

MAVERICK COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2018

Maverick County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2018

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the County Judge and Commissioners' Court
Maverick County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Maverick County, Texas, as of and for the year ended 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Maverick County Solid Waste Authority, which represent 58 percent, 39 percent, and 79 percent, respectively, of the assets, net position, and revenues of the Business-type activities of Maverick County, Texas. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Maverick County Solid Waste Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major funds, and the aggregate remaining fund information of Maverick County, Texas, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Road and Bridge Funds, and the Debt Service fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, employees' retirement system information, the OPEB system information, and the OPEB retirement information on pages 4–10, 82-85 and 86–87 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 Maverick County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Wayne R. Beyer

BEYER & COMPANY
Certified Public Accountants
March 28, 2019

Management's Discussion and Analysis

As management of Maverick County, Texas, we offer readers of Maverick County, Texas' financial statements this narrative overview and analysis of the financial activities of Maverick County, Texas for the fiscal year ended September 30, 2018.

Financial Highlights

- The assets of Maverick County, Texas, exceeded its liabilities at the close of the most recent fiscal year by \$5,702,935 (net position). Unrestricted net position was a minus \$14,698,542 at year's end.
- The government's total net position increased by \$4,497,835. This increase is due to the following: An increase in Charges for Services of \$3,089,789 and an increase in Sales Taxes of \$627,621, and careful budget management.
- Maverick County, Texas' total restricted net position at September 30, 2018 is \$2,841,800 or 50%.
- Maverick County, Texas' total debt decreased by \$965,493 (3.23 percent) during the current fiscal year. This decrease is a result of bond and tax note payments of \$1,165,000.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of Maverick County, Texas' 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 Maverick County, Texas is improving or deteriorating.

The *statement for activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that 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 Maverick County, Texas that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Maverick County, Texas include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of Maverick County, Texas include a Water and Sewer System, airport, landfill, and commissary activity.

The government-wide financial statements include only Maverick County, Texas itself (known as the *primary government*.)

The government-wide financial statements can be found on pages 13-14 for this report.

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

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

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

Maverick County, Texas maintains 40 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, the Road and Bridge Fund, the Debt Service Fund, and the Landfill Waste/Criminal Detention Center Fund. The other 36 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Maverick County, Texas adopts an annual appropriated budget for its general fund, road and bridge fund, and debt service fund. A budgetary comparison statement has been provided for the general fund, road and bridge fund, and debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on 15-22 of this report.

Proprietary funds: Maverick County, Texas maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Maverick County, Texas uses enterprise funds to account for its Water and Sewer operations, airport, landfill, and commissary activity.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer operations, airport, landfill, and commissary activity, all of which are considered to be major funds of Maverick County, Texas. The basic proprietary fund financial statements can be found on pages 23-27 of this report.

Maverick County, Texas also has agency funds which are totaled on page 28.

Notes to the financial statements: The notes provided additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-81 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Maverick County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 82-87 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 88-93 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Maverick County, Texas, assets exceeded liabilities by \$5,702,935 at the close of the most recent fiscal year. A large portion of Maverick County, Texas' net position (308 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. Maverick County, Texas uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Maverick County, Texas' 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.

MAVERICK COUNTY, TEXAS NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$13,229,454	\$9,379,926	\$3,970,535	\$3,152,480	\$17,199,989	\$12,532,406
Restricted Assets:				724,512	0	724,512
Capital Assets:	8,970,460	8,005,962	10,734,928	11,030,840	19,705,388	19,036,802
Total Assets	22,199,914	17,385,888	14,705,463	14,907,832	36,905,377	32,293,720
Deferred Inflows of Resources	1,959,249	3,563,580	98,107	221,581	2,057,356	3,785,161
Long-Term Liabilities	24,434,438	25,977,793	4,515,518	3,562,906	28,949,956	29,540,699
Other Liabilities	3,559,567	4,143,152	152,842	600,505	3,712,409	4,743,657
Total Liabilities	27,994,005	30,120,945	4,668,360	4,163,411	32,662,365	34,284,356
Deferred Inflows of Resources	554,631	543,146	42,802	46,279	597,433	589,425
Invested in Capital Assets, Net of Related Debt	7,885,019	8,005,962	9,674,658	10,387,087	17,559,677	18,393,049
Restricted	2,841,800	1,992,761			2,841,800	1,992,761
Unrestricted	(15,116,292)	(19,713,346)	417,750	532,636	(14,698,542)	(19,180,710)
Total Net Position	(\$4,389,473)	(\$9,714,623)	\$10,092,408	\$10,919,723	\$5,702,935	\$1,205,100

An additional portion of Maverick County, Texas' net position (14 percent) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position was a minus \$14,698,542 at year's end.

At the end of the current fiscal year and the prior year, Maverick County, Texas was able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities except for Unrestricted Net Position in the governmental activities. Unrestricted Net Position in the governmental activities was a minus \$15,116,292 in the current year and a minus \$19,713,346 in the prior year.

There was an increase of \$849,039 in restricted net position reported in connection with Maverick County, Texas' governmental-wide activities. This increase resulted from an increase in several special revenue funds during the year.

The government's total net position increased by \$4,497,835. This increase is due to the following: An increase in Charges for Services of \$3,089,789 and an increase in Sales Taxes of \$627,621 and careful budget management.

Governmental activities: Governmental activities increased Maverick County, Texas' net position by \$5,325,150, thereby accounting for 100 percent of the total growth in the net position of Maverick County, Texas. This increase is due to the following: An increase in Charges for Services of \$2,891,469 and an increase in Sales Taxes of \$627,621 and careful budget management.

**MAVERICK COUNTY, TEXAS
CHANGE IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	\$7,526,453	\$4,634,984	\$2,228,983	\$2,030,663	\$9,755,436	\$6,665,647
Operating Grants and Contributions	1,230,764	1,136,212			1,230,764	1,136,212
Capital Grants and Contributions	100,000	0			100,000	0
General Revenues:						
Maintenance and Operations Taxes	12,993,032	13,289,973			12,993,032	13,289,973
Sales Taxes	5,272,686	4,645,065			5,272,686	4,645,065
Other Taxes	44,763	65,667			44,763	65,667
Unrestricted Investment Earnings	8,960	4,067	3,374	3,377	12,334	7,444
Assignment of Prison Facility to the Bond Trustee				3,247,793	0	3,247,793
Miscellaneous	538,177	443,130			538,177	443,130
Total Revenue	27,714,835	24,219,098	2,232,357	5,281,833	29,947,192	29,500,931
Expenses:						
General Administration	3,204,573	3,579,164			3,204,573	3,579,164
Legal	267,389	248,039			267,389	248,039
Judicial	2,290,306	2,138,240			2,290,306	2,138,240
Financial Administration	1,479,819	1,387,150			1,479,819	1,387,150
Public Facilities	288,575	262,978			288,575	262,978
Public Safety	6,991,200	6,433,774			6,991,200	6,433,774
Public Transportation	3,457,811	2,171,988			3,457,811	2,171,988
Culture and Recreation	481,484	387,810			481,484	387,810
Health and Welfare	1,073,128	1,164,773			1,073,128	1,164,773
Conservation - Agriculture	916,837	1,009,044			916,837	1,009,044
Interest and Fiscal Charges	1,511,735	1,648,005			1,511,735	1,648,005
Business-Type Activities			3,486,500	4,018,302	3,486,500	4,018,302
Total Expenses	21,962,857	20,430,965	3,486,500	4,018,302	25,449,357	24,449,267
Increase in Net Position Before Transfers and Special Items	5,751,978	3,788,133	(1,254,143)	1,263,531	4,497,835	5,051,664
Transfers	(426,828)	(334,611)	426,828	334,611	0	0
Increase in Net Position	5,325,150	3,453,522	(827,315)	1,598,142	4,497,835	5,051,664
Net Position at 09/30/2017 - Restated	(9,714,623)	(13,168,145)	10,919,723	9,321,581	1,205,100	(3,846,564)
Net Position at 09/30/2018	(\$4,389,473)	(\$9,714,623)	\$10,092,408	\$10,919,723	\$5,702,935	\$1,205,100

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$3,204,573	\$1,782,085	\$30,568	\$0
Legal	267,389	1,294	23,333	
Judicial	2,290,306	996,701	264,139	
Financial Administration	1,479,819	40,533		
Public Facilities	288,575			100,000
Public Safety	6,991,200	3,690,915	235,570	
Public Transportation	3,457,811	998,524	24,718	
Culture and Recreation	481,484			
Health and Welfare	1,073,128	16,401	652,436	
Conservation - Agriculture	916,837			
Interest and Fiscal Charges	1,511,735			
Total Government Activities	<u>\$21,962,857</u>	<u>\$7,526,453</u>	<u>\$1,230,764</u>	<u>\$100,000</u>

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$7,526,453	27%
Operating Grants and Contributions	1,230,764	4%
Capital Grants and Contributions	100,000	0%
Maintenance and Operations Taxes	12,993,032	48%
Sales Taxes	5,272,686	19%
Other Taxes	44,763	0%
Unrestricted Investment Earnings	8,960	0%
Miscellaneous	538,177	2%
	<u>\$27,714,835</u>	<u>100%</u>

Except as provided above, increases and/or decreases in expenses closely paralleled inflation and growth in the demand for services.

Business-type activities: Business-type activities decreased Maverick County, Texas' net position by \$827,315, accounting for 0 percent of the total increase in the government's net position. Key elements of this decrease are as follows: Maverick County Solid Waste Authority sustained a loss of \$623,334, which resulted from depreciation of \$992,236; the revenues are not sufficient to cover both the operating expenses and the depreciation.

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
Primary Government			
Business-Type Activities:			
Water	\$572,560	\$462,204	\$0
MCPFC Detention Center	915	0	
MCSWA	2,816,531	1,762,995	
MC Detention Center	0	0	
Airport	96,494	3,784	
Jail Commissary	0	0	
Total Business-Type Activities	<u>\$3,486,500</u>	<u>\$2,228,983</u>	<u>\$0</u>

Revenues by Source - Business-Type Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$2,228,983	99.85%
Unrestricted Investment Earnings	3,374	0.15%
	<u>\$2,232,357</u>	<u>100%</u>

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Maverick County, Texas' governmental funds reported combined ending fund balances of \$6,785,297, an increase of \$4,329,701 in comparison with the prior year. *Unassigned fund balance* is \$3,905,736. The remainder of fund balance of \$2,841,800 is restricted to indicate that it is not available for new spending because it has already been committed or non-spendable.

The general fund is the chief operating fund of Maverick County, Texas. At the end of the current fiscal year unassigned fund balance of the general fund was \$1,104,141, while total fund balance was \$1,141,892. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 7 percent of total general fund expenditures, while total fund balance represents 7 percent of that same amount.

The fund balance of Maverick County, Texas' general fund increased by \$3,480,269 during the current fiscal year. This increase is due to an increase in Charges for Services of \$2,576,980 and careful budget management.

At the end of the current fiscal year unassigned fund balance of the Road and Bridge fund was \$0, while total fund balance was \$635,086. As a measure of the Road and Bridge fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 0 percent of total Road and Bridge fund expenditures, while total fund balance represents 16 percent of that same amount.

The fund balance of Maverick County, Texas' Road and Bridge fund increased by \$281,859 during the current fiscal year. This increase is due to transfers in increasing by \$2,265,864.

At the end of the current fiscal year unassigned fund balance of the Debt Service fund was \$0, while total fund balance reached \$470,757. As a measure of the Debt Service fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 0 percent of total Debt Service fund expenditures, while total fund balance represents 18 percent of that same amount.

The fund balance of Maverick County, Texas' Debt Service fund increased by \$24,845 during the current fiscal year. This increase is a result of property tax revenues exceeding debt service expenditures.

At the end of the current fiscal year unassigned fund balance of the Landfill Waste/Criminal Detention Center fund was \$2,847,257, while total fund balance reached \$2,847,257. As a measure of the Landfill Waste/Criminal Detention Center fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures; however, the Landfill Waste/Criminal Detention Center fund had no expenditures during the year.

The fund balance of Maverick County, Texas' Landfill Waste/Criminal Detention Center fund increased by \$463 during the current fiscal year. This increase is immaterial.

Proprietary funds: Maverick County, Texas' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund amounted to \$129,260, those for the MCPFC Detention Center Fund amounted to a \$0, those for the MCSWA Fund amounted to a minus \$1,535,905, those for the MC Detention Center Fund amounted to \$0, those for the Airport Fund amounted to \$1,777,309, and those for the Commissary Fund amounted to \$47,086. The total increase/(decrease) in net position was (\$110,356) for the Water Fund, (\$915) for the MCPFC Detention Center Fund, (\$623,334) for the MCSWA Fund, \$0 for the MC Detention Center Fund, (\$92,710) for the Airport Fund, and \$0 for the Commissary Fund.

General Fund Budgetary Highlights

During the year there was a \$111,476 decrease in appropriations between the original and final amended budget. This decrease occurred ratably throughout the funds.

Capital Asset and Debt Administration:

Capital assets: Maverick County, Texas' investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$19,705,388 (net of cumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, and park facilities. The total increase in Maverick County, Texas' investment in capital assets for the current fiscal year was 4 percent (a 12 percent increase for governmental activities and a 3 percent decrease for business-type activities).

There were no major capital projects during the 2018 year.

**MAVERICK COUNTY, TEXAS
CAPITAL ASSETS (Net of Depreciation)**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land	\$3,741,021	\$3,748,880	\$71,209	\$71,209	\$3,812,230	\$3,820,089
Construction in Progress					0	0
Buildings	3,167,558	3,366,524	3,509,544	3,631,618	6,677,102	6,998,142
Machinery and Equipment	1,811,642	610,047	109	9,589	1,811,751	619,636
Infrastructure	93,822	95,777			93,822	95,777
Intangible	156,417	184,734			156,417	184,734
Water Rights			577,395	596,430	577,395	596,430
MCSWA			6,576,671	6,721,995	6,576,671	6,721,995
Total	\$8,970,460	\$8,005,962	\$10,734,928	\$11,030,841	\$19,705,388	\$19,036,803

Additional information on Maverick County, Texas' capital assets can be found in note IV C on page 44 and 45 of this report.

Long-term debt: At the end of the current fiscal year, Maverick County, Texas had total bonded debt of \$21,125,000. Of this amount, \$21,125,000 comprises debt backed by the full faith and credit of the government.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
General Obligation Bonds	\$20,745,000	\$0	\$650,000	\$20,095,000	\$1,340,000	\$18,755,000
Tax Notes	1,545,000		515,000	1,030,000	515,000	515,000
	<u>22,290,000</u>	<u>0</u>	<u>1,165,000</u>	<u>21,125,000</u>	<u>1,855,000</u>	<u>19,270,000</u>
Grand Total	<u>\$22,290,000</u>	<u>\$0</u>	<u>\$1,165,000</u>	<u>\$21,125,000</u>	<u>\$1,855,000</u>	<u>\$19,270,000</u>

Maverick County, Texas' bonded debt decreased by \$1,165,000 (5 percent) during the current fiscal year. This decrease is a result of bond and tax note payments of \$1,165,000.

Additional information on Maverick County, Texas' long-term debt can be found in note IV.F on pages 47-51 of this report.

Economic Factors and Future Trends

The Eagle Ford Oil and Gas Shale have brought in new businesses which have increased the sales taxes.

