ 66,998	\$ 69,121	\$ 9,031
Accounts receivable	<u>37</u>	<u>311</u>	<u>37</u>	<u>311</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,191</u>	<u>\$ 67,309</u>	<u>\$ 69,158</u>	<u>\$ 9,342</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 11,191	\$ 62,703	\$ 64,552	\$ 9,342
<b>TOTAL LIABILITIES</b>	<u>\$ 11,191</u>	<u>\$ 62,703</u>	<u>\$ 64,552</u>	<u>\$ 9,342</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

(Continued)

**SEPTEMBER 30, 2018**

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
<b><u>STATE FEES - CRIMINAL</u></b>				
ASSETS				
Cash	\$ 254,363	\$ 968,964	\$ 1,032,005	\$ 191,322
Accounts receivable	<u>-</u>	<u>5,210</u>	<u>-</u>	<u>5,210</u>
TOTAL ASSETS	<u>\$ 254,363</u>	<u>\$ 974,174</u>	<u>\$ 1,032,005</u>	<u>\$ 196,532</u>
LIABILITIES				
Accounts payable	<u>\$ 254,363</u>	<u>\$ 812,821</u>	<u>\$ 870,652</u>	<u>\$ 196,532</u>
TOTAL LIABILITIES	<u>\$ 254,363</u>	<u>\$ 812,821</u>	<u>\$ 870,652</u>	<u>\$ 196,532</u>
<b><u>STATE FEES - CIVIL</u></b>				
ASSETS				
Cash	\$ 126,839	\$ 527,596	\$ 506,707	\$ 147,728
Accounts receivable	<u>-</u>	<u>4,345</u>	<u>-</u>	<u>4,345</u>
TOTAL ASSETS	<u>\$ 126,839</u>	<u>\$ 531,941</u>	<u>\$ 506,707</u>	<u>\$ 152,073</u>
LIABILITIES				
Accounts payable	<u>\$ 126,839</u>	<u>\$ 529,432</u>	<u>\$ 504,198</u>	<u>\$ 152,073</u>
TOTAL LIABILITIES	<u>\$ 126,839</u>	<u>\$ 529,432</u>	<u>\$ 504,198</u>	<u>\$ 152,073</u>
<b><u>CHILD SAFETY FEE</u></b>				
ASSETS				
Cash	\$ 27,391	\$ 24,192	\$ 24,344	\$ 27,239
Accounts receivable	<u>-</u>	<u>467</u>	<u>-</u>	<u>467</u>
TOTAL ASSETS	<u>\$ 27,391</u>	<u>\$ 24,659</u>	<u>\$ 24,344</u>	<u>\$ 27,706</u>
LIABILITIES				
Accounts payable	<u>\$ 27,391</u>	<u>\$ 47,565</u>	<u>\$ 47,250</u>	<u>\$ 27,706</u>
TOTAL LIABILITIES	<u>\$ 27,391</u>	<u>\$ 47,565</u>	<u>\$ 47,250</u>	<u>\$ 27,706</u>



**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
(Continued)  
SEPTEMBER 30, 2018**

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
<b><u>DISTRICT ATTORNEY</u></b>				
ASSETS				
Cash	\$ 798,190	\$ 250,671	\$ 216,785	\$ 832,076
TOTAL ASSETS	\$ 798,190	\$ 250,671	\$ 216,785	\$ 832,076
LIABILITIES				
Accounts payable	\$ 798,190	\$ 250,671	\$ 216,785	\$ 832,076
TOTAL LIABILITIES	\$ 798,190	\$ 250,671	\$ 216,785	\$ 832,076
<b><u>COUNTY ATTORNEY</u></b>				
ASSETS				
Cash	\$ 20,748	\$ 74,896	\$ 74,780	\$ 20,864
TOTAL ASSETS	\$ 20,748	\$ 74,896	\$ 74,780	\$ 20,864
LIABILITIES				
Accounts payable	\$ 20,748	\$ 74,896	\$ 74,780	\$ 20,864
TOTAL LIABILITIES	\$ 20,748	\$ 74,896	\$ 74,780	\$ 20,864
<b><u>CHILD RESTRAINT STATE FEE</u></b>				
ASSETS				
Cash	\$ 6,160	\$ 4,574	\$ 6,335	\$ 4,399
Accounts receivable	-	174	-	174
TOTAL ASSETS	\$ 6,160	\$ 4,748	\$ 6,335	\$ 4,573
LIABILITIES				
Accounts payable	\$ 6,160	\$ 4,573	\$ 6,160	\$ 4,573
TOTAL LIABILITIES	\$ 6,160	\$ 4,573	\$ 6,160	\$ 4,573

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
(Continued)  
SEPTEMBER 30, 2018**

