

WILSON COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**BEYER & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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FINANCIAL SECTION

**BEYER & Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Wayne R. Beyer, C.P.A.

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**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wilson 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wilson 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 Recording Fees 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, and the OPEB system information on pages 3-10, 80-83 and 84-89 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 Wilson 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. In our opinion, 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  
February 23, 2019

## Management's Discussion and Analysis

### Financial Highlights

- The assets of Wilson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$13,315,414 (net position). Of this amount, \$3,751,653 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$1,597,097. This decrease is attributable to an increase in transportation expenses of \$1,481,601, an increase in the general administration expenses of \$560,221, and an increase in judicial expenses of \$663,056; offsetting an ad valorem tax increase of \$910,439. The increase in transportation expenses is a result of an increase in road maintenance. The increase in general administration is a result of including additional line item expenses. The increase in judicial is a result of depreciation from the renovation of the Criminal Justice Center. The increase in Ad Valorem Taxes is a result of an increase property values.
- As of the close of the current fiscal year, Wilson County, Texas' governmental funds reported combined ending fund balances of \$8,527,623 a decrease of \$229,439 in comparison with the prior year. Approximately 71% of this total amount, \$5,986,616, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$6,160,667, or 44 percent of total general fund expenditures and the total fund balance for the road and bridge fund was \$982,823, or 16 percent of total road and bridge fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Wilson County, Texas' basic financial statements. Wilson County, Texas' basic financial statements comprise 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 Wilson County, Texas' finances, in a manner similar to a private-sector business. The statement of net position presents information on all of Wilson 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 Wilson County, Texas is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of Wilson 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 Wilson County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation.



The government-wide financial statements include only Wilson County, Texas itself (known as the primary government). The government-wide financial statements can be found on pages 11-12 of this report.

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

***Governmental funds:***

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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.

Wilson County, Texas maintains twenty-nine (29) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge funds, and the recording fees fund all of which are considered to be major funds. Data from the other twenty-six (26) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Wilson County, Texas adopts an annual appropriated budget for its general fund, the road and bridge funds, and the recording fees fund.

The basic governmental fund financial statements can be found on pages 13-23 of this report.

Wilson County, Texas also has eleven agency funds presented in this report. Such funds are not included in the county wide statement but are shown separately on page 24.

***Proprietary funds:***

Wilson County, Texas maintains no type of proprietary fund.

***Notes to the financial statements:***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-79 of this report.

*Other information:*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Wilson County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 80-89 of this report. The combining statements referred to earlier in connection with major road and bridge funds, the non-major governmental funds, and the agency funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 90-103 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 Wilson County, Texas, assets exceeded liabilities by \$13,315,414 at the close of the most recent fiscal year.

A significant portion of Wilson County, Texas' net position (56 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. Wilson County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wilson 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.

**WILSON COUNTY, TEXAS  
NET POSITION**

	Governmental Activities		Total	
	2018	2017	2018	2017
Current and Other Assets	\$12,312,308	\$12,543,128	\$12,312,308	\$12,543,128
Capital Assets	15,712,039	15,513,582	15,712,039	15,513,582
Total Assets	<u>28,024,347</u>	<u>28,056,710</u>	<u>28,024,347</u>	<u>28,056,710</u>
Total Deferred Outflows of Resources	<u>1,122,670</u>	<u>2,165,267</u>	<u>1,122,670</u>	<u>2,165,267</u>
Long-Term Liabilities	13,283,957	13,335,110	13,283,957	13,335,110
Other Liabilities	1,383,439	1,369,074	1,383,439	1,369,074
Total Liabilities	<u>14,667,396</u>	<u>14,704,184</u>	<u>14,667,396</u>	<u>14,704,184</u>
Total Deferred Inflows of Resources	<u>1,164,207</u>	<u>605,282</u>	<u>1,164,207</u>	<u>605,282</u>
Invested in Capital Assets, Net of Related Debt	7,504,329	7,388,058	7,504,329	7,388,058
Restricted	2,059,432	2,136,307	2,059,432	2,136,307
Unrestricted	3,751,653	5,388,146	3,751,653	5,388,146
Total Net Position	<u>\$13,315,414</u>	<u>\$14,912,511</u>	<u>\$13,315,414</u>	<u>\$14,912,511</u>