Requests for Information

This financial report is designed to provide a general overview of Maverick County, Texas' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Maverick County Auditor, 370 N. Monroe St. Ste.1, Eagle Pass, TX 78852

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MAVERICK COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$8,996,062	\$2,032,904	\$11,028,966
Receivables (net of allowance for uncollectibles)	4,195,641	204,438	4,400,079
Prepaid Items	37,751	0	37,751
Capital Assets Not Being Depreciated: (Incl: MCSWA)			
Land	3,741,021	71,209	3,812,230
Total Capital Assets Being Depreciated, Net			
Buildings	3,167,558	3,509,544	6,677,102
Machinery and Equipment	1,811,642	109	1,811,751
Infrastructure	93,822		93,822
Intangible	156,417		156,417
Water Rights		577,395	577,395
MCSWA		6,576,671	6,576,671
Total Assets	<u>\$22,199,914</u>	<u>\$12,972,270</u>	<u>\$35,172,184</u>
DEFERRED OUTFLOWS OF RESOURCES			
GASB 68			
Deferred Outflow of Resources-Contributions (after 12/31/15)	1,249,746	74,877	1,324,623
Changes of assumptions	275,350	22,802	298,152
GASB 75			
Changes of assumptions	21,653	428	22,081
Loss on Bond Refunding	412,500		412,500
Total Deferred Outflows of Resources	<u>1,959,249</u>	<u>98,107</u>	<u>2,057,356</u>
LIABILITIES:			
Accounts Payable	\$1,541,244	\$75,048	\$1,616,292
Due to Other Funds	1,733,193	(1,733,193)	0
Due to Others	0	64,297	64,297
Accrued Wages	140,051	13,497	153,548
Accrued Interest Payable	121,746	0	121,746
Unearned Revenues	23,333		23,333
Noncurrent Liabilities:			
Due Within One Year	2,597,471	380,096	2,977,567
Due in More Than One Year	21,836,967	4,135,422	25,972,389
Total Liabilities	<u>27,994,005</u>	<u>2,935,167</u>	<u>30,929,172</u>
DEFERRED OUTFLOWS OF RESOURCES			
GASB 68			
Net difference between projected and actual earnings	213,259	25,474	238,733
Differences between expected and actual experience	341,372	17,328	358,700
Total Deferred Outflows of Resources	<u>554,631</u>	<u>42,802</u>	<u>597,433</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	7,885,019	9,674,658	17,559,677
Restricted			
Debt Service	470,757		470,757
General Administration	274,224		274,224
Health and Welfare	205,046		205,046
Judicial	525,912		525,912
Public Safety - Sheriff	613,784		613,784
Public Transportation	635,086		635,086
Records Management	116,991		116,991
Unrestricted	(15,116,292)	417,750	(14,698,542)
Total Net Position	<u>(\$4,389,473)</u>	<u>\$10,092,408</u>	<u>\$5,702,935</u>

The accompanying notes are an integral part of this statement.

MAVERICK COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government							
Government Activities:							
General Administration	\$3,204,573	\$1,782,085	\$30,568		(\$1,391,920)		(\$1,391,920)
Legal	267,389	1,294	23,333		(242,762)		(242,762)
Judicial	2,290,306	996,701	264,139		(1,029,466)		(1,029,466)
Financial Administration	1,479,819	40,533			(1,439,286)		(1,439,286)
Public Facilities	288,575			100,000	(188,575)		(188,575)
Public Safety	6,991,200	3,690,915	235,570		(3,064,715)		(3,064,715)
Public Transportation	3,457,811	998,524	24,718		(2,434,569)		(2,434,569)
Culture and Recreation	481,484				(481,484)		(481,484)
Health and Welfare	1,073,128	16,401	652,436		(404,291)		(404,291)
Conservation - Agriculture	916,837				(916,837)		(916,837)
Interest and Fiscal Charges	1,511,735				(1,511,735)		(1,511,735)
Total Government Activities	21,962,857	7,526,453	1,230,764	100,000	(13,105,640)	0	(13,105,640)
Business-Type Activities:							
Water	572,560	462,204				(110,356)	(110,356)
MCPFC Detention Center	915					(915)	(915)
MCSWA	2,816,531	1,762,995				(1,053,536)	(1,053,536)
MC Detention Center	0	0				0	0
Airport	96,494	3,784				(92,710)	(92,710)
Jail Commissary	0	0				0	0
Total Business-Type Activities:	3,486,500	2,228,983	0	0	0	(1,257,517)	(1,257,517)
Total Primary Government	\$25,449,357	\$9,755,436	\$1,230,764	\$100,000	(13,105,640)	(1,257,517)	(14,363,157)
General Revenues							
Property Taxes, Levies for General Purposes					12,993,032		12,993,032
Sales Taxes					5,272,686		5,272,686
Other Taxes					44,763		44,763
Unrestricted Investment Earnings					8,960	3,374	12,334
Miscellaneous					538,177		538,177
Transfers					(426,828)	426,828	0
Total General Revenues					18,430,790	430,202	18,860,992
Change in Net Position					5,325,150	(827,315)	4,497,835
Net Position - Beginning - Restated					(9,714,623)	10,919,723	1,205,100
Net Position - Ending					(\$4,389,473)	\$10,092,408	\$5,702,935

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

MAVERICK COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General Fund	Road and Bridge Fund	Debt Service Fund	Landfill Waste/ Criminal Detention Ctr. Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$6,164,470	\$1,122,236	\$476,583	\$6,677	\$1,226,096	\$8,996,062
Receivables (net of allowance for uncollectibles)	2,573,001	55,592	526,289		209,507	3,364,389
Prepaid Items	37,751					37,751
Due from Other Funds	23,703	54,305		2,840,580	570,662	3,489,250
Total Assets	\$8,798,925	\$1,232,133	\$1,002,872	\$2,847,257	\$2,006,265	\$15,887,452
LIABILITIES AND FUND BALANCES:						
Liabilities						
Accounts Payable	\$1,013,052	\$230,789	\$5,826		\$291,577	\$1,541,244
Due to Other Funds	4,844,557	366,258			11,628	5,222,443
Accrued Wages	127,296				12,755	140,051
Unearned Revenues	23,333					23,333
Total Liabilities	6,008,238	597,047	5,826	0	315,960	6,927,071
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	1,648,795		526,289			2,175,084
Total Deferred Inflows of Resources	1,648,795	0	526,289	0	0	2,175,084
Fund Balances:						
Non-Spendable						
Prepaid Items	37,751					37,751
Restricted						
Debt Service			470,757			470,757
General Administration					274,224	274,224
Health and Welfare					205,046	205,046
Judicial					525,912	525,912
Public Safety - Sheriff					613,784	613,784
Public Transportation		635,086				635,086
Records Management					116,991	116,991
Unassigned	1,104,141			2,847,257	(45,652)	3,905,746
Total Fund Balance	1,141,892	635,086	470,757	2,847,257	1,690,305	6,785,297
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$8,798,925	\$1,232,133	\$1,002,872	\$2,847,257	\$2,006,265	\$15,887,452

The accompanying notes are an integral part of this statement.

MAVERICK COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2018

Total Fund Balances - governmental funds balance sheet	\$6,785,297
Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	8,970,460
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,823,370
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	2,175,084
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(24,143,684)
Net Position of governmental activities - statement of Net Position	<u>(\$4,389,473)</u>
	0
The accompanying notes are an integral part of this statement.	

MAVERICK COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Road and Bridge Fund	Debt Service Fund	Landfill Waste/ Criminal Detention Ctr. Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$10,412,074		\$2,681,850			\$13,093,924
Sales	2,678,375			2,594,311		5,272,686
Other	44,763					44,763
Intergovernmental	49,608	24,718			1,256,438	1,330,764
Licenses and Permits	252,718	901,121				1,153,839
Charges for Services	5,355,320	97,403			302,844	5,755,567
Fines and Forfeitures	418,885					418,885
Interest	386		7,395	463	716	8,960
Miscellaneous	484,283	1			53,893	538,177
Total Revenues	19,696,412	1,023,243	2,689,245	2,594,774	1,613,891	27,617,565
EXPENDITURES						
Current:						
General Administration	3,010,108				178,082	3,188,190
Legal	264,675					264,675
Judicial	1,996,082				277,393	2,273,475
Financial Administration	1,616,174					1,616,174
Public Facilities	286,149					286,149
Public Safety	6,821,021				255,420	7,076,441
Public Transportation		4,093,009				4,093,009
Culture and Recreation	521,440					521,440
Health and Welfare	451,204				594,028	1,045,232
Conservation - Agriculture	916,592					916,592
Debt Service						
Principal Retirement			1,165,000			1,165,000
Interest Retirement			1,499,400			1,499,400
Total Expenditures	15,883,445	4,093,009	2,664,400	0	1,304,923	23,945,777
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,812,967	(3,069,766)	24,845	2,594,774	308,968	3,671,788
OTHER FINANCING SOURCES (USES):						
Capital Lease Proceeds		1,084,741			0	1,084,741
Operating Transfers In	2,229,245	2,266,884			295,059	4,791,188
Operating Transfers Out	(2,561,943)			(2,594,311)	(61,762)	(5,218,016)
Total Other Financing Sources (Uses)	(332,698)	3,351,625	0	(2,594,311)	233,297	657,913
Net Changes in Fund Balances	3,480,269	281,859	24,845	463	542,265	4,329,701
Fund Balances - Beginning - Restated	(2,338,377)	353,227	445,912	2,846,794	1,148,040	2,455,596
Fund Balances - Ending	1,141,892	635,086	470,757	2,847,257	1,690,305	6,785,297

The accompanying notes are an integral part of this statement.

MAVERICK COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 SEPTEMBER 30, 2018

Net Changes in Fund Balances - total governmental funds	\$4,329,701
Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	964,498
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	198,162
Amortization of Loss on Refunded Bonds -	(9,270)
Amortization of Bond Premium	18,293
GASB 68	
Deferred Outflow of Resources-Contributions (after 12/31/17) - This is the change in these amounts this year.	132,517
Net difference between projected and actual earnings - This is the change in these amounts this year.	(2,078,915)
Differences between expected and actual experience - This is the change in these amounts this year.	201,774
Changes of assumptions - This is the change in these amounts this year.	134,655
GASB 75	
Changes of assumptions - This is the change in these amounts this year.	21,653
Loss on Bond Refunding - This is the change in these amounts this year.	(27,500)
(Increase) decrease in Compensated Absences from beginning of period to end of period.	(50,308)
Capital Lease Issuance Proceeds	(1,085,441)
(Increase) decrease in Accrued Interest Payable from beginning of period to end of period.	6,142
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(100,892)
(Increase) decrease in Net Pension Liability from beginning of period to end of period.	1,558,373
(Increase) decrease in OPEB Payable from beginning of period to end of period.	(53,292)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	<u>1,165,000</u>
Change in Net Position of governmental activities - statement of activities	<u>\$5,325,150</u>

The accompanying notes are an integral part of this statement.

MAVERICK COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$9,990,782	\$9,990,782	\$10,412,074	\$421,292
Sales	2,550,000	2,550,000	2,678,375	128,375
Other	50,538	50,538	44,763	(5,775)
Intergovernmental	48,533	48,533	49,608	1,075
Licenses and Permits	0	0	252,718	252,718
Charges for Services	3,238,252	3,245,573	5,355,320	2,109,747
Fines and Forfeitures	382,508	382,508	418,885	36,377
Interest	100	100	386	286
Miscellaneous	459,556	464,071	484,283	20,212
Total Revenues	16,720,269	16,732,105	19,696,412	2,964,307
EXPENDITURES				
Current:				
General Administration				
Bank Fees	41,000	41,000	21,879	19,121
Code Enforcement	46,100	51,212	45,748	5,464
County Clerk	229,532	228,161	213,922	14,239
County Judge and Commissioners	645,980	784,996	694,959	90,037
El Indio Communications	0	500	500	0
Elections	290,905	299,114	257,375	41,739
Human Resources	98,206	97,615	95,725	1,890
IT Media Tech	40,173	40,235	37,617	2,618
Matching Funds	662,248	697,980	548,146	149,834
Non-Departmental	2,896,359	1,802,451	617,726	1,184,725
Planner	66,307	66,369	64,106	2,263
State Aid	324,001	324,001	320,001	4,000
Veterans Service	49,988	45,971	47,448	(1,477)
VFW Precinct No. 1	45,261	45,323	44,956	367
Legal				
County Attorney	263,950	279,188	264,675	14,513
Judicial				
293rd District	388,613	396,613	373,969	22,644
365th District	382,050	382,075	375,656	6,419
Collections Department	51,816	52,333	45,064	7,269
District Attorney	416,186	424,118	417,932	6,186
District Clerk	380,445	379,818	346,407	33,411
Justice of the Peace	453,384	455,584	437,054	18,530
Financial Administration				
County Auditor	553,904	567,500	542,094	25,406
County Treasurer	360,304	366,793	360,551	6,242
Information Department	339,975	321,937	185,457	136,480
Tax Assessor-Collector	453,576	551,547	528,072	23,475
Public Facilities				
Courthouse	344,716	374,674	286,149	88,525
Public Safety				
Code Enforcement	92,541	119,980	116,882	3,098
Constables	407,335	420,376	374,466	45,910
HIDTA - City of Eagle Pass	55,633	55,695	54,078	1,617
Jail	3,502,873	3,394,532	2,856,815	537,717
Sheriff	3,038,771	3,522,509	3,352,236	170,273
Vector Control	71,081	71,205	66,544	4,661

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture and Recreation				
Administrative Office	67,747	67,872	52,515	15,357
Community Center	178,346	199,921	123,364	76,557
Compt. Center - Pct. 1	87,861	79,050	73,580	5,470
Parks and Recreation	203,000	348,791	271,981	76,810
Health and Welfare				
Cemetery	241,131	257,434	172,860	84,574
Food Pantry	279,349	285,704	278,344	7,360
Conservation - Agriculture				
Agriculture Extension Service	61,077	61,205	53,105	8,100
Intergovernmental Agriculture Contract Service	833,119	871,985	863,487	8,498
Total Expenditures	<u>18,944,843</u>	<u>18,833,367</u>	<u>15,883,445</u>	<u>2,949,922</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,224,574)</u>	<u>(2,101,262)</u>	<u>3,812,967</u>	<u>5,914,229</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,086,274	2,086,274	2,229,245	142,971
Operating Transfers Out	(2,439,679)	(2,561,943)	(2,561,943)	0
Total Other Financing Sources (Uses)	<u>(353,405)</u>	<u>(475,669)</u>	<u>(332,698)</u>	<u>142,971</u>
Net Changes in Fund Balances	<u>(2,577,979)</u>	<u>(2,576,931)</u>	<u>3,480,269</u>	<u>6,057,200</u>
Fund Balances - Beginning - Restated	<u>(2,338,377)</u>	<u>(2,338,377)</u>	<u>(2,338,377)</u>	
Fund Balances - Ending	<u>(\$4,916,356)</u>	<u>(\$4,915,308)</u>	<u>\$1,141,892</u>	<u>\$6,057,200</u>

The accompanying notes are an integral part of this statement.

Note: The above budget comprises only the General Fund of the County. The general fund has been combined with other non-budgeted funds whose fund balance is \$82,706.