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
<b><u>SHERIFF FORFEITURE</u></b>				
ASSETS				
Cash	\$ 68,624	\$ 53,840	\$ 52,931	\$ 69,533
Accounts receivable	<u>-</u>	<u>713</u>	<u>-</u>	<u>713</u>
TOTAL ASSETS	<u>\$ 68,624</u>	<u>\$ 54,553</u>	<u>\$ 52,931</u>	<u>\$ 70,246</u>
LIABILITIES				
Accounts payable	<u>\$ 68,624</u>	<u>\$ 16,046</u>	<u>\$ 14,424</u>	<u>\$ 70,246</u>
TOTAL LIABILITIES	<u>\$ 68,624</u>	<u>\$ 16,046</u>	<u>\$ 14,424</u>	<u>\$ 70,246</u>
<b><u>THIRD COURT OF APPEALS</u></b>				
ASSETS				
Cash	\$ 3,003	\$ 10,358	\$ 12,453	\$ 908
Accounts receivable	<u>-</u>	<u>40</u>	<u>-</u>	<u>40</u>
TOTAL ASSETS	<u>\$ 3,003</u>	<u>\$ 10,398</u>	<u>\$ 12,453</u>	<u>\$ 948</u>
LIABILITIES				
Accounts payable	<u>\$ 3,003</u>	<u>\$ 12,315</u>	<u>\$ 14,370</u>	<u>\$ 948</u>
TOTAL LIABILITIES	<u>\$ 3,003</u>	<u>\$ 12,315</u>	<u>\$ 14,370</u>	<u>\$ 948</u>
<b><u>CAFETERIA/ZP</u></b>				
ASSETS				
Cash	<u>\$ -</u>	<u>\$ 50,004</u>	<u>\$ 50,004</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 50,004</u>	<u>\$ 50,004</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
(Continued)  
SEPTEMBER 30, 2018**

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
<b><u>UNCLAIMED PROPERTY</u></b>				
ASSETS				
Cash	\$ 3,906	\$ 2,113	\$ 1,455	\$ 4,564
TOTAL ASSETS	<u>\$ 3,906</u>	<u>\$ 2,113</u>	<u>\$ 1,455</u>	<u>\$ 4,564</u>
LIABILITIES				
Accounts payable	\$ 3,906	\$ 2,955	\$ 2,297	\$ 4,564
TOTAL LIABILITIES	<u>\$ 3,906</u>	<u>\$ 2,955</u>	<u>\$ 2,297</u>	<u>\$ 4,564</u>
<b><u>BAILBONDSMEN COLLATERAL</u></b>				
ASSETS				
Cash	\$ 840,326	\$ 68,564	\$ 257,190	\$ 651,700
TOTAL ASSETS	<u>\$ 840,326</u>	<u>\$ 68,564</u>	<u>\$ 257,190</u>	<u>\$ 651,700</u>
LIABILITIES				
Accounts payable	\$ 840,326	\$ 915,226	\$ 1,103,852	\$ 651,700
TOTAL LIABILITIES	<u>\$ 840,326</u>	<u>\$ 915,226</u>	<u>\$ 1,103,852</u>	<u>\$ 651,700</u>
<b><u>JUVENILE PROBATION</u></b>				
ASSETS				
Cash	\$ 161,576	\$ 1,232,210	\$ 1,228,345	\$ 165,441
TOTAL ASSETS	<u>\$ 161,576</u>	<u>\$ 1,232,210</u>	<u>\$ 1,228,345</u>	<u>\$ 165,441</u>
LIABILITIES				
Accounts payable	\$ 161,576	\$ 1,153,195	\$ 1,149,330	\$ 165,441
TOTAL LIABILITIES	<u>\$ 161,576</u>	<u>\$ 1,153,195</u>	<u>\$ 1,149,330</u>	<u>\$ 165,441</u>
<b><u>LOCAL PROVIDER PARTICIPATION</u></b>				
ASSETS				
Cash	\$ -	\$ 8,219,271	\$ 5,732,868	\$ 2,486,403
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 8,219,271</u>	<u>\$ 5,732,868</u>	<u>\$ 2,486,403</u>
LIABILITIES				
Accounts payable	\$ -	\$ 476,094	\$ -	\$ 476,094
Due to other governments	-	2,010,309	-	2,010,309
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 2,486,403</u>	<u>\$ -</u>	<u>\$ 2,486,403</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
(Continued)  
SEPTEMBER 30, 2018**

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash	\$ 4,204,184	\$ 72,068,555	\$ 69,636,374	\$ 6,636,365
Investments	781,164	129,818	313,026	597,956
Accounts receivable	33,674	3,614,910	3,622,772	25,812
Due from other governments	<u>10,255</u>	<u>20,919</u>	<u>10,255</u>	<u>20,919</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,029,277</u></b>	<b><u>\$ 75,834,202</u></b>	<b><u>\$ 73,582,427</u></b>	<b><u>\$ 7,281,052</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,501,293	\$ 5,716,151	\$ 5,441,041	\$ 3,776,403
Due to other governments	<u>1,527,984</u>	<u>64,873,163</u>	<u>62,896,498</u>	<u>3,504,649</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 5,029,277</u></b>	<b><u>\$ 70,589,314</u></b>	<b><u>\$ 68,337,539</u></b>	<b><u>\$ 7,281,052</u></b>

# **COMPLIANCE SECTION**

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

Honorable County Judge and Members of the  
Commissioners' Court of Tom Green County  
San Angelo, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Tom Green County, Texas' basic financial statements, and have issued our report thereon dated March 22, 2019.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Tom Green County, Texas' 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 Tom Green County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Tom Green County, Texas' internal control.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Tom Green County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

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

Waco, Texas  
March 22, 2019