An additional portion of Wilson County, Texas' net position (15 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$3,751,653) may be used to meet the governments on going obligations to citizens and creditors. At the end of the current fiscal year, Wilson County, Texas reported a positive balance in all three parts of the governmental activities net position. For the prior fiscal year, Wilson County, Texas reported a positive balance in all three parts of the governmental activities net position.

**Governmental activities:**

Governmental activities decreased Wilson County, Texas' net position by \$1,597,097, thereby accounting for 100 percent of the total decrease in the net position of Wilson County, Texas. This decrease is attributable to an increase in transportation expenses of \$1,481,601, an increase in the general administration expenses of \$560,221, and an increase in judicial expenses of \$663,056; offsetting an ad valorem tax increase of \$910,439. The increase in transportation expenses is a result of an increase in road maintenance. The increase in general administration is a result of including additional line item expenses. The increase in judicial is a result of depreciation from the renovation of the Criminal Justice Center. The increase in Ad Valorem Taxes is a result of an increase property values.

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

	Governmental Activities		Total	
	2018	2017	2018	2017
Revenues:				
Program Revenues:				
Charges for Services	\$4,445,290	\$4,299,846	\$4,445,290	\$4,299,846
Operating Grants and Contributions	1,140,055	332,605	1,140,055	332,605
Capital Grants and Contributions	367,784	802,029	367,784	802,029
General Revenues:				
Maintenance and Operations Taxes	14,262,857	13,352,418	14,262,857	13,352,418
Other Taxes	54,650	49,667	54,650	49,667
Grants and Contributions not Restricted to Specific Programs	12,324	153,805	12,324	153,805
Unrestricted Investment Earnings	179,754	69,777	179,754	69,777
Miscellaneous	693,684	703,602	693,684	703,602
<b>Total Revenue</b>	<b>21,156,398</b>	<b>19,763,749</b>	<b>21,156,398</b>	<b>19,763,749</b>
Expenses:				
General Administration	2,673,416	2,113,195	2,673,416	2,113,195
Legal	538,055	544,733	538,055	544,733
Judicial	3,121,431	2,458,375	3,121,431	2,458,375
Financial Administration	1,143,467	1,048,317	1,143,467	1,048,317
Public Facilities	594,464	974,819	594,464	974,819
Public Safety	7,648,230	6,998,490	7,648,230	6,998,490
Public Transportation	5,890,676	4,409,075	5,890,676	4,409,075
Environmental Protection	221,977	165,687	221,977	165,687
Culture and Recreation	241,165	493,122	241,165	493,122
Health and Welfare	233,550	200,417	233,550	200,417
Conservation - Agriculture	174,804	158,553	174,804	158,553
Interest and Fiscal Charges	272,259	263,716	272,259	263,716
<b>Total Expenses</b>	<b>22,753,495</b>	<b>19,828,499</b>	<b>22,753,495</b>	<b>19,828,499</b>
Increase in Net Position	(1,597,097)	(64,750)	(1,597,097)	(64,750)
Net Position at 09/30/2017 - Restated	14,912,511	14,977,261	14,912,511	14,977,261
Net Position at 09/30/2018	<b>\$13,315,414</b>	<b>\$14,912,511</b>	<b>\$13,315,414</b>	<b>\$14,912,511</b>

## Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Government Activities:</b>				
General Administration	\$2,673,416	\$561,543	\$6,696	\$0
Legal	538,055	95	23,413	
Judicial	3,121,431	449,211	208,899	
Financial Administration	1,143,467	687,873		
Public Facilities	594,464			
Public Safety	7,648,230	1,085,571	79,643	
Public Transportation	5,890,676	1,628,968	816,212	367,784
Environmental Protection	221,977			
Culture and Recreation	241,165	32,029	2,500	
Health and Welfare	233,550		2,692	
Conservation - Agriculture	174,804			
Interest and Fiscal Charges	272,259			
<b>Total Government Activities</b>	<b>\$22,753,495</b>	<b>\$4,445,290</b>	<b>\$1,140,055</b>	<b>\$367,784</b>

### Revenues by Source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$4,445,290	21.01%
Operating Grants and Contributions	1,140,055	5.39%
Capital Grants and Contributions	367,784	1.74%
Maintenance and Operations Taxes	14,262,857	67.42%
Other Taxes	54,650	0.26%
Grants and Contributions not Restricted to Specific Programs	12,324	0.06%
Unrestricted Investment Earnings	179,754	0.85%
Miscellaneous	693,684	3.28%
	<u>\$21,156,398</u>	<u>100.01%</u>

## Financial Analysis of the Government's Funds

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

### *Governmental funds:*

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

As of the end of the current fiscal year, Wilson County, Texas' governmental funds reported combined ending fund balances of \$8,527,623, a decrease of \$229,439 in comparison with the prior year. Approximately 70 percent of this total amount, \$5,986,616, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining amount is either restricted or committed.

The general fund is the chief operating fund of Wilson County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,160,667, while total fund balance reached \$6,448,667. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 43 percent of total general fund expenditures, while total fund balance represents 45 percent of that same amount. The fund balance of Wilson County, Texas' general fund decreased by \$136,027 during the current fiscal year. This decrease is attributable to an increase in general administration expenditures of \$966,700; offsetting an ad valorem tax increase of \$630,505. The increase in general administration is a result of the renovation of the Criminal Justice Center. The increase in Ad Valorem Taxes is a result of an increase property values.

At the end of the current fiscal year, restricted fund balance of the road and bridge was \$982,823, while total fund balance reached \$982,823. As a measure of the road and bridge's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 16 percent of total road and bridge expenditures, while total fund balance represents 16 percent of that same amount. The fund balance of Wilson County, Texas' road and bridge decreased by \$116,311 during the current fiscal year. This decrease is attributable to an increase in road maintenance expenditures of \$1,603,079.

There is no analysis of the recording fees fund because it is custodial in nature and the activity is immaterial.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were an increase of \$1,092,802 for the general fund. The largest increase was in commissioner's court of \$966,700; which is a result of the renovation of the Criminal Justice Center roof. This increase was financed by the beginning reserve of the fund.

Capital Asset and Debt Administration

*Capital assets:*

Wilson County, Texas' investment in capital assets for its governmental activities as of September 30, 2018, amounts to \$15,712,039 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total increase in Wilson County, Texas' investment in capital assets for the current fiscal year was 1.28 percent.

The County renovated the Justice Center Renovation roof.

WILSON COUNTY, TEXAS  
CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Total	
	2018	2017	2018	2017
Land	\$600,275	\$566,080	\$600,275	\$566,080
Construction in Progress	0	11,870	0	11,870
Building and Improvements	13,031,764	13,190,187	13,031,764	13,190,187
Machinery and Equipment	873,917	773,575	873,917	773,575
Vehicles	1,111,691	846,014	1,111,691	846,014
Intangible	94,392	125,856	94,392	125,856
Infrastructure	0	0	0	0
<b>Total</b>	<b>\$15,712,039</b>	<b>\$15,513,582</b>	<b>\$15,712,039</b>	<b>\$15,513,582</b>

Additional information on Wilson County, Texas' capital assets can be found in note IV C on pages 37-38 of this report.