MAVERICK COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$15,064	\$15,064	\$24,718	\$9,654
Licenses and Permits	870,000	870,000	901,121	31,121
Charges for Services	25,400	25,400	97,403	72,003
Miscellaneous	8,398	8,398	1	(8,397)
Total Revenues	<u>918,862</u>	<u>918,862</u>	<u>1,023,243</u>	<u>104,381</u>
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	3,832,369	3,943,633	4,093,009	(149,376)
Debt Service				
Principal Retirement				0
Interest Retirement	55,578	55,578	0	55,578
Total Expenditures	<u>3,887,947</u>	<u>3,999,211</u>	<u>4,093,009</u>	<u>(93,798)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,969,085)	(3,080,349)	(3,069,766)	10,583
OTHER FINANCING SOURCES (USES):				
Capital Lease Proceeds	0	0	1,084,741	1,084,741
Transfers In	2,155,620	2,266,884	2,266,884	0
Transfers Out	(5,977)	(5,977)	0	5,977
Total Other Financing Sources (Uses)	<u>2,149,643</u>	<u>2,260,907</u>	<u>3,351,625</u>	<u>1,090,718</u>
Net Changes in Fund Balances	(819,442)	(819,442)	281,859	1,101,301
Fund Balances - Beginning	353,202	353,202	353,227	
Fund Balances - Ending	<u>(\$466,240)</u>	<u>(\$466,240)</u>	<u>\$635,086</u>	<u>\$1,101,301</u>

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

MAVERICK COUNTY, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$2,379,030	\$2,379,030	\$2,681,850	\$302,820
Interest	0	0	7,395	7,395
Total Revenues	<u>2,379,030</u>	<u>2,379,030</u>	<u>2,689,245</u>	<u>310,215</u>
EXPENDITURES				
Debt Service				
Principal Retirement	1,165,000	1,165,000	1,165,000	0
Interest Retirement	1,497,800	1,497,800	1,499,400	(1,600)
Total Expenditures	<u>2,662,800</u>	<u>2,662,800</u>	<u>2,664,400</u>	<u>(1,600)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(283,770)</u>	<u>(283,770)</u>	<u>24,845</u>	<u>308,615</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(283,770)	(283,770)	24,845	308,615
Fund Balances - Beginning	445,912	445,912	445,912	
Fund Balances - Ending	<u>\$162,142</u>	<u>\$162,142</u>	<u>\$470,757</u>	<u>\$308,615</u>

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

BUSINESS TYPE ACTIVITIES
 - ENTERPRISE FUNDS

	Water Current Year	Water Prior Year	MCPFC Detention Center Current Year	MCPFC Detention Center Prior Year	MCSWA Current Year	MCSWA Prior Year	MC Detention Center Current Year	MC Detention Center Prior Year	Airport Current Year	Airport Prior Year	Commissary Current Year	Commissary Prior Year	Totals Current Year
ASSETS													
Current Assets													
Cash and Cash Equivalents	\$138,437	\$85,823			\$1,747,269	\$1,519,925		\$258	\$40,717	\$40,373	\$106,481	\$97,637	\$2,032,904
Accounts Receivables (net of allowance for uncollectibles)	26,513	23,528			177,925	224,392							204,438
Prepaid Items		1,340											0
Due from Other Funds									1,740,272	1,828,999			1,740,272
Total Current Assets	164,950	110,691	0	0	1,925,194	1,744,317	0	258	1,780,989	1,869,372	106,481	97,637	3,977,614
Noncurrent Assets													
Restricted Assets:													
Cash and Cash Equivalents				915									0
Total Restricted Assets	0	0	0	915	0	0	0	0	0	0	0	0	0
Capital Assets													
Land	143	143			308,919	308,919			71,066	71,066			380,128
Landfill Cell One and Two					5,482,492	5,482,492							5,482,492
Buildings	4,749,646	4,749,646			502,395	502,395			133,337	133,337			5,385,378
Machinery and Equipment	1,304,892	1,304,892			3,905,759	3,701,943							5,210,651
Infrastructure					1,935,484	1,935,484			21,942	21,942			1,957,426
Landfill Permit					2,175,360	2,175,360							2,175,360
Water Rights	761,400	761,400											761,400
Construction in Progress					9,591	0							9,591
Total Capital Assets	6,816,081	6,816,081	0	0	14,320,000	14,106,593	0	0	226,345	226,345	0	0	21,362,426
Less Accumulated Depreciation/Amortization	(2,794,620)	(2,647,364)			(7,743,329)	(7,384,599)			(89,549)	(86,216)			(10,627,498)
Total Capital Assets (net of accumulated depreciation)	4,021,461	4,168,717	0	0	6,576,671	6,721,994	0	0	136,796	140,129	0	0	10,734,928
Total Noncurrent Assets	4,021,461	4,168,717	0	915	6,576,671	6,721,994	0	0	136,796	140,129	0	0	10,734,928
TOTAL ASSETS	\$4,186,411	\$4,279,408	\$0	\$915	\$8,501,865	\$8,466,311	\$0	\$258	\$1,917,785	\$2,009,501	\$106,481	\$97,637	\$14,712,542
DEFERRED OUTFLOWS OF RESOURCES													
GASB 68													
Deferred Outflow of Resources-Contributions (after 12/31/16)		16,485				160,353				5,415			0
Deferred Outflow of Resources-Contributions (after 12/31/17)	18,921				50,194				5,762				74,877
Differences between projected and actual experience		27,528								9,042			0
Changes of assumptions	4,169	2,076			17,363				1,270	682			22,802
GASB 75													
Changes of assumptions	328								100				428
TOTAL DEFERRED OUTFLOWS OF RESOURCES	23,418	46,089			67,557	160,353	0	0	7,132	15,139	0	0	98,107

(continued)

(continued)

	Water Current Year	Water Prior Year	MCPFC Detention Center Current Year	MCPFC Detention Center Prior Year	MCSWA Current Year	MCSWA Prior Year	MC Detention Center Current Year	MC Detention Center Prior Year	Airport Current Year	Airport Prior Year	Commissary Current Year	Commissary Prior Year	Totals Current Year
AND OTHER CREDITS													
Liabilities													
Current Liabilities (Payable from Current Assets)													
Accounts Payable	\$11,016	\$2,270			\$64,032	\$101,797				\$32			\$75,048
Accrued Wages	2,243	2,783			10,364	10,310			890	856			13,497
Accrued Interest Payable													0
Due to Other Funds	7,079	108						258					7,079
Due to Others	4,902	2,988									59,395	50,551	64,297
Compensated Absences					4,629	5,013							4,629
Capital Lease Obligation					279,131	264,802							279,131
Compromise and Settlement Note Payable					96,336	96,336							96,336
Bonds, Notes, and Loans Payable - Current													0
Total Current Liabilities	25,240	6,149	0	0	454,492	478,258	0	258	890	888	59,395	50,551	540,017
Noncurrent Liabilities													
Compensated Absences					41,658	40,914							41,658
Capital Lease Obligation					776,901	378,951							776,901
Compromise and Settlement Note Payable					96,336	192,673							96,336
Net Pension Payable	18,072	41,665			61,770	142,597			5,112	12,297			84,954
Net OPEB Payable	7,399	6,592							2,253	2,007			9,652
Accrued Landfill Closure and Postclosure Care Costs					3,125,921	2,753,809							3,125,921
Total Noncurrent Liabilities	25,471	48,257	0	0	4,102,586	3,508,944	0	0	7,365	14,304	0	0	4,135,422
Total Liabilities	50,711	56,406	0	0	4,557,078	3,987,202	0	258	8,255	15,192	59,395	50,551	4,675,439
DEFERRED INFLOWS OF RESOURCES													
GASB 68													
Differences between expected and actual experience	5,168	8,014			18,732	35,632			1,574	2,633			25,474
Differences between projected and actual experience	3,229				13,116				983				17,328
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,397	8,014	0	0	31,848	35,632	0	0	2,557	2,633	0	0	42,802
Net Position													
Invested in Capital Assets, Net of Related Debt	4,021,461	4,168,717	0	0	5,516,401	6,078,241	0	0	136,796	140,129	0	0	9,674,658
Unrestricted	129,260	92,360		915	(1,535,905)	(1,474,411)	0	0	1,777,309	1,866,686	47,086	47,086	417,750
Total Net Position	\$4,150,721	\$4,261,077	\$0	\$915	\$3,980,496	\$4,603,830	\$0	\$0	\$1,914,105	\$2,006,815	\$47,086	\$47,086	\$10,092,408

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

MAVERICK COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Water Current Year	Water Prior Year	MCPFC Detention Center Current Year	MCPFC Detention Center Prior Year	MCSWA Current Year	MCSWA Prior Year	MC Detention Center Current Year	MC Detention Center Prior Year	Airport Current Year	Airport Prior Year	Commissary Current Year	Commissary Prior Year	Totals Current Year
OPERATING REVENUES:													
Charges for Services	\$461,304	\$355,583							\$3,784	\$3,203			465,088
Rents													0
Commissary Sales												18,396	0
Tipping Fee					1,757,475	1,641,314							1,757,475
Miscellaneous	900	1,185		36	5,520	10,946							6,420
Total Operating Revenues	462,204	356,768	0	36	1,762,995	1,652,260	0	0	3,784	3,203	0	18,396	2,228,983
OPERATING EXPENSES:													
Personal Services	228,975	215,487			785,735	843,875			75,382	74,799			1,090,092
Supplies	102,434	100,099			12,408	15,645			5,634	4,607			120,476
Other Services and Charges	93,894	73,237	915	1,905	784,925	841,605		64,532	12,145	7,949		8,953	891,879
Depreciation	147,257	147,527			841,646	785,550			3,333	3,334			992,236
Closure and Post Closure Care Costs (Recovery)					372,113	279,930							372,113
Total Operating Expenses	572,560	536,350	915	1,905	2,796,827	2,766,605	0	64,532	96,494	90,689	0	8,953	3,466,796
Operating Income (Loss)	(110,356)	(179,582)	(915)	(1,869)	(1,033,832)	(1,114,345)	0	(64,532)	(92,710)	(87,486)	0	9,443	(1,237,813)
NON-OPERATING REVENUES (EXPENSES):													
Interest Income					3,374	3,139							3,374
Interest and Fiscal Charges					(19,704)	(25,574)							(19,704)
Total Non-Operating Revenues (Expenses)	0	0	0	0	(16,330)	(22,435)	0	0	0	0	0	0	(16,330)
Income Before Transfers	(110,356)	(179,582)	(915)	(1,869)	(1,050,162)	(1,136,780)	0	(64,532)	(92,710)	(87,486)	0	9,443	(1,254,143)
Assignment of Prison Facility to the Bond Trustee								500,000					0
Transfers In (Out) - Net					426,828	334,611			0	0			426,828
Change in Net Position	(110,356)	(179,582)	(915)	(1,869)	(623,334)	(802,169)	0	435,468	(92,710)	(87,486)	0	9,443	(827,315)
Total Net Position - Beginning - Restated	4,261,077	4,440,659	915	2,784	4,603,830	5,405,999		(435,468)	2,006,815	2,094,301	47,086	37,643	10,919,723
Total Net Position - Ending	\$4,150,721	\$4,261,077	\$0	\$915	\$3,980,496	\$4,603,830	\$0	\$0	\$1,914,105	\$2,006,815	\$47,086	\$47,086	\$10,092,408

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

MAVERICK COUNTY, TEXAS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

BUSINESS TYPE ACTIVITIES
 - ENTERPRISE FUNDS

	Water Current Year	Water Prior Year	MCPFC Detention		MCSWA Current Year	MCSWA Prior Year	MC Detention		Airport Current Year	Airport Prior Year	Commissary Current Year	Commissary Prior Year	Totals Current Year
			Center Current Year	Center Prior Year			Center Current Year	Center Prior Year					
Cash Flows from Operating Activities													
Receipts From Customers and Users	\$468,103	\$286,570	\$0	\$36	\$1,809,462	\$1,601,913	(\$258)	(\$65,838)	\$3,784	\$3,536	\$8,844	\$68,947	2,289,935
Payments to Suppliers	(186,242)	(138,928)	(915)	(35)	(835,098)	(790,114)	0	(524,259)	70,916	69,693	0	(8,953)	(951,339)
Payments to Employees	(229,247)	(203,801)	0	0	(777,139)	(820,052)	0	0	(74,356)	(72,660)	0	0	(1,080,742)
Net Cash Provided (Used) By Operating Activities	52,614	(56,259)	(915)	1	197,225	(8,253)	(258)	(590,097)	344	569	8,844	59,994	257,854
Cash Flows from Non-Capital and Related Financing Activities													
Transfers In (Out) - Net	0	0	0	0	426,828	334,611	0	0	0	0	0	0	426,828
Assignment of Prison Facility to the Bond Trustee							0	500,000					0
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	0	0	0	0	426,828	334,611	0	500,000	0	0	0	0	426,828
Cash Flows from Capital and Related Financing Activities													
Payment of Revenue Bonds, Notes and Capital Leases					(274,452)	(394,378)							(274,452)
Amortization of City of Eagle Pass Liability	0	0	0	0	(96,336)	(96,336)	0	0	0	0	0	0	(96,336)
Proceeds from Capital Debt					686,731								686,731
Interest and Fiscal Charges					(19,704)	(25,574)							(19,704)
Acquisition of Capital Assets					(696,322)	(235,560)							(696,322)
Net Cash Provided (Used) By Capital and Related Financing Activities	0	0	0	0	(400,083)	(751,848)	0	0	0	0	0	0	(400,083)
Cash Flows from Investing Activities													
Interest Received	0	0	0	0	3,374	3,139	0	0	0	0	0	0	3,374
Net Cash Provided (Used) by Investment Activities	0	0	0	0	3,374	3,139	0	0	0	0	0	0	3,374
Net Increase (Decrease) in Cash Equivalents	52,614	(56,259)	(915)	1	227,344	(422,351)	(258)	(90,097)	344	569	8,844	59,994	287,973
Cash and Cash Equivalents at Beginning of Year	85,823	142,082	915	914	1,519,925	1,942,276	258	90,355	40,373	39,804	97,637	37,643	1,744,931
Cash and Cash Equivalents at End of Year	\$138,437	\$85,823	\$0	\$915	\$1,747,269	\$1,519,925	\$0	\$258	\$40,717	\$40,373	\$106,481	\$97,637	\$2,032,904
Unrestricted Assets:													
Cash and Cash Equivalents	\$138,437	\$85,823	\$0	\$0	\$1,747,269	\$1,519,925	\$0	\$258	\$40,717	\$40,373	\$106,481	\$97,637	2,032,904
Restricted Assets:													
Cash and Cash Equivalents	0	0	0	915	0	0	0	0	0	0	0	0	0
Total	\$138,437	\$85,823	\$0	\$915	\$1,747,269	\$1,519,925	\$0	\$258	\$40,717	\$40,373	\$106,481	\$97,637	\$2,032,904

(continued)