*Long-term debt:*

At the end of the current fiscal year, Wilson County, Texas has the following bonded debt outstanding.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
General Obligation Bonds	\$7,405,000	\$0	\$335,000	\$7,070,000	\$340,000	\$6,730,000
	<u>7,405,000</u>	<u>0</u>	<u>335,000</u>	<u>7,070,000</u>	<u>340,000</u>	<u>6,730,000</u>
Grand Total	<u>\$7,405,000</u>	<u>\$0</u>	<u>\$335,000</u>	<u>\$7,070,000</u>	<u>\$340,000</u>	<u>\$6,730,000</u>

Wilson County, Texas' total bonded debt decreased by \$335,000 during the current fiscal year. The key factor in this decrease was the bond payment of \$335,000.

Additional information on Wilson County, Texas' long-term debt can be found in note IV F on pages 39-40 of this report.

*Economic Factors*

The Eagle Ford Oil and Gas Shale has brought in an increase in construction and an increase in property values.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the county's accountability for the funds it receives. If questions are encountered regarding this report, contact the Wilson County Auditor's Office, 1420 3<sup>rd</sup> Street, Floresville, TX 78114, or (830) 393-7304.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government	
	Governmental Activities	Total
<b>ASSETS</b>		
Cash and Cash Equivalents	\$10,275,785	\$10,275,785
Receivables (net of allowance for uncollectibles)	2,011,127	2,011,127
Prepaid Insurance	25,396	25,396
Capital assets not being depreciated:		
Land	600,275	600,275
Construction in Progress	0	0
Total Capital assets being depreciated, net		
Building and Improvements	13,031,764	13,031,764
Machinery and Equipment	873,917	873,917
Vehicles	1,111,691	1,111,691
Intangible	94,392	94,392
<b>Total Assets</b>	<b>\$28,024,347</b>	<b>\$28,024,347</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>GASB 68</b>		
Deferred Outflow of Resources-Contributions (after 12/31/17)	947,409	947,409
Changes of assumptions	160,805	160,805
<b>GASB 75</b>		
Changes of assumptions	14,456	14,456
<b>Total Deferred Outflows of Resources</b>	<b>1,122,670</b>	<b>1,122,670</b>
<b>LIABILITIES:</b>		
Accounts Payable	\$981,297	\$981,297
Accrued Wages Payable	336,267	336,267
Deferred Revenues	23,333	23,333
Accrued Interest Payable	42,542	42,542
Noncurrent Liabilities:		
Due within one year	677,710	677,710
Due in more than one year	12,606,247	12,606,247
<b>Total Liabilities</b>	<b>14,667,396</b>	<b>14,667,396</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
<b>GASB 68</b>		
Differences between expected and actual experience	117,354	117,354
Net difference between projected and actual earnings	316,382	316,382
<b>GASB 75</b>		
Differences between expected and actual experience	25,131	25,131
Unavailable revenue - Future Book Restoration	705,340	705,340
<b>Total Deferred Inflows of Resources</b>	<b>1,164,207</b>	<b>1,164,207</b>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	7,504,329	7,504,329
Restricted		
Debt Service	68,253	68,253
General Administration	106,752	106,752
Judicial	186,914	186,914
Legal	6,321	6,321
Public Safety	612,968	612,968
Public Transportation	1,078,224	1,078,224
Unrestricted	3,751,653	3,751,653
<b>Total Net Position</b>	<b>\$13,315,414</b>	<b>\$13,315,414</b>