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BUSINESS TYPE ACTIVITIES
- ENTERPRISE FUNDS

	MCPFC Detention		MCPFC Detention		MCSWA		MC Detention		MC Detention		Airport	Airport	Commissary	Commissary	Totals	
	Water Current Year	Water Prior Year	Center Current Year	Center Prior Year	Current Year	Prior Year	Center Current Year	Center Prior Year	Current Year	Prior Year						
Reconciliation of operating income to net cash provided (used) by operating activities:																
Operating Income (Loss)	(110,356)	(179,582)	(915)	(1,869)	(1,033,832)	(1,114,345)	0	(64,532)	(92,710)	(87,466)	0	9,443	(1,237,813)			
Adjustments to Reconcile to Net Cash Flow																
Non-Cash Items Included in Net Income																
Depreciation	147,257	147,527	0	0	841,646	785,550	0	0	3,333	3,334	0	0	992,236			
Closure and Post Closure Care Costs	0	0	0	0	372,113	279,930	0	0	0	0	0	0	372,113			
Changes in Current Items																
Decrease (Increase) in Accounts Receivable	(2,985)	(30,418)	0	0	46,467	(4,858)	0	0	0	333	0	0	43,482			
Decrease (Increase) in Prepaid Items	1,340	(1,340)	0	0	0	0	0	0	0	0	0	0	1,340			
Decrease (Increase) in Due from Other Funds	0	0	0	0	0	0	0	0	88,727	82,217	0	0	88,727			
Decrease (Increase) in Due from Others		40,991		1,870				2		0			0			
GASB 68																
Decrease (Increase) Deferred Outflow of Res.-Contributions	(2,436)	687	0	0	110,159	29,511	0	0	(347)	(369)	0	0	107,376			
Increase (Decrease) Deferred Inflow-																
Net difference between projected and actual earnings	30,757	(26,755)	0	0	13,116		0	0	10,025	(8,815)	0	0	53,898			
Increase (Decrease) Deferred Inflow-																
Differences between expected and actual experience	(2,846)	34,485	0	0	(16,900)		0	0	(1,059)	10,411	0	0	(20,805)			
Decrease (Increase) Deferred Outflow-Changes of assumptions	(2,093)	1,454	0	0	(17,363)	(9,193)	0	0	(588)	355	0	0	(20,044)			
GASB 75																
Decrease (Increase) Deferred Outflow-Changes of assumptions	(328)		0	0	0		0		(100)		0		(428)			
Increase (Decrease) in Accounts Payable	8,746	(5,243)	0	0	(37,765)	67,136	0	(459,729)	(32)	32	0	0	(29,051)			
Increase (Decrease) in Accrued Wages	(540)	140	0	0	54	(523)	0	0	34	40	0	0	(452)			
Increase (Decrease) in Accrued Interest Payable	0	0	0	0	0	0	0	0	0	0	0	0	0			
Increase (Decrease) in Compensated Absences	0	0	0	0	357	(2,101)	0	0	0	0	0	0	357			
Increase (Decrease) in Due to Other Funds	6,971	(40,832)	0	0	0	(45,489)	(258)	(65,838)	0	0	0	0	6,713			
Increase (Decrease) in Due to Others	1,913	1,052	0	0	0	0	0	0	0	0	8,844	50,551	10,757			
Increase (Decrease) in Net Pension Liability	(23,593)	1,575	0	0	(80,827)	6,129	0	0	(7,185)	517	0	0	(111,605)			
Increase (Decrease) in Net OPEB Payable	807		0	0	0	0	0	0	246	0	0	0	1,053			
Net Cash Provided (Used)																
By Operating Activities	52,614	(56,259)	(915)	1	197,225	(8,253)	(258)	(590,097)	344	569	8,844	59,994	257,854			
Noncash Investing, Capital, and Financing Activities:																
Capital Lease	\$0	\$0	\$0	\$0	\$686,731	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$686,731			
Total	\$0	\$0	\$0	\$0	\$686,731	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$686,731			

Note: The above funds are all Enterprise Funds.

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

MAVERICK COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Agency Funds
ASSETS	
Cash and Cash Equivalents	<u>\$6,047,523</u>
Total Assets	<u><u>\$6,047,523</u></u>
LIABILITIES	
Due to Others	<u>\$6,047,523</u>
Total Liabilities	<u><u>\$6,047,523</u></u>

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

Maverick County, Texas
Notes to the Financial Statements
September 30, 2018

I. Summary of significant accounting policies

A. Reporting entity/ Basis of Accounting/Measurement Focus

Maverick County operates under a County Judge – Commissioners' Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. The accounting policies of Maverick County, Texas, (the County) conform to generally accepted accounting principles. The County also applies all relevant Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

B. Government-wide financial statements

The County's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the County accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, sales tax, intergovernmental revenues and charges for services. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The government reports the following major governmental funds:

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

The road and bridge fund administers property tax and motor vehicle license monies for the maintenance of the county's roads and bridges.

The debt service fund is used to service the County's bonds and notes payable.

Landfill Waste/Criminal Detention Center Fund is used to collect sales tax for transferring to the Solid Waste Authority Fund (MCSWA).

D. Proprietary fund financial statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the nonmajor funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The government reports the following major proprietary funds:

The Water Utility Fund accounts for the operation of the County's water utility.

The MCPFC Detention Center Fund had accounted for the operation of the County's Detention Center that it rented from the MCPFC and was operated by the GEO Group, Inc.

The Maverick County Detention Center Fund accounts for the operation of the County's Detention Center that it rented from the MCPFC.

The Maverick County Solid Waste accounts for the landfill operations of the County and is accounted for using the accrual basis of accounting.

The Airport Fund operates the County Airport.

The Commissary Fund manages the Commissary for the Jail Inmates.

E. Fiduciary Funds

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

F. Blended Component Units

In 2013, the County implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No.34*. Using the criteria of GASB Statement No.61 as outlined below, potential component units were evaluated for inclusion in, or exclusion from, the reporting entity, whether the organizations were financially accountable or not, and were further evaluated for financial statement presentation. It was determined that all component units of the County continued to be blended as though they are part of the County.

GASB Statement No. 61 modified certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit

Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on substantively the same governing body criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government.

Predicated upon the application of the criteria outlined above, the following is a brief overview of component units included in the reporting entity.

These financial statements include three blended component units, the *Maverick County Public Facility Corporation* (MCPFC), the Child Welfare Board, and the *Maverick County Solid Waste Authority, Inc.* (MCSWA), and a brief description is presented below:

MCPFC

The MCPFC is a public, non-profit corporation created on June 15, 2007, in accordance with the Texas Development Corporation Act of 1979. MCPFC's purpose is to issue bonds on behalf of the County, to finance projects as defined in the Act in order to promote and develop industrial and manufacturing enterprises, thus encouraging employment and improving public welfare.

Tax-exempt bonds issued by the MCPFC do not constitute debt or a pledge of faith of credit of the MCPFC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under section 103 of the Internal Revenue Code. The MCPFC is governed by a seven-member Board of Directors which is comprised of the Maverick County Commissioners' Court, the Sheriff of the County, and a private citizen. All appointments are made by the County Commissioners' Court. The MCPFC is a major enterprise fund.

MCSWA

On August 10, 2009 the Maverick County Commissioners' Court approved creation of MCSWA (a Texas non-profit corporation) for the purpose of operating the County's type I landfill. This corporation was formed pursuant to the Texas Transportation Code which authorizes the corporation to assist and act on behalf of Maverick County to accomplish any governmental purpose of Maverick County. The bylaws of the corporation call for Maverick County Commissioners' Court appointment and approval of the corporation's five member Board of Directors. The MCSWA was formed on August 25, 2009 and commenced its operations on October 7, 2009. MCSWA will assume the operation of the County's landfill, which began operations on October 1, 2010. The MCSWA is a major enterprise fund.

Child Welfare Board

The governing board is appointed by the County. Funding for the board is provided by the State of Texas through the County; the County is fiscally and legally accountable to the state for the activities of the board. The Child Welfare Board is reported in the nonmajor special revenue funds.

G. Non-Profit Corporations

Certain organizations established in accordance with state laws promote business development and issue industrial development bonds. These organizations include: *Maverick County Development Corporation and Maverick County Industrial Development Corporation*. Bonds issued by these organizations do not constitute indebtedness to the County and are secured solely by the organizations or individuals on whose behalf the bonds are issued. These organizations are not included in the County's reporting entity.

H. Interlocal Agreements

Maverick County Solid Waste Authority

During the fiscal year, the Solid Waste Authority entered into an Interlocal Governmental Agreement with the County whereby the Solid Waste Authority agreed to pledge monetary funds from tipping fees and the County has agreed to accept the monetary funds pledged by the Solid Waste Authority.

Per terms of the agreement, the Solid Waste Authority agreed to transfer \$600,000 during the year.

I. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as fair value of the pool shares.

For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 1 percent of current outstanding property taxes at September 30, 2018, and 10 percent of delinquent outstanding property taxes at September 30, 2018. Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

4. Restricted assets

Maverick County had no restricted assets at September 30, 2018.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years.

As the government constructs or acquires additional capital assets each period, they are capitalized and reported at acquisition value. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There were no major construction projects during the 2018 fiscal year.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Public domain infrastructure	40
System infrastructure	40
Vehicles	5
Office equipment	5
Computer equipment	5

6. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide, governmental funds and proprietary financial statements.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

8. Fund equity

As of September 30, 2018, fund balances of the governmental funds are classified as follows:

Nonspendable fund balance - Definition - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Unassigned— all other spendable amounts.

As of September 30, 2018, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$37,751
Restricted	
Debt Service	470,757
General Administration	274,224
Health and Welfare	205,046
Judicial	525,912
Public Safety - Sheriff	613,784
Public Transportation	635,086
Records Management	116,991
Unassigned	<u>3,905,746</u>
Total Fund Balance	<u>\$6,785,297</u>

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, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions. In fiscal year 2011, the County Council adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least equal to 25 percent of the subsequent year's budgeted General Fund expenditures.

9. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

10. 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 government only has one item that qualifies for reporting in this category. It is deferred under GASB 68 and GASB 75.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government only has one item that qualifies for reporting in this category. It is deferred under GASB 68.

The County reports unearned revenue on its fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measureable" and "available" criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the County and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized. Pursuant to GASB 65 we have included deferred ad valorem taxes as deferred inflows in the fund financial statements.

11. Net position flow assumption

Sometimes the government 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 and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government'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

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$24,143,684 difference are as follows:

Tax Notes Payable	\$1,030,000
Bonds Payable	20,095,000
Capital Lease Payable	1,085,441
Compensated Absences	546,481
Accrued Interest Payable	121,746
Net Pension Liability	931,690
Net OPEB Payable	488,703
Loss on Bond Refunding	(412,500)
Bond Issuance Premium	294,203
Bond Discount	(37,080)
	<u>\$24,143,684</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 \$8,970,460 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$3,741,021
Capital Outlay - Additions - Being Depreciated (Net)	20,880,085
Capital Outlay - Deletions	0
Depreciation Expense	(15,650,646)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$8,970,460</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles.)" The details of this \$2,175,084 difference are as follows:

Property Taxes Receivable	\$2,342,174
Allowance for Doubtful Accounts	<u>(167,090)</u>
Net	<u>\$2,175,084</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Municipal fines and fees receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles)" and amounts deferred pursuant to GASB 68. The details of this \$1,823,370 difference are as follows:

Fines Receivable	\$3,424,983
Allowance for Doubtful Accounts	(2,593,731)
GASB 68	
Deferred Outflow of Resources-Contributions (after 12/31/17)	1,249,746
Net difference between projected and actual earnings	(213,259)
Differences between expected and actual experience	(341,372)
Changes of assumptions	275,350
GASB 75	
Changes of assumptions	<u>21,653</u>
Net	<u>\$1,823,370</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that 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 \$964,498 difference are as follows:

Capital assets not being depreciated	(\$7,859)
Capital assets being depreciated	1,789,429
Depreciation expense	(817,072)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in Net Position of governmental activities	<u>\$964,498</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioners' Court.

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court. The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash. When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the line item. Budgets were adopted in conformity with generally accepted accounting principles (GAAP). A budget for the 2018 fiscal year was adopted for the General Fund, the Road and Bridge fund, and the Debt Service fund.

B. Excess of expenditures over appropriations

For the year ended September 30, 2018, expenditures did not exceed appropriations in any fund except for the road and bridge fund where actual expenditures of \$4,093,009 exceeded budgeted expenditures of \$3,999,211 by \$93,798 and the debt service fund where actual expenditures of \$2,664,400 exceeded budgeted expenditures of \$2,662,800 by \$1,600.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2018 except for the following. The Stone Garden 2009 fund - \$43,450 and Stone Garden 2011 fund - \$2,202. These deficits are expected to be liquidated by future resources of the funds.

IV. Detailed notes on all funds

A. Deposits and investments

Legal and Contractual Provisions Governing Deposits and Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is not in substantial compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments:

In compliance with the Public Funds Investment Act, the County has not adopted a deposit and investment policy.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of September 30, 2018, the government's depository bank balance of \$17,049,458 was not exposed to custodial credit risk because it was fully insured and collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$21,217,721 and the FDIC coverage is \$250,000.

The County had \$3,494 in BVA Compass Bank. This amount was covered by FDIC insurance.

At September 30, 2018, the Solid Waste Authority had cash and cash equivalents totaling \$1,749,618. The Solid Waste Authority's deposits at September 30, 2018, were entirely covered by FDIC insurance or by pledged collateral held by the Solid Waste Authority's depository banks in their name.

The total book amount of cash was \$11,028,966 at September 30, 2018.

B. Receivables

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

	General	Road and Bridge	Debt Service	Other Governmental Funds	Water	MCSWA	Total
<u>Receivables</u>							
Taxes	\$1,772,230		\$569,944				\$2,342,174
Accounts	89,774	55,592		3,359	26,513	177,925	353,163
Fines	3,424,983						3,424,983
Sales Tax	469,870						469,870
Intergovernmental	61,642			206,148			267,790
Other	302,920						302,920
Gross Receivables	6,121,419	55,592	569,944	209,507	26,513	177,925	7,160,900
Less: Allowance for Uncollectibles	2,717,166	0	43,655				2,760,821
Net Total Receivables	\$3,404,253	\$55,592	\$526,289	\$209,507	\$26,513	\$177,925	\$4,400,079

C. Capital assets

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

Governmental Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	3,748,880	\$0	\$7,859	\$3,741,021
Total capital assets not being depreciated:	3,748,880	0	7,859	3,741,021
Capital assets being depreciated:				
Building and Improvements	7,411,321			7,411,321
Machinery and Equipment	8,694,833	1,789,429	67,421	10,416,841
Infrastructure	2,768,755			2,768,755
Intangible	283,168		0	283,168
Total capital assets being depreciated:	19,158,077	1,789,429	67,421	20,880,085
Less: Accumulated Depreciation for:				
Building and Improvements	4,044,797	198,966		4,243,763
Machinery and Equipment	8,084,786	587,834	67,421	8,605,199
Infrastructure	2,672,978	1,955		2,674,933
Intangible	98,434	28,317		126,751
Total Accumulated Depreciation	14,900,995	817,072	67,421	15,650,646
Total Capital Assets Depreciated, Net	4,257,082	972,357	0	5,229,439
Governmental Activities capital assets, Net	\$8,005,962	\$972,357	\$7,859	\$8,970,460
Business-type Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$380,128	\$0	\$0	\$380,128
Construction in Progress	0	9,591	0	9,591
Total capital assets not being depreciated:	380,128	9,591	0	389,719
Capital assets being depreciated:				
Building and Improvements	5,385,378	0	0	5,385,378
Landfill Cell One and Two	5,482,492	0	0	5,482,492
Machinery and Equipment	5,006,835	686,731	482,915	5,210,651
Infrastructure	1,935,484	0	0	1,935,484
Landfill Permit	2,175,360	0	0	2,175,360
Water Rights	761,400	0	0	761,400
Total capital assets being depreciated:	20,746,949	686,731	482,915	20,950,765
Less: Accumulated Depreciation for:				
Building and Improvements	1,251,365	122,074	0	1,373,439
Machinery and Equipment	1,295,303	9,480	0	1,304,783
Water Rights	164,970	19,035	0	184,005
MCSWA	7,384,598	841,646	482,915	7,743,329
Total Accumulated Depreciation	10,096,236	992,235	482,915	10,605,556
Total Capital Assets Depreciated, Net	10,650,713	(305,504)	0	10,345,209
Business-type Activities capital assets, Net	\$11,030,841	(\$295,913)	\$0	\$10,734,928

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

Governmental Activities	
General Administration	\$68,287
Financial Administration	42,927
Public Facilities	5,412
Public Safety	389,176
Public Transportation	243,617
Culture and Recreation	18,850
Health and Welfare	<u>48,803</u>
Total Depreciation Expense - Governmental Activities	<u>\$817,072</u>
Business-Type Activities	
Water	\$147,257
MCPFC	
MCSWA	841,646
Airport	<u>3,333</u>
Total Depreciation Expense - Business-Type Activities	<u>\$992,235</u>

Construction commitments:

There were no major construction projects during the 2018 fiscal year.