The accompanying notes are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Governmental Activities
<b>Primary government</b>					
<b>Government activities:</b>					
General Administration	\$2,673,416	\$561,543	\$6,696	\$0	(\$2,105,177)
Legal	538,055	95	23,413		(514,547)
Judicial	3,121,431	449,211	208,899		(2,463,321)
Financial Administration	1,143,467	687,873			(455,594)
Public Facilities	594,464				(594,464)
Public Safety	7,648,230	1,085,571	79,643		(6,483,016)
Public Transportation	5,890,676	1,628,968	816,212	367,784	(3,077,712)
Environmental Protection	221,977				(221,977)
Culture and Recreation	241,165	32,029	2,500		(206,636)
Health and Welfare	233,550		2,692		(230,858)
Conservation - Agriculture	174,804				(174,804)
Interest and Fiscal Charges	272,259				(272,259)
<b>Total Government Activities</b>	<b>22,753,495</b>	<b>4,445,290</b>	<b>1,140,055</b>	<b>367,784</b>	<b>(16,800,366)</b>
<b>Total Primary Government</b>	<b>\$22,753,495</b>	<b>\$4,445,290</b>	<b>\$1,140,055</b>	<b>\$367,784</b>	<b>(16,800,366)</b>
<b>General Revenues</b>					
Property Taxes, Levies for General Purposes					14,262,857
Other Taxes					54,650
Unrestricted Investment Earnings					179,754
Miscellaneous					693,684
Grants and Contributions not Restricted to Specific Programs					12,324
<b>Total General Revenues and Transfers</b>					<b>15,203,269</b>
Change in Net Position					(1,597,097)
Net Position - Beginning - Restated					14,912,511
Net Position - Ending					<b>\$13,315,414</b>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

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

	General Fund	Road and Bridge	Recording Fees	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$7,076,534	\$1,164,778	\$702,811	\$1,342,977	\$10,287,100
Receivables (net of allowance for uncollectibles)	1,147,084	315,308	17,853	117,633	1,597,878
Due from Other Funds	200			22,494	22,694
Prepaid Insurance	25,396				25,396
<b>Total Assets</b>	<b>\$8,249,214</b>	<b>\$1,480,086</b>	<b>\$720,664</b>	<b>\$1,483,104</b>	<b>\$11,933,068</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Accounts Payable	\$481,284	\$215,364	\$178,060	\$106,589	\$981,297
Cash Overdraft				11,315	11,315
Due to Other Funds	22,494			200	22,694
Accrued Wages Payable	262,441	54,546		19,280	336,267
Unearned Revenues	23,333				23,333
<b>Total Liabilities</b>	<b>789,552</b>	<b>269,910</b>	<b>178,060</b>	<b>137,384</b>	<b>1,374,906</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - Future Book Restoration			705,340		705,340
Deferred Property Taxes	1,010,995	227,353		86,851	1,325,199
<b>Total Deferred Inflows of Resources</b>	<b>1,010,995</b>	<b>227,353</b>	<b>705,340</b>	<b>86,851</b>	<b>2,030,539</b>
<b>Fund Balances:</b>					
<b>Non-Spendable</b>					
Prepaid Items	25,396				25,396
<b>Restricted</b>					
Debt Service				68,253	68,253
General Administration				106,752	106,752
Judicial				186,914	186,914
Legal				6,321	6,321
Public Safety				612,968	612,968
Public Transportation		982,823		95,401	1,078,224
<b>Committed</b>					
County Show Barn	262,604				262,604
Culture and Recreation				140,692	140,692
General Administration				52,883	52,883
Unassigned	6,160,667		(162,736)	(11,315)	5,986,616
<b>Total Fund Balance</b>	<b>6,448,667</b>	<b>982,823</b>	<b>(162,736)</b>	<b>1,258,869</b>	<b>8,527,623</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$8,249,214</b>	<b>\$1,480,086</b>	<b>\$720,664</b>	<b>\$1,483,104</b>	<b>\$11,933,068</b>

The accompanying notes are an integral part of this statement.

WILSON 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	\$8,527,623
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.	-
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	15,712,039
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	1,077,052
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	1,325,199
	(13,326,499)
Net position of governmental activities - statement of net position	<u>\$13,315,414</u>

The accompanying notes are an integral part of this statement.