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2018, is as follows:

Due to/from other funds:

DUE TO	DUE FROM				TOTAL
	General Fund	Road and Bridge Fund	Other Governmental Funds	Water Fund	
General Fund			\$23,703		\$23,703
Road and Bridge Fund			54,305		54,305
Landfill Waste/Criminal Detention Ctr. Fund	2,840,580				2,840,580
Other Governmental Funds	612,226	17,737	(66,380)	7,079	570,662
Airport Fund	1,391,751	348,521			1,740,272
TOTALS	\$4,844,557	\$366,258	\$11,628	\$7,079	\$5,229,522

The above amounts are not expected to be paid within the year.

The amounts due from the general fund and the road and bridge fund to the various respective funds were for operating expenses.

Transfers:

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

In the year ended September 30, 2018, the government made the following recurring transfers:

TRANSFER OUT	TRANSFER IN			TOTAL
	General Fund	Road and Bridge Fund	Other Governmental Funds	
General Fund		\$2,266,884	\$295,059	\$2,561,943
Other Governmental Funds	61,762			61,762
MCSWA Fund	2,167,483			2,167,483
TOTALS	\$2,229,245	\$2,266,884	\$295,059	\$4,791,188

TRANSFER OUT	TRANSFER IN		TOTAL
	General Fund	MCSWA Fund	
Landfill Waste/Criminal Detention Ctr. Fund		\$2,594,311	\$2,594,311
MCSWA Fund	(2,167,483)		(2,167,483)
TOTALS	(\$2,167,483)	\$2,594,311	\$426,828

The transfers into the general fund and the MCSWA fund are for operations.

E. Leases

Operating Leases

The government leases equipment under non cancellable operating leases. Total costs for such leases were \$8,158 for the year ended September 30, 2018. The future minimum lease payments for these leases are as follows:

Year Ending Sep. 30	<u>Amount</u>
2019	\$ 5,043
2020	2,818
2021	1,879
2022	0
2023	0
Total	<u>\$9,740</u>

Rent expenditures were \$46,050 for the year ended September 30, 2018. Rental income was \$52,560 for the year ended September 30, 2018.

F. Long-term debt

Certificates of Obligation Bonds

The government issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation bonds have been issued for governmental activities

Certificates of Obligation bonds currently outstanding are as follows:

PURPOSE	RATE	ORIGINAL AMOUNTS	CURRENT AMOUNTS	SERIES	MATURITY DATE	COVENANTS	SECURITY
Governmental activities	4.00-5.00%	\$5,000,000	\$1,405,000	2004	2020	Sinking Fund	Ad Valorem Tax
Governmental activities	7.00%	\$18,690,000	\$18,690,000	2016	2034	Sinking Fund	Ad Valorem Tax
			<u>\$20,095,000</u>				

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2019	\$1,340,000	\$1,338,500
2020	1,425,000	1,255,775
2021	760,000	1,186,500
2022	815,000	1,131,375
2023	870,000	1,072,400
2024-2028	5,375,000	4,321,275
2029-2033	7,635,000	2,066,225
2034	1,875,000	65,625
TOTALS	<u>\$20,095,000</u>	<u>\$12,437,675</u>

Capital Leases

Business-type activities:

The Solid Waste Authority had two lease purchase agreements for the acquisition of machinery and equipment. Lease principal payments for the fiscal year ended September 30, 2018, totaled \$264,802. The effective interest rate was 3.2% for the first lease and 3.2% for the second lease. Total cost of the assets acquired under these two capital leases is \$1,397,130 with accumulated depreciation of \$821,892. The security for the equipment is the equipment financed.

On August 15, 2018, the Solid Waste Authority entered into a lease purchase agreement for the acquisition of machinery and equipment. Lease principal payments for the fiscal year ended September 30, 2018, totaled \$10,214. The effective interest rate is 4.55% for the lease. Total cost of the asset acquired under this capital leases is \$686,732 with accumulated depreciation of \$7,206. The security for the equipment is the equipment financed.

In 2018, Maverick County entered into a lease purchase agreement for the acquisition of various equipment. Lease principal payments for the fiscal year ended September 30, 2018, totaled \$0. The effective interest rate is 5.05% for the lease. Total cost of the asset acquired under this capital leases is \$798,290 with accumulated depreciation of \$159,588. The security for the equipment is the equipment financed.

In 2018, Maverick County entered into a lease purchase agreement for the acquisition of two Peterbilt Trucks. Lease principal payments for the fiscal year ended September 30, 2018, totaled \$0. The effective interest rate is 5.05% for the lease. Total cost of the asset acquired under this capital leases is \$287,151 with accumulated depreciation of \$57,360. The security for the equipment is the equipment financed.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018, were as follows:

YEAR	Governmental	Business-Type	Total
	Activities	Activities	
	Amount	Amount	Amount
2019	\$248,363	\$317,221	\$565,584
2020	248,363	317,221	565,584
2021	248,363	221,904	470,267
2022	248,363	153,820	402,183
2023	248,363	141,002	389,365
Total Minimum Lease Payments	1,241,815	1,151,168	2,392,983
Less: Amount Representing Interest	156,374	95,136	251,510
Present Value of Net Minimum Lease Payments	\$1,085,441	\$1,056,032	\$2,141,473

Compromise and Settlement Agreement -Note Payable

The Solid Waste Authority, County, and the City of Eagle Pass, TX (City) entered into a Compromise and Settlement Agreement on November 16, 2010. With this agreement, the County settled any outstanding debt for landfill and fire related protection and emergency ambulance services by the City through September 8, 2008 amounting to \$963,364 (\$869,663 plus 6% simple interest from January 30, 2009 through October 31, 2010 (\$93,701)). The agreement states that in lieu of cash payments by the County, the City will be able to deposit 2,408.41 tons (\$963,364/10years/\$40) of Type I refuse in the Solid Waste Authority's Landfill for ten (10) years at a credit to the City of \$40 per ton. The agreement also states that the Solid Waste Authority will assume the debt. The Solid Waste Authority is amortizing this note payable based upon tons of Type I refuse received at a rate of \$40 per ton. The amount amortized each year is capped at \$96,366. The Solid Waste Authority anticipates it will amortize this note payable over 10 years. If the Solid Waste Authority is not able to fulfill its obligations, then the County will assume the debt.

Estimated Cost of Closure and Post Closure Costs

The Solid Waste Authority at year-end operated one active cell and one inactive cell at the landfill site. State and federal laws and regulations require the Solid Waste Authority to place a cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years (30) after closure. The Solid Waste Authority accounts for and discloses closure and postclosure care costs in accordance with GASB Statement No. 18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Cost* (the "Statement"). The Statement requires, among other matters: (1) that the liability for closure and postclosure care costs be estimated based on applicable federal, state or local regulations that were in existence as of the date of the Statements of Net Position (2) that the cost estimates be reevaluated and adjusted on an annual basis for changes due to inflation or deflation, or for changes due to advancements in technology (3) that a portion of these estimated closure and postclosure costs be recognized in each operating period that the landfill is active, based on the amount of waste received during the period (included in the capacity used to date), even though the majority of the costs will not be paid until after the landfill cells are closed, and (4) that changes in the estimated costs for closure and postclosure care which will occur after the landfill stops accepting waste be recognized entirely in the period of the change.

In addition to operating expenses related to current activities of the landfill, an expense (recovery) provision and related liability are being recognized based on the landfill capacity used as of each statement of net position date. The Solid Waste Authority estimates a total combined cost for the closure and post closure of Cells 1 and 2 to be \$3,801,600. These future closure and post closure care costs will be paid only near or after the date the landfill no longer accepts waste. The \$3,125,921 reported as accrued landfill closure and post closure care costs at September 30, 2018, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of Cell 1 and 73% of the estimated capacity of the Cell 2. The current addition recognized in this fiscal year of \$372,113 is from current year usage of capacity. The Solid Waste Authority's Cell 2 has more than doubled the capacity of the landfill. The Solid Waste Authority will recognize the remaining estimated cost of closure and post closure care of \$675,679 as the remaining estimated capacity is filled. The Solid Waste Authority estimates the useful life as of September 30, 2018, to be approximately 4 years. The estimated total current cost of the accrued landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of September 30, 2018. However, the actual cost of closure and post closure care may change due to inflation, changes in technology, or changes in landfill laws and regulations. The above estimated capacity usage is based on a study conducted by SCS Engineers and presented in a report dated November 19, 2018.

Tax Notes Payable

Tax Notes, Series 2013, Issued May 20, 2013, Interest Rate: 8%, Maturity Year: 2020, Amount Issued: \$3,090,000, Amount Outstanding: \$1,030,000. The security for the Tax Notes is Ad Valorem Taxes.

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

Year Ending September 30,	Series 2013 Governmental Activities	
	Principal	Interest
2019	\$515,000	\$82,400
2020	515,000	41,200
TOTALS	\$1,030,000	\$123,600

The annual requirements for the above general long-term debt outstanding at September 30, 2018 are as follows:

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
General Obligation Bonds	\$20,745,000	\$0	\$650,000	\$20,095,000	\$1,340,000	\$18,755,000
Add Deferred Amounts:						
For Issuance Premium	312,496		18,293	294,203		294,203
Tax Notes	1,545,000		515,000	1,030,000	515,000	515,000
Less Deferred Amounts:						
For Tax Note Discount	(46,350)	9,270		(37,080)		(37,080)
Total Bonds Payable	22,556,146	9,270	1,183,293	21,382,123	1,855,000	19,527,123
Capital Lease Payable		1,085,441		1,085,441	195,990	889,451
Net Pension Liability	2,490,063		1,558,373	931,690		931,690
Net OPEB Payable	435,411	53,292		488,703		488,703
Compensated Absences	496,173	546,481	496,173	546,481	546,481	0
Total Governmental Activities	25,977,793	1,694,484	3,237,839	24,434,438	2,597,471	21,836,967
<u>Business-Type Activities:</u>						
Compensated Absences	45,927	46,287	45,927	46,287	4,629	41,658
Net Pension Liability	196,559		111,605	84,954		84,954
Net OPEB Payable	8,599	1,053		9,652		9,652
Capital Lease Obligation	643,753	686,731	274,452	1,056,032	279,131	776,901
Compromise and Settlement Note Payable	289,009		96,337	192,672	96,336	96,336
Accrued Landfill Closure and Postclosure Care Costs	2,753,809	372,112		3,125,921		3,125,921
Total Business-Type Activities	3,937,656	1,106,183	528,321	4,515,518	380,096	4,135,422
Grand Total	\$29,915,449	\$2,800,667	\$3,766,160	\$28,949,956	\$2,977,567	\$25,972,389

The government-wide statement of net assets includes \$2,977,567 as "noncurrent liabilities, due within one year".

Note: Compensated absences are considered to be short term liabilities with the exception of \$4,629 or 10% in the MCSWA fund in the Business-Type Activities. The governmental activities bonds, capital leases, and compensated absences are serviced by the general fund. The Business-type activities bonds, capital leases, and compensated absences are serviced by the both the water fund and the sewer fund.

V. Other information

A. 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.

Claim liabilities are estimated considering the effects of inflation, recent claim settlement trends (including frequency and amounts of payouts) and other economic and social factors (including the effects of specific, incremental claim adjustment expense, salvage and subrogation).

	Year ended <u>09/30/17</u>	Year ended <u>09/30/18</u>
Unpaid Claims, Beginning of Fiscal Year	\$ -0-	\$ -0-
Incurring Claims (including IBNRs)		
Claim Payments	<u>-0-</u>	<u>-0-</u>
Unpaid Claims, End of Fiscal Year	<u>\$ -0-</u>	<u>\$ -0-</u>

1. General Liability Insurance

The County is insured for general, police officers and automobile liability.

The County pays an annual premium to La Vernia Insurance for auto vehicle insurance coverage. The agreement with La Vernia provides that La Vernia will be self-sustaining through member premiums and will reinsure through commercial companies for claims of combined single limits of \$1,000,000 for each insurance event. The County anticipates no contingent losses.

The County continues to carry commercial fidelity bonds for elected officials and for management.

2. Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Political Subdivision.

3. Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Political Subdivision.

4. Group Health and Life Insurance

The County maintains a self-funded health insurance plan for active employees and their eligible dependents. Costs are recorded in the fund from which the employees' compensation is paid. The insurance provides a \$50,000 stop loss per person.

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Workforce Commission (TWC).

B. Related party transaction

County Judge – He belongs to TPS which provides P&C and Workmen's Comp Insurance.

County Judge – His brother is the Sheriff Grant Administrator.

County Treasurer – His family owns Memorial Funeral Home. The amount paid to the home for the year ended September 30, 2018 was \$2,717. There were no amounts owed to either party at September 30, 2018.

Commissioner Pct. No. 1 – His brother owns Morales Enterprises which sells tortillas to the Maverick County Nutrition Center. There were no amounts owed to either party at September 30, 2018.

Commissioner Pct. No. 4 – His brother is a Juvenile Detention Counselor.

C. Subsequent Events

On October 11, 2018, the Commissioners Court approved to ratify TDH Zika grant in the amount of \$157,430.00 for testing of Zika Virus through June 30, 2019.

On December 10, 2018, the Commissioners Court approved the Depository Contract with IBC Bank.

On December 20, 2018, the Commissioners Court approved the Maverick County Food Pantry to submit a yearly contribution of \$45,600 to Quad Counties.

D. Contingent liabilities

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

Daniel Cruz. et al. v. Maverick County. et al.

Civil Action No. 2:14-CV-50-AM-CW S & W File No. 5872

On August 1, 2014, Plaintiffs Daniel Cruz ("Cruz") and Armando Sanchez ("Sanchez") filed a lawsuit against Maverick County and the Maverick County Sheriff's Department claiming that they and several yet to be identified employees were wrongfully denied overtime compensation in the preceding three-year period. The Parties had a trial before the Federal Judge. The Federal Court issued a Final Order of Judgment on March 30, 2018. The Judgement awarded the Plaintiff for actual damages in the amount of \$569,669.59 plus attorney fees in the amount of \$196,600.00 and costs in the amount of \$2,287.50. This judgment earns interest at the rate of 2.06% and the attorney fees and costs of court earns interest at a rate of 2.55% until the all fees, expenses and costs are paid. The County has appealed this Final Judgment to the 5th Circuit of the Federal Court of Appeals. The County has only recently filed their brief with the 5th Circuit and there has been no opinion issued as of the audit date.

Gricelda Saucedo v. Maverick County EEOC 451-2017-02517 S&W File No. 6279

Gricelda Saucedo ("Ms. Saucedo") filed charge of discrimination with the EEOC based upon retaliation and disability. Ms. Saucedo claims the county terminated due to her physical limitations. She believes that she has been discriminated in violation of the Americans with Disabilities Act of 1990. The EEOC has not issued a finding as of the date of this correspondence. The possible exposure to the County, if she is successful, is not excess of \$20,000.00.

Ethelvina Felan v. Maverick County. et. al. Civil Action No. 17-02-33970-MCV S&W File No.6185

On February 21, 2017 Plaintiff filed suit against Maverick County and County Officials claiming that Maverick County had incorrectly calculated its Rollback Tax Rate and failed to Order a Rollback Election as required by the Texas Tax Code. The case is before the Texas Supreme Court. If the Supreme Court grants Plaintiffs Petition County will be required to hold a Rollback Election. If the Rollback Election is successful, the County would have the refund the County taxpayers \$1,300,000.00.

E. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year.

The County had a prior period adjustment whereby governmental activities and business-type activities Net Assets were decreased by \$210,236 and \$47,760, respectively. The restatement was a result of accounts payable being adjusted or lapsing due to the Statue of Limitations.

The County also had a prior period adjustment whereby business-type activities Net Assets were decreased by \$723,597. The restatement was a result of a bank account being closed out in the previous year.

The County also had a prior period adjustment whereby governmental activities and business-type activities Net Assets were decreased by \$435,411 and decreased by \$8,599, respectively. The restatement was a result of the County implementing GASB 75.

These restatements had a corresponding effect on the beginning net assets.

	Net Position, as Previously Reported	Accounts Payable Write-off/ Adjustment	GASB 75 Adjustment	Net Position As Restated
Governmental Activities:				
Net Assets	(\$9,068,976)	(\$210,236)	(\$435,411)	(\$9,714,623)
Total Governmental Activities	(\$9,068,976)	(\$210,236)	(\$435,411)	(\$9,714,623)

	Net Position, as Previously Reported	Accounts Payable Write-off/ Adjustment	Cash Adjustment- Detention Center	GASB 75 Adjustment	Net Position As Restated
Business-Type Activities:					
Net Position	\$11,699,679	(\$47,760)	(\$723,597)	(\$8,599)	\$10,919,723
Total Business-Type Activities	\$11,699,679	(\$47,760)	(\$723,597)	(\$8,599)	\$10,919,723

	Fund Balance as Previously Reported	Accounts Payable Write-off/ Adjustment	Fund Balance as Restated
Governmental Funds:			
Fund Balance	\$2,665,832	(\$210,236)	\$2,455,596
Total Governmental Funds	\$2,665,832	(\$210,236)	\$2,455,596

F. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	<u>December 31, 2016</u>	<u>December 31, 2017</u>
Total pension liability	\$32,610,875	\$35,225,126
Fiduciary net position	29,914,349	34,216,018
Net pension liability/ (asset)	2,696,527	1,009,109
Fiduciary net position as a % of total pension liability	91.73%	97.14%
Pensionable covered payroll ⁽¹⁾	\$9,949,012	\$10,237,419
Net pension liability as a % of covered payroll	27.10%	9.86%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Note: Rounding differences may exist above or in other tables in this report.

⁽¹⁾ Payroll is calculated based on contributions as reported to TCDRS.

Discount Rate

Discount rate ⁽²⁾	8.10%	8.10%
Long-term expected rate of return, net of investment expense ⁽²⁾	8.10%	8.10%
Municipal bond rate ⁽³⁾	Does not apply	Does not apply

⁽²⁾ This rate reflects the long-term rate of return funding valuation assumption of 8.00%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68.

⁽³⁾ The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply. See page 6 of this report for further details.

Other Key Actuarial Assumptions

All 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, 2013 - December 31, 2016, except where required to be different by GASB 68.

See Appendix B of this report (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the total pension liability and other GASB 68 metrics.

See Appendix C (Actuarial Methods and Assumptions Used for Funding Valuation) of this report for a full description of the actuarial assumptions used in the funding valuation.

	Beginning Date	Ending Date
Valuation date	December 31, 2016	December 31, 2017
Measurement date	December 31, 2016	December 31, 2017
Employer's fiscal year	October 1, 2017	September 30, 2018

Projection of Fiduciary Net Position *

Calendar Year Ending **	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses *** (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
2018	\$34,216,018	\$1,630,306	\$2,115,763	\$34,216	\$2,750,860	\$36,447,205
2019	36,447,205	1,540,193	1,783,481	36,447	2,941,115	39,108,585
2020	39,108,585	1,499,042	1,921,367	39,109	3,149,471	41,796,623
2021	41,796,623	1,466,931	1,991,312	41,797	3,363,043	44,593,488
2022	44,593,488	1,436,302	2,119,825	44,593	3,583,158	47,448,529
2023	47,448,529	1,401,008	2,258,675	47,449	3,807,387	50,350,801
2024	50,350,801	1,370,616	2,428,860	50,351	4,034,391	53,276,597
2025	53,276,597	1,336,262	2,568,804	53,277	4,264,343	56,255,121
2026	56,255,121	1,291,869	2,734,154	56,255	4,497,156	59,253,736
2027	59,253,736	1,192,330	2,952,986	59,254	4,727,281	62,161,108
2037	84,072,897	679,680	5,391,022	84,073	6,619,472	85,896,953
2047	92,305,179	207,346	7,455,971	92,305	7,185,200	92,149,448
2057	84,402,976	45,735	7,587,295	84,403	6,533,803	83,310,815
2067	79,304,886	3,291	5,414,836	79,305	6,205,646	80,019,681
2077	105,214,195	0	2,820,173	105,214	8,406,178	110,694,986
2087	196,501,569	0	971,482	196,502	15,870,245	211,203,830
2097	415,557,650	0	132,236	415,558	33,638,416	448,648,273

**Projection values include no assumed future cost-of-living adjustments.*

***Note that only select years have been shown for formatting purposes*

**** Administrative expenses are assumed to be 0.10% of Fiduciary Net Position.*

Changes in Net Pension Liability/ (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a)-(b)
Balances as of December 31, 2016	\$32,610,875	\$29,914,349	\$2,696,527
Changes for the year:			
Service cost	1,322,517		1,322,517
Interest on total pension liability ⁽¹⁾	2,684,791		2,684,791
Effect of plan changes ⁽²⁾	0		0
Effect of economic/demographic gains or losses	(82,633)		(82,633)
Effect of assumptions changes or inputs	296,516		296,516
Refund of contributions	(214,090)	(214,090)	0
Benefit payments	(1,392,850)	(1,392,850)	0
Administrative expenses		(22,755)	22,755
Member contributions		614,245	(614,245)
Net investment income		4,365,798	(4,365,798)
Employer contributions		952,080	(952,080)
Other ⁽³⁾	0	(759)	759
Balances as of December 31, 2017	\$35,225,126	\$34,216,018	\$1,009,109

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

(2) Reflects plan changes adopted effective in 2018.

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

Sensitivity Analysis

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

	1% Decrease	Current Discount Rate	1% Increase
	7.10%	8.10%	9.10%
Total pension liability	\$40,212,956	\$35,225,126	\$31,075,898
Fiduciary net position	<u>34,216,018</u>	<u>34,216,018</u>	<u>34,216,018</u>
Net pension liability/ (asset)	\$5,996,938	\$1,009,109	(\$3,140,120)

Pension Expense/ (Income)

Pension Expense / (Income)	<u>January 1, 2017 to December 31, 2017</u>
Service cost	\$1,322,517
Interest on total pension liability ⁽¹⁾	2,684,791
Effect of plan changes	0
Administrative expenses	22,755
Member contributions	(614,245)
Expected investment return net of investment expenses	(2,420,516)
Recognition of deferred inflows/outflows of resources	(297,964)
Recognition of economic/demographic gains or losses	149,893
Recognition of assumption changes or inputs	294,959
Recognition of investment gains or losses	759
Other ⁽²⁾	0
Pension expense/ (income)	\$1,142,950

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

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

As of December 31, 2017, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$386,233	\$16,593
Changes of assumptions	0	298,151
Net difference between projected and actual earnings	230,918	0
Contributions made subsequent to measurement date ⁽³⁾	N/A	Employer determined

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

Year ended December 31:	
2018	\$146,889
2019	235,723
2020	(295,962)
2021	(389,056)
2022	0
Thereafter ⁽⁴⁾	0

⁽³⁾ Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as outlined in Appendix D of this report.

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

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2017	
Original Amount (a)	Date Established (b)	Original Recognition Period ⁽¹⁾ (c)	Amount Recognized for 2017 ⁽¹⁾ (a)+ (c)	Inflows	Outflows
<i>Investment (gains) or losses</i>					
\$(1,945,282)	12/31/2017	5.0	\$(389,056)	\$1,556,226	\$0
198,116	12/31/2016	5.0	39,623	0	118,870
2,810,228	12/31/2015	5.0	562,046	0	1,124,091
411,733	12/31/2014	5.0	82,347	0	82,347
<i>Economic/ demographic (gains) or losses</i>					
(82,633)	12/31/2017	4.0	(20,658)	61,975	0
(121,441)	12/31/2016	4.0	(30,360)	60,720	0
(1,054,153)	12/31/2015	4.0	(263,538)	263,538	0
82,964	12/31/2014	5.0	16,593	0	16,593
<i>Assumption changes or inputs</i>					
296,516	12/31/2017	4.0	74,129	0	222,387
0	12/31/2016	4.0	0	0	0
303,058	12/31/2015	4.0	75,764	0	75,764
0	12/31/2014	5.0	0	0	0

Employer contributions made subsequent to measurement date ⁽²⁾

-----Employer Determined-----

⁽¹⁾ *Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active, inactive, and retired members.*

⁽²⁾ *Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as deferred outflows as outlined in Appendix D of this report.*

Schedule of Changes in Net Pension Liability and Related Ratios

Year Ended December 31

Total Pension Liability	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Service Cost	\$1,322,517	\$1,355,260	\$1,510,500	\$1,543,919	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	2,684,791	2,455,239	2,357,675	2,170,666	N/A	N/A	N/A	N/A	N/A	N/A
Effect on plan changes	0	0	(301,064)	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect on assumption changes or inputs	296,516	0	303,058	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect on economic/demographic (gains) or losses	(82,633)	(121,441)	(1,054,153)	82,964	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments of contributions	<u>(1,606,940)</u>	<u>(1,422,968)</u>	<u>(1,641,645)</u>	<u>(1,311,566)</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	2,614,251	2,266,090	1,174,371	2,485,983	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>32,610,875</u>	<u>30,344,785</u>	<u>29,170,414</u>	<u>26,684,432</u>	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	<u>\$35,225,126</u>	<u>\$32,610,875</u>	<u>\$30,344,785</u>	<u>\$29,170,414</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	952,080	858,985	965,176	1,166,148	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	614,245	596,941	667,172	711,066	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	4,365,798	2,054,541	(500,733)	1,733,967	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,606,940)	(1,422,968)	(1,641,645)	(1,311,566)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(22,755)	(22,360)	(20,188)	(20,913)	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(759)</u>	<u>85,979</u>	<u>31,275</u>	<u>36,492</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	4,301,669	2,151,116	(498,942)	2,315,193	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>29,914,349</u>	<u>27,763,233</u>	<u>28,262,175</u>	<u>25,946,981</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	<u>\$34,216,018</u>	<u>\$29,914,349</u>	<u>\$27,763,233</u>	<u>\$28,262,175</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset), ending = (a) – (b)	<u>\$1,009,109</u>	<u>\$2,696,527</u>	<u>\$2,581,553</u>	<u>\$908,239</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	97.14%	91.73%	91.49%	96.89%	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$10,237,419.00	\$9,949,012.00	\$11,119,540.00	\$11,851,093.00	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	9.86%	27.10%	23.22%	7.66%	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Employer Contributions ⁽¹⁾

Year Ending December 31	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽²⁾	Actual Contribution as a % of Covered Payroll
2008	\$555,644	\$555,644	0	\$8,736,543	6.4%
2009	653,959	653,959	0	10,060,905	6.5%
2010	886,137	886,137	0	11,958,661	7.4%
2011	818,693	818,693	0	10,974,032	7.5%
2012	857,707	857,707	0	9,363,609	9.2%
2013	892,836	892,836	0	9,408,177	9.5%
2014	1,166,148	1,166,148	0	11,851,093	9.8%
2015	965,176	965,176	0	11,119,540	8.7%
2016	857,605	858,985	(1,380)	9,949,012	8.6%
2017	952,080	952,080	0	10,237,419	9.3%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis. If additional assistance is needed, please contact TCDRS.

(2) Payroll is calculated based on contributions as reported to TCDRS.

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method Remaining	Level percentage of payroll, closed
Amortization Period Asset	11.4 years (based on contribution rate calculated in 12/31/2017 valuation) 5-
Valuation Method Inflation	year smoothed market
Salary Increases Investment	2.75%
Rate of Return Retirement	Varies by age and service. 4.9% average over career including inflation.
Age	8.00%, net of administrative and investment expenses, including inflation
Mortality	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.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	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. 2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

Appendix A - GASB 68 Plan Description for Maverick County

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

- a. Maverick County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the county's plan, 6% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 250%) and is then converted to an annuity.
 - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Maverick County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 6%. Contributions to the pension plan from the county for 2017 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

Members	Dec. 31, 2016	Dec. 31, 2017
Number of inactive employees entitled to but not yet receiving benefits:	412	410
Number of active employees:	315	323
Average monthly salary*:	\$2,614	\$2,652
Average age*:	43.39	43.84
Average length of service in years*:	8.15	8.24
<hr/>		
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	110	113
Average monthly benefit:	\$964	\$1,006

**Averages reported for active employees.*

Appendix B - Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2017 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Maverick County December 31, 2017 Summary Valuation Report for further details.

The following are the key assumptions and methods used in this GASB analysis.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal ⁽¹⁾
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation: See Appendix C
Salary Increases	Same as funding valuation: See Appendix C
Investment Rate of Return	8.10% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Maverick County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Same as funding valuation: See Appendix C
Turnover	Same as funding valuation: See Appendix C
Mortality	Same as funding valuation: See Appendix C

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

Appendix C - Actuarial Methods and Assumptions Used for Funding Valuation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2016 financial reporting metrics are the same as those used in the December 31, 2017 actuarial valuation analysis for Maverick County.

The following is a description of the assumptions used in the December 31, 2017 actuarial valuation analysis for Maverick County. This information may also be found in the Maverick County December 31, 2017 Summary Valuation Report.

Economic Assumptions

TCDRS system-wide economic assumptions:

Real rate of return	5.25%
Inflation	2.75%
Long-term investment return	8.00%

The assumed long-term investment return of 8% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 8% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee. (See Table 1 for Merit Salary Increases.)

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	3.25%

The payroll growth assumption is for the aggregate covered payroll of an employer.

Appendix D - Contributions Made Subsequent to Measurement Date

GASB Statement No. 71 ("GASB 71"), *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, requires employer contributions made between the measurement date, which is the date used to determine an employer's net pension liability ("NPL"), and the employer's fiscal year end be reported as a deferred outflow of resources ("DOoR"). The statement "requires a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability."