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

	General Fund	Road and Bridge	Recording Fees	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes					
Property	\$10,980,260	\$2,468,319		\$973,905	\$14,422,484
Other	54,650				54,650
Intergovernmental	136,779	816,212		908,718	1,861,709
Licenses and Permits		1,170,379			1,170,379
Charges for Services	2,288,199		114,809	211,301	2,614,309
Fines and Forfeitures	148,397	458,589		10,909	617,895
Interest	178,129			1,625	179,754
Miscellaneous	530,017	113,754		49,913	693,684
Total Revenues	<u>14,316,431</u>	<u>5,027,253</u>	<u>114,809</u>	<u>2,156,371</u>	<u>21,514,864</u>
<b>EXPENDITURES</b>					
Current:					
General Administration	2,931,124		107,723	137,715	3,176,562
Legal	473,159				473,159
Judicial	2,017,732			258,862	2,276,594
Financial Administration	996,570				996,570
Public Facilities	180,865				180,865
Public Safety	6,986,780			215,686	7,202,466
Public Transportation		5,598,840		798,419	6,397,259
Environmental Protection	211,676				211,676
Culture and Recreation				384,018	384,018
Health and Welfare	204,638				204,638
Conservation - Agriculture	149,307				149,307
Capital Projects -					
Capital Outlay and Other					0
Debt Service					
Principal Retirement	48,164	357,605		335,000	740,769
Interest Retirement	4,281	24,325		259,020	287,626
Total Expenditures	<u>14,204,296</u>	<u>5,980,770</u>	<u>107,723</u>	<u>2,388,720</u>	<u>22,681,509</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	112,135	(953,517)	7,086	(232,349)	(1,066,645)
<b>OTHER FINANCING SOURCES (USES):</b>					
Capital Lease Proceeds		837,206			837,206
Operating Transfers In	130,838			406,895	537,733
Operating Transfers Out	(379,000)			(158,733)	(537,733)
Total Other Financing Sources (Uses)	<u>(248,162)</u>	<u>837,206</u>	<u>0</u>	<u>248,162</u>	<u>837,206</u>
Net Changes in Fund Balances	(136,027)	(116,311)	7,086	15,813	(229,439)
Fund Balances - Beginning - Restated	6,584,694	1,099,134	(169,822)	1,243,056	8,757,062
Fund Balances - Ending	<u>\$6,448,667</u>	<u>\$982,823</u>	<u>(\$162,736)</u>	<u>\$1,258,869</u>	<u>\$8,527,623</u>

The accompanying notes are an integral part of this statement.

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

Net Changes in Fund Balances - total governmental funds (S229,439)

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.	198,457
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.	42,707
<b>GASB 68</b>	
Deferred Outflow of Resources-Contribution. This is the change in these amounts this year.	80,207
Deferred Inflow-Differences between expected and actual experience. This is the change in these amounts this year.	(159,369)
Deferred Outflow-Changes of assumptions. This is the change in these amounts this year.	45,183
Deferred Inflow-Net difference between projected and actual earnings. This is the change in these amounts this year.	(1,456,810)
<b>GASB 75</b>	
Deferred Inflow-Differences between expected and actual experience. This is the change in these amounts this year.	(25,131)
Deferred Outflow-Changes of assumptions. This is the change in these amounts this year.	14,456
(Increase) decrease in Compensated Absences from beginning of period to end of period.	77,807
(Increase) decrease in Accrued Interest Payable from beginning of period to end of period.	1,116
Certain Property Tax Revenues are deferred in the funds. This is the change in these amounts this year.	(159,627)
Increase in loan principal are receipts in the funds but not revenue in the SOA.	(837,206)
Increase (Decrease) in bond issuance premium are receipts in the funds but not revenue in the SOA.	14,250
(Increase) decrease in Net Pension Liability from beginning of period to end of period.	392,761
(Increase) decrease in OPEB Liability from beginning of period to end of period.	(337,229)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	740,770
Change in net position of governmental activities - statement of activities	<u>(S1,597,097)</u>

The accompanying notes are an integral part of this statement.