For GASB valuation purposes, TCDRS' consulting actuary will compute each participating employer's NPL as of Dec. 31 of each year. Employers will need to account for pension contributions (employer; not employee contributions or group term life premiums) made between the measurement date and the employer's fiscal year end as a DOoR. These contributions will not be reported to you as part of this GASB report; employers can access their monthly employer activity statements, which display employer contributions to the retirement plan via the TCDRS Employer Portal.

Appendix E-Summary of TCDRS Funding Policy in Effect for the Dec. 31, 2017 Actuarial Valuation

Texas County & District Retirement System Funding Policy

Effective as of the Dec. 31, 2014 valuation

Introduction

The funding policy governs how the Texas County & District Retirement System (TCDRS) determines the employer contributions required to ensure that benefits provided to TCDRS members are funded in a reasonable and equitable manner. The goals of TCDRS' funding policy are to fully fund benefits over the course of employees' careers to ensure intergenerational equity, and to balance rate and benefit stability with the need for the plan funding to be reflective of current plan conditions.

This policy documents the current funding policies in effect for the Dec. 31, 2016 actuarial valuation as established by state law, administrative rule and action by the TCDRS Board of Trustees (the board). The policy serves as a comprehensive funding overview and complies with the GASB reporting requirements for an agent multiple-employer plan.

TCDRS funding overview

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

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

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

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

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

Methodology for determining employer contribution rates

The board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following:

- Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments.
- Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits.
- Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy.

The valuation of each employer plan is based on the system funding policy and the assets, benefits and participant profile of each participating employer plan. The four key components in the determination of employer contribution rates are: the actuarial cost method, amortization policy, the asset valuation method and the actuarial assumptions.

Actuarial cost method

TCDRS has adopted the replacement life entry age cost method, a conservative cost method and an industry standard. The goal of this cost method is 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. Under this approach, benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year.

Amortization policy

The portion of the contribution rate that funds any remaining unfunded amounts for benefits that are not covered by the normal cost is called the unfunded actuarial accrued liability (UAAL) rate. UAAL amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and losses). UAAL amounts are amortized on a level-percentage-of-covered-payroll basis over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains or losses, as well as any plan benefit changes elected by an employer for that year.

Benefit enhancements are amortized over a 15-year closed period. All other changes in the UAAL are amortized over 20-year closed periods. These amortization periods are generally more conservative than those of most other public retirement plans and are stricter than the minimum amortization period required under state law.

For newly participating districts that have five or fewer employees who are all within five years of retirement eligibility, any initial UAAL and any subsequent adoption of prior service credits are amortized over a five-year closed amortization period. This ensures that benefits are appropriately funded over the current generation of employees.

Notwithstanding the layered approach, the total UAAL payment may not be less than the required payment obtained by amortizing the entire UAAL over a 20-year period.

If a plan is overfunded, the overfunded actuarial accrued liability (OAAL) is calculated annually using a 30-year open amortization period.

Asset valuation method

When determining the actuarial value of assets used for measuring a plan's funded status, TCDRS smooths each year's actuarial investment gains and losses and recognizes them over a five-year period to better reflect the system's long-term investment horizons and to keep employer contribution rates more stable. As actuarial asset investment gains and losses are recognized, they become part of the actuarial gains and losses for the year and are funded according to the amortization policy. The five-year period helps stabilize employer rates while still ensuring that rates are reflective of current market conditions.

In addition, the board has the ability to set aside reserves from investment earnings that are used to help offset future negative economic cycles. These reserves are held separately and are not counted as part of a participating employer's plan assets until they are passed through to employers when determined necessary by the board. Reserves help maintain rate stability for employers. In addition, reserves ensure that employers do not adopt benefit increases based on a temporarily lower plan cost at a high point in a market cycle and, conversely, are not as pressured to immediately reduce benefit levels during a low point in a market cycle.

Actuarial assumptions

Demographic and economic assumptions are used to estimate employer liabilities and to determine the amount of funding required from employer contributions as opposed to investment earnings. These assumptions reflect a long-term perspective of 30 years or more. Examples of key economic assumptions include long-term investment return, long-term inflation and annual payroll increase.

Demographic assumptions are the actuary's best estimate of what will happen to TCDRS members and retirees. Examples of demographic assumptions are employment termination rates, retirement rates and retiree mortality rates. A complete listing of all actuarial assumptions can be found in the annual system-wide valuation report.

Oversight

The board has established review policies to ensure that actuarial assumptions are appropriate and that the methodology for determining employer contribution rates is being correctly applied.

Review of actuarial assumptions

TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience. TCDRS assumptions are compared to plan experience and future expectations, and changes to the assumptions are recommended as needed. The board adopts actuarial assumptions to be used in the valuation based on the results of this study.

An actuarial audit of every investigation of experience is required and must be performed by an independent auditing actuary to review the consulting actuary's analysis, conclusions and recommendations for accuracy, appropriateness and reasonableness. These audits alternate between a peer review and a full replication audit of the investigation of experience. In a peer review audit of the investigation, the reviewing actuary uses the raw results of the investigation for demographic assumptions as calculated by the consulting actuary to test the conclusions and recommendations. In addition, the reviewing actuary independently analyzes economic assumptions to test the results and recommendations of the consulting actuary. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the investigation, in addition to performing all of the steps of a peer review, the auditing actuary fully replicates the calculation of the investigation's raw results.

Review of employer contribution rates

In order to test accuracy and ensure that the actuarial methods and assumptions are being correctly applied, an audit of the valuation is required every four years. These audits are conducted by an independent reviewing actuary and alternate between a peer review and a full replication audit of the valuation. In the peer review audit of the valuation, the actuary uses a sample of participant data and TCDRS plans to test the results of the valuation. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the valuation, the auditing actuary performs all the steps of a peer review audit but instead of analyzing sample data and plans, the auditing actuary fully replicates the original actuarial valuation.

Review and modification of funding policy

The board will review this policy on a regular basis and may modify this policy at its discretion. Modifications to the policy may be submitted for consideration to the board by staff and/or outside consulting actuaries as circumstances warrant.

G. Summary of GASB 75 Group-Term Funding Policy

Overview of GASB 74 and GASB 75

The Governmental Accounting Standards Board (GASB) released new accounting standards for public postemployment benefit plans other than pension (OPEB) and participating employers in 2016. These standards, GASB Statements No. 74 and 75, have substantially revised the accounting requirements previously mandated under GASB Statements No. 43 and 45.

For the Texas County & District Retirement System (TCDRS), the retiree death benefit paid from the Group Term Life (GTL) program is an OPEB benefit. The OPEB program is treated as an unfunded trust, because the GTL trust covers both actives and retirees and is not segregated.

GASB 74 applies to financial reporting for the TCERS and does not impact participating employers GASB 75 governs the specifics of reporting public OPEB plan obligations for employers. Note that in general the requirements of GASB 75 are parallel to those of GASB 68 which relates to pensions.

GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers and is required to be implemented for employer fiscal years beginning after June 15, 2017. GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating employers. Changes in the Net OPEB Liability (Total OPEB Liability for unfunded plans) will be immediately recognized as OPEB Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

The TCERS Group Term Life program has been determined to be an unfunded OPEB plan as the GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, because the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan. For GASB 75 purposes, the OPEB plan is not a cost sharing plan, so the annual benefit payments are treated as being equal to the employer's actual retiree GTL contributions for the year.

Total OPEB Liability

Total OPEB Liability	<u>December 31, 2016</u>	<u>December 31, 2017</u>
Total OPEB liability	\$444,011	\$498,355

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Discount Rate

Discount rate ⁽¹⁾	3.78%	3.44%
Long-term expected rate of return, net of investment expense ⁽¹⁾	Does not apply	Does not apply
Municipal bond rate ⁽¹⁾	3.78%	3.44%

(1) The OPEB plan has been determined to be an unfunded OPEB plan; therefore, only the municipal bond rate applies.

Other Key Actuarial Assumptions

All actuarial assumptions that determined the total OPEB liability as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

See Appendix B of this report (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the total OPEB liability and other GASB 75 metrics.

	Beginning Date	Ending Date
Valuation date	December 31, 2016	December 31, 2017
Measurement date	December 31, 2016	December 31, 2017
Employer's fiscal year	October 1, 2017	September 30, 2018

GASB Discount Rate

The TCDRS GTL program is treated as unfunded OPEB plan because the GTL trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 3.44% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2017. At transition, GASB 75 also requires that the Total OPEB Liability (TOL) as of the prior fiscal year end be estimated based on the 20 Year Bond GO Index as of the prior fiscal year end. We have estimated the TOL as of December 31, 2016 using a discount rate of 3.78% as of December 31, 2016.

Employer OPEB Contributions to the Plan

For GASB 75 purposes, the OPEB plan is not a cost sharing plan as the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions. Employers in the TCDRS Group Term Life (GTL) Program make a combined contribution for both the active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only the contributions associated with retiree covered are included under GASB 75.

2017 Employer OPEB Contributions and Benefit Payments

The following shows a breakdown of the employer's contributions to the GTL program for the calendar year 2017. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown on the exhibit on the next page. The contributions for active coverage are not considered an OPEB benefit under GASB 75, so there should be no change in how these amounts are reported.

Coverage Type	2017 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.16%	\$16,380	No change from prior year
Retiree GTL Benefit	0.11%	11,261	GASB 75

Employer OPEB Contributions made Subsequent to Measurement Date

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2017 should be reflected as a deferred outflow as outlined in Appendix C of this report. As previously noted, only contributions to the GTL program for retiree coverage should be included under GASB 75. Therefore, once the total GTL contributions made subsequent to the measurement date have been determined, this amount should be multiplied by the portion attributable to retiree coverage to determine the OPEB contributions made subsequent to the measurement date that should be reported under GASB 75. This proportion is 39.28571%, allocated as follows:

Coverage Type	2018 GTL Rate	Proportion	Financial Reporting
Active Member GTL Benefit	0.17%	60.71429%	No change from prior year
Retiree GTL Benefit	0.11%	39.28571%	GASB 75

Changes in Total OPEB Liability

	Changes in Total OPEB Liability
Balances as of December 31, 2016	\$444,011
Changes for the year:	
Service cost	19,649
Interest on total OPEB liability ⁽¹⁾	17,315
Changes of benefit terms ⁽²⁾	0
Effect of economic/demographic experience	2,880
Effect of assumptions changes or inputs ⁽³⁾	25,761
Benefit payments	(11,261)
Other	0
Balance as of December 31, 2017	\$498,355

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

(2) No plan changes valued.

(3) Reflects change in discount rate and the new assumptions adopted based on the January 1, 2013 - December 31, 2016 Investigation of Experience.

Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 3.44%, as well as what the Maverick County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$600,248	\$498,355	\$419,843

OPEB Expense/ (Income)

OPEB Expense/ (Income)	<u>January 1, 2017 to December 31, 2017</u>
Service cost	\$19,649
Interest on total OPEB liability ⁽¹⁾	17,315
Effect of plan changes	0
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	411
Recognition of assumption changes or inputs	3,680
Other	0
OPEB expense/ (income)	\$41,056

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

As of December 31, 2017, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/ Outflows of Resources	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$0	\$2,468
Changes of assumptions	0	22,081
Contributions made subsequent to measurement date ⁽²⁾	N/A	Employer determined

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

Year ended December 31:	
2018	\$4,092
2019	4,092
2020	4,092
2021	4,092
2022	4,092
Thereafter ⁽³⁾	4,092

(2) Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as outlined in Appendix C of this report.

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

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2017	
Original Amount (a)	Date Established (b)	Original Recognition Period ⁽¹⁾ (c)	Amount Recognized for 2017 ⁽²⁾ (a)+ (c)	Inflows	Outflows
<i>Economic/ demographic (gains) or losses</i>					
2,880	12/31/2017	7.0	411	0	2,468
<i>Assumption changes or inputs</i>					
25,761	12/31/2017	7.0	3,680	0	22,081
<i>Employer contributions made subsequent to measurement date ^{r21}</i>					
-----Values to be determined by employer-----					

(1) *Economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active, inactive, and retired members. Note that the recognition period used for GASB 75 may differ from the comparable period used for GASB 68 due to the different groups covered. For example, beneficiaries are not included in the average remaining service life calculation, as there is no OPEB benefit available for beneficiaries currently receiving pension payments.*

(2) *Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as deferred outflows as outlined in Appendix C of this report.*

Schedule of Changes in Total OPEB Liability and Related Ratios ⁽¹⁾

	Year Ended December 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total OPEB Liability										
Service cost	\$19,649	N/A								
Interest on total OPEB liability	17,315	N/A								
Effect of plan changes	0	N/A								
Effect of assumption changes or inputs	25,761	N/A								
Effect of economic/demographic (gains) or losses	2,880	N/A								
Benefit payments	<u>(11,261)</u>	<u>N/A</u>								
Net change in total OPEB liability	54,344	N/A								
Total OPEB liability, beginning	<u>444,011</u>	<u>N/A</u>								
Total OPEB liability, ending (a)	<u>\$498,355</u>	<u>N/A</u>								
Pensionable covered payroll	\$10,237,419	N/A								
Net OPEB Liability/(asset) as% of covered payroll	4.87%	N/A								

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Appendix A - GASB 75 Plan Description for Maverick County

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

- a. Maverick County participates in the retiree Group Term Life program for the Texas County & District Retirement System (TCDRS), which is a statewide, multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the OPEB plan.
 - 2) The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program.
 - 3) The OPEB benefit is a fixed \$5,000 lump-sum benefit.
 - 4) No future increases are assumed in the \$5,000 benefit amount.
 - 5) Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year.
- c. Membership information is shown in the chart below.
- d. Contributions made to the retiree GTL Program are held in the GTL Fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.
- e. Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year. The county's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000.

Membership Information

Members	Dec. 31, 2016	Dec. 31, 2017
Number of inactive employees entitled to but not yet receiving benefits ⁽¹⁾	39	48
Number of active employees:	315	323
Average age of active employees:	43.39	43.84
Average length of service in years for active employees:	8.15	8.24
<hr/>		
Inactive Employees Receiving Benefits ⁽¹⁾		
Number of benefit recipients ⁽¹⁾	87	88

⁽¹⁾ "Receiving benefits" indicates the member is retired and receiving monthly pension benefits, and his or her beneficiary is eligible for the \$5,000 lump sum upon the retiree's death.

Appendix B - Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Does not apply
Investment Rate of Return (Discount Rate)	3.44% 20 Year Bond GO Index published by bondbuyer.com as of December 28, 2017.
Cost-of-Living Adjustment	Does not apply
Disability	See Table 1
Mortality	See Table 2
Retirement	See Table 3
Other Termination of Employment	See Table 4

Appendix C - Contributions Made Subsequent to Measurement Date

GASB Statement No. 75 requires employer contributions made between the measurement date, which is the date used to determine an employer's Total OPEB Liability (TOL) and the employer's fiscal year end be reported as a deferred outflow of resources ("DOoR"). The statement requires a beginning deferred outflow of resources for "amounts paid by the employer for OPEB as the benefits come due subsequent to the measurement date of the total OPEB liability and before the end of the reporting period."

For GASB valuation purposes, TCDRS' consulting actuary will compute each participating employer's TOL as of Dec. 31 of each year. Employers will need to account for OPEB contributions made between the measurement date and the employer's fiscal year end as a OOoR. These contributions will not be reported to you as part of this GASB report; employers can access their monthly employer activity statements, which display employer contributions to the GTL plan via the TCDRS Employer Portal. Note that only contributions for the retiree GTL benefit should be included in reporting under GASB 75. There should be no change in the financial reporting for the active GTL benefit. To determine the portion of the contribution related to retiree coverage, refer to the section of this report titled "Employer OPEB Contributions to the Plan."

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service cost	\$1,322,517	\$1,355,260	\$1,510,500	\$1,543,919	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	2,684,791	2,455,239	2,357,675	2,170,666	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	0	(301,064)	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	296,516	0	303,058	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(82,633)	(121,441)	(1,054,153)	82,964	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(1,606,940)</u>	<u>(1,422,968)</u>	<u>(1,641,645)</u>	<u>(1,311,566)</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	2,614,251	2,266,090	1,174,371	2,485,983	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>32,610,875</u>	<u>30,344,785</u>	<u>29,170,414</u>	<u>26,684,432</u>	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	<u>\$35,225,126</u>	<u>\$32,610,875</u>	<u>\$30,344,785</u>	<u>\$29,170,414</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	\$952,080	\$858,985	\$965,176	\$1,166,148	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	614,245	596,941	667,172	711,066	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	4,365,798	2,054,541	(500,733)	1,733,967	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,606,940)	(1,422,968)	(1,641,645)	(1,311,566)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(22,755)	(22,360)	(20,188)	(20,913)	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(759)</u>	<u>85,979</u>	<u>31,275</u>	<u>36,492</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	4,301,669	2,151,116	(498,942)	2,315,193	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>29,914,349</u>	<u>27,763,233</u>	<u>28,262,175</u>	<u>25,946,981</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	<u>\$34,216,018</u>	<u>\$29,914,349</u>	<u>\$27,763,233</u>	<u>\$28,262,175</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/ (asset), ending= (a) - (b)	<u>\$1,009,109</u>	<u>\$2,696,527</u>	<u>\$2,581,553</u>	<u>\$908,239</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a% of total pension liability	97.14%	91.73%	91.49%	96.89%	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$10,237,419	\$9,949,012	\$11,119,540	\$11,851,093	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	9.86%	27.10%	23.22%	7.66%	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Employer Contributions ⁽¹⁾

Year Ending December 31	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽²⁾	Actual Contribution as a % of Covered Payroll
2008	\$555,644	\$555,644	0	\$8,736,543	6.4%
2009	653,959	653,959	0	10,060,905	6.5%
2010	886,137	886,137	0	11,958,661	7.4%
2011	818,693	818,693	0	10,974,032	7.5%
2012	857,707	857,707	0	9,363,609	9.2%
2013	892,836	892,836	0	9,408,177	9.5%
2014	1,166,148	1,166,148	0	11,851,093	9.8%
2015	965,176	965,176	0	11,119,540	8.7%
2016	857,605	858,985	(1,380)	9,949,012	8.6%
2017	952,080	952,080	0	10,237,419	9.3%

⁽¹⁾ TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis. If additional assistance is needed, please contact TCDRS.

⁽²⁾ Payroll is calculated based on contributions as reported to TCDRS.

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.4 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: 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.

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

Appendix B-Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2017 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Maverick County December 31, 2017 Summary Valuation Report for further details.

The following are the key assumptions and methods used in this GASB analysis.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal ⁽¹⁾
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation: See Appendix C
Salary Increases	Same as funding valuation: See Appendix C
Investment Rate of Return	8.10% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Maverick County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Same as funding valuation: See Appendix C
Turnover	Same as funding valuation: See Appendix C
Mortality	Same as funding valuation: See Appendix C

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

Schedule of Changes in Total OPEB Liability and Related Ratios ⁽¹⁾

	Year Ended December 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total OPEB Liability										
Service cost	\$19,649	N/A								
Interest on total OPEB liability	17,315	N/A								
Effect of plan changes	0	N/A								
Effect of assumption changes or inputs	25,761	N/A								
Effect of economic/demographic (gains) or losses	2,880	N/A								
Benefit payments	(11,261)	N/A								
Net change in total OPEB liability	54,344	N/A								
Total OPEB liability, beginning	444,011	N/A								
Total OPEB liability, ending (a)	\$498,355	N/A								
Pensionable covered payroll	\$10,237,419	N/A								
Net OPEB Liability/(asset) as% of covered payroll	4.87%	N/A								

⁽¹⁾ This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74175, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Appendix B - Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 75.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Does not apply
Investment Rate of Return (Discount Rate)	3.44% 20 Year Bond GO Index published by bondbuyer.com as of December 28, 2017.
Cost-of-Living Adjustment	Does not apply
Disability	See Table 1
Mortality	See Table 2
Retirement	See Table 3
Other Termination of Employment	See Table 4

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018

	SPECIAL REVENUE											
	911 RESTITU- TION	ALCOHOL AND DRUG ABUSE GRANT	ARCHIVE FEE - COUNTY CLERK	ARCHIVE FEE - DISTRICT CLERK	BORDER STAR NO. 1983102	CHILD WELFARE	CO. CLERK RECORDS MGMT & PRESER.	CONTINUING EDUCATION JUDGE & STAFF	COUNTY & DISTRICT TECH- NOLOGY	COUNTY FAMILY PROTECTION	COUNTY RECORDS PRESER- VATION	COURT INITIATED GUARDIAN SHIP
ASSETS												
Cash and Cash Equivalents	\$729	\$742	\$938	\$11,853	\$17,058	\$6,071	\$707	\$1,318	\$1,463	\$7,321	\$39,014	\$2,247
Receivables (net of allowance for uncollectibles)			30		5,509			20			50	
Due from Other Funds												
TOTAL ASSETS	\$729	\$742	\$968	\$11,853	\$22,567	\$6,071	\$707	\$1,338	\$1,463	\$7,321	\$39,064	\$2,247
LIABILITIES AND FUND BALANCES												
Liabilities												
Accounts Payable					10,562							
Due to Other Funds					591							
Accrued Wages												
Total Liabilities	0	0	0	0	11,153	0	0	0	0	0	0	0
Fund Balances												
Restricted												
General Administration			968				707				39,064	
Health and Welfare		742										
Judicial				11,853		6,071		1,338	1,463			2,247
Public Safety - Sheriff	729				11,414					7,321		
Records Management												
Unassigned												
Total Fund Balances	729	742	968	11,853	11,414	6,071	707	1,338	1,463	7,321	39,064	2,247
TOTAL LIABILITIES AND FUND BALANCES	\$729	\$742	\$968	\$11,853	\$22,567	\$6,071	\$707	\$1,338	\$1,463	\$7,321	\$39,064	\$2,247

(continued)

SPECIAL REVENUE

COURT- HOUSE SECURITY	D.A. BORDER PROSECU- TION	DISTRICT REC. MGMT. & PRESER- VATION	E-FILE RECOVERY DISTRICT CLERK #2	ELDERLY NUTRI- TION	HEALTH	ELDERLY NUTRI- TION	JUDICIAL EFFICIENCY JP OF COURTS	JUVENILE DELINQUENCY PREVENTION	LAW LIBRARY	L BSP 2014	MC JUVENILE PROBATION SERVICE	MULTI- JURIS- DICTIONAL PLANNING	RECORDS MANAGE- MENT
\$206,117	\$8,921	\$20,726	\$21,121	\$147,340	\$20,460		\$625	\$2	\$145,555	\$28,508			\$97,437
1,016	59,028			46,448					174	4,364			151
150,973	296								241,971	1,414			104,623
\$358,106	\$68,245	\$20,726	\$21,121	\$193,788	\$20,460	\$0	\$625	\$2	\$387,700	\$34,286	\$0	\$0	\$202,211
	\$63,497			\$6,000						1,004			\$82,015
	4,010			62									3,205
0	67,507	0	0	9,944	0	0	0	0	0	1,004	0	0	85,220
358,106	738	20,726	21,121	183,844	20,460		625	2	387,700	33,282			116,991
358,106	738	20,726	21,121	183,844	20,460	0	625	2	387,700	33,282	0	0	116,991
\$358,106	\$68,245	\$20,726	\$21,121	\$193,788	\$20,460	\$0	\$625	\$2	\$387,700	\$34,286	\$0	\$0	\$202,211

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018
 (continued)

	SPECIAL REVENUE							CAPITAL PROJECTS		NON-MAJOR GOVERNMENTAL FUNDS	
	SHERIFF CONFISCATED FUNDS	STONE GARDEN 2009	STONE GARDEN 2011	STONE GARDEN 2018	TECH-NOLOGY	TOWER LEASE	VITAL STATISTICS	ZIKA PROJECT	CDBG NO. 7217299		CDBG NO. 7218065
ASSETS											
Cash and Cash Equivalents	\$26,994	\$707	\$41,188	\$78,794	\$58,665	\$38,418	\$5,067		\$89,995	\$99,995	\$1,226,096
Receivables (net of allowance for uncollectibles)	936			86,506	982			4,293			209,507
Due from Other Funds				58,992	12,383				5	5	570,662
TOTAL ASSETS	\$27,930	\$707	\$41,188	\$224,292	\$72,030	\$38,418	\$5,067	\$4,293	\$90,000	\$100,000	\$2,006,265
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts Payable		\$44,157	\$43,390	\$48,225				\$4,293			\$291,577
Due to Other Funds											11,628
Accrued Wages				1,067							12,755
Total Liabilities	0	44,157	43,390	49,292	0	0	0	4,293	0	0	315,960
Fund Balances											
Restricted											
General Administration						38,418	5,067		90,000	100,000	274,224
Health and Welfare											205,046
Judicial					72,030						525,912
Public Safety - Sheriff	27,930			175,000							613,784
Records Management											116,991
Unassigned		(43,450)	(2,202)								(45,652)
Total Fund Balances	27,930	(43,450)	(2,202)	175,000	72,030	38,418	5,067	0	90,000	100,000	1,690,305
TOTAL LIABILITIES AND FUND BALANCES	\$27,930	\$707	\$41,188	\$224,292	\$72,030	\$38,418	\$5,067	\$4,293	\$90,000	\$100,000	\$2,006,265

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

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	SPECIAL REVENUE											
	ALCOHOL 911 RESTITU- TION	AND DRUG ABUSE GRANT	ARCHIVE FEE - COUNTY CLERK	ARCHIVE FEE - DISTRICT CLERK	BORDER STAR NO. 1983102	CHILD WELFARE	CO. CLERK RECORDS MGMT & PRESER.	CONTINUING EDUCATION JUDGE & STAFF	COUNTY & DISTRICT TECH- NOLOGY	COUNTY FAMILY PROTECTION	COUNTY RECORDS PRESER- VATION	COURT INITIATED GUARDIAN SHIP
<i>REVENUES</i>												
Intergovernmental					\$43,114							
Charges for Services			1,000	11,875			154	530	400	2,745	15,790	820
Interest												
Miscellaneous												
Total Revenues	0	0	1,000	11,875	43,114	0	154	530	400	2,745	15,790	820
<i>EXPENDITURES</i>												
Current:												
General Administration												
General Administration											105	
Records Management			62				53					
Judicial												
Judicial				62								53
Public Safety												
Public Safety					43,114					62		
Probation												
Sheriff												
Health and Welfare												
Health		40				1,440						
Total Expenditures	0	40	62	62	43,114	1,440	53	0	0	62	105	53
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(40)	938	11,813	0	(1,440)	101	530	400	2,683	15,685	767
<i>OTHER FINANCING SOURCES (USES):</i>												
Operating Transfers In					11,429							
Operating Transfers Out												
Total Other Financing Sources (Uses)	0	0	0	0	11,429	0	0	0	0	0	0	0
Net Changes in Fund Balances	0	(40)	938	11,813	11,429	(1,440)	101	530	400	2,683	15,685	767
Fund Balances - Beginning - Restated	729	782	30	40	(15)	7,511	606	808	1,063	4,638	23,379	1,480
Fund Balances - Ending	\$729	\$742	\$968	\$11,853	\$11,414	\$6,071	\$707	\$1,338	\$1,463	\$7,321	\$39,064	\$2,247

(continued)

SPECIAL REVENUE

COURT- HOUSE SECURITY	D.A. BORDER PROSECU- TION	DISTRICT REC. MGMT. & PRESER- VATION	E-FILE RECOVERY DISTRICT CLERK #2	ELDERLY NUTRI- TION	HEALTH	JP FEES	JUDICIAL EFFICIENCY OF COURTS	JUVENILE DELINQUENCY PREVENTION	LAW LIBRARY	LBSP 2014	MC JUVENILE PROBATION SERVICE	MULTI- JURIS- DICTIONAL PLANNING	RECORDS MANAGE- MENT
41,069	\$264,139	8,460	3,080	\$652,436 10,513			260	2	51,870 716	\$30,520	\$16,995		139,067
41,069	264,139	8,460	3,080	662,949	0	0	260	2	52,586	30,520	16,995	0	139,067
	264,139		20				62			30,520			146,514
2,772								15			16,995		
2,772	264,139	0	20	592,503 592,503	45	0	62	15	0	30,520	16,995	11	146,514
38,297	0	8,460	3,060	70,446	(45)	0	198	(13)	52,586	0	0	(11)	(7,447)
										18,630			
0	0	0	0	0	0	0	0	0	0	18,630	0	(61,762)	0
38,297	0	8,460	3,060	70,446	(45)	0	198	(13)	52,586	18,630	0	(61,773)	(7,447)
319,809	738	12,266	18,061	113,398	20,505	0	427	15	335,114	14,652	0	61,773	124,438
\$358,106	\$738	\$20,726	\$21,121	\$183,844	\$20,460	\$0	\$625	\$2	\$387,700	\$33,282	\$0	\$0	\$116,991

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018
 (continued)

	SPECIAL REVENUE							CAPITAL PROJECTS		NON-MAJOR GOVERN- MENTAL FUNDS	
	SHERIFF CONFISCATED FUNDS	STONE GARDEN 2009	STONE GARDEN 2011	STONE GARDEN 2018	TECH- NOLOGY	TOWER LEASE	VITAL STATISTICS	ZIKA PROJECT	CDBG NO. 7217299		CDBG NO. 7218065
	REVENUES										
Intergovernmental				\$144,941				\$4,293		100,000	\$1,256,438
Charges for Services					15,209						302,844
Interest											716
Miscellaneous	39,211					9,600	5,082				53,893
Total Revenues	39,211	0	0	144,941	15,209	9,600	5,082	4,293	0	100,000	1,613,891
EXPENDITURES											
Current:											
General Administration											
General Administration						11,944	15,100	4,293			31,453
Records Management											146,629
Judicial											
Judicial					13,057						277,393
Public Safety											
Public Safety		40									73,736
Probation											17,010
Sheriff	16,941		20	144,941							164,674
Health and Welfare											
Health											594,028
Total Expenditures	16,941	40	20	144,941	13,057	11,944	15,100	4,293	0	0	1,304,923
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,270	(40)	(20)	0	2,152	(2,344)	(10,018)	0	0	100,000	308,968
OTHER FINANCING SOURCES (USES):											
Operating Transfers In				175,000					90,000		295,059
Operating Transfers Out											(61,762)
Total Other Financing Sources (Uses)	0	0	0	175,000	0	0	0	0	90,000	0	233,297
Net Changes in Fund Balances	22,270	(40)	(20)	175,000	2,152	(2,344)	(10,018)	0	90,000	100,000	542,265
Fund Balances - Beginning - Restated	5,660	(43,410)	(2,182)	0	69,878	40,762	15,085	0	0	0	1,148,040
Fund Balances - Ending	\$27,930	(\$43,450)	(\$2,202)	\$175,000	\$72,030	\$38,418	\$5,067	\$0	\$90,000	\$100,000	\$1,690,305

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