WILSON COUNTY, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes				
Property	\$10,853,947	\$10,853,947	\$10,980,260	\$126,313
Other	45,750	45,750	54,650	8,900
Intergovernmental	104,518	104,518	136,779	32,261
Charges for Services	1,902,148	1,902,148	2,288,199	386,051
Fines and Forfeitures	113,750	113,750	148,397	34,647
Interest	60,250	60,250	178,129	117,879
Miscellaneous	527,097	527,097	530,017	2,920
<b>Total Revenues</b>	<b>13,607,460</b>	<b>13,607,460</b>	<b>14,316,431</b>	<b>708,971</b>

**EXPENDITURES**

Current:

General Administration				
Commissioner's Court	559,257	1,482,315	1,505,389	(23,074)
County Clerk	442,611	442,611	439,774	2,837
County Judge	187,049	187,049	184,639	2,410
Elections	241,007	289,534	313,556	(24,022)
IT Department	193,808	193,808	188,936	4,872
Liability Insurance	5,000	5,000	0	5,000
Non-Departmental	281,999	281,999	276,843	5,156
Veterans Service	19,497	23,776	21,987	1,789
Legal				
County Attorney	462,520	462,520	473,159	(10,639)
Judicial				
District and County Court	1,051,733	1,128,860	1,125,179	3,681
District Clerk	296,464	296,464	282,842	13,622
Chapter 19	2,000	6,839	6,839	0
Justice's of the Peace	609,856	609,856	602,872	6,984
Financial Administration				
County Auditor	212,241	212,241	205,695	6,546
County Treasurer	198,612	198,612	197,974	638
Human Resources	60,320	60,320	54,293	6,027
Tax Assessor-Collector	583,008	583,008	538,608	44,400
Public Facilities				
Courthouse and Buildings	208,391	208,391	180,865	27,526
Public Safety				
Ambulance	124,211	124,211	123,211	1,000
Civil Defense	244,839	244,839	240,271	4,568
CJC Building	3,387,320	3,387,320	3,399,551	(12,231)
Constables	200,201	200,201	176,274	23,927
D.P.S.	51,408	51,408	51,231	177
Fire	181,598	181,598	176,774	4,824
Juvenile Probation	345,186	345,186	227,819	117,367
Sheriff	2,695,142	2,695,142	2,591,649	103,493

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Environmental Protection				
Landfill	\$179,523	\$213,596	\$211,676	\$1,920
Health and Welfare				
Health and Safety	201,997	201,997	201,379	618
Senior Citizens	8,300	8,300	3,259	5,041
Conservation - Agriculture				
Agriculture Extension Service	157,943	157,943	149,307	8,636
Debt Service				
Principal Retirement	50,912	51,737	48,164	3,573
Interest Retirement	681	755	4,281	(3,526)
Total Expenditures	<u>13,444,634</u>	<u>14,537,436</u>	<u>14,204,296</u>	<u>333,140</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>162,826</u>	<u>(929,976)</u>	<u>112,135</u>	<u>1,042,111</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	5,384	5,384	5,384	0
Operating Transfers Out	(179,000)	(179,000)	(179,000)	0
Total Other Financing Sources (Uses)	<u>(173,616)</u>	<u>(173,616)</u>	<u>(173,616)</u>	<u>0</u>
Net Changes in Fund Balances - Budgetary Basis	<u>(\$10,790)</u>	<u>(\$1,103,592)</u>	<u>(61,481)</u>	<u>\$1,042,111</u>
Reconciliation from budgetary basis to modified accrual basis:				
Transfer In			125,454	
Transfer Out to SS Shooting Fund			(200,000)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(136,027)</u>	
Fund Balances - Beginning - Restated			6,584,694	
Fund Balances - Ending			<u>\$6,448,667</u>	

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS  
ROAD AND BRIDGE NO. 1 FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes				
Property	\$457,415	\$457,415	\$462,540	\$5,125
Intergovernmental	139,636	139,636	237,058	97,422
Licenses and Permits	220,000	220,000	219,370	(630)
Fines and Forfeitures	89,000	89,000	86,123	(2,877)
Miscellaneous	7,000	7,000	10,209	3,209
Total Revenues	<u>913,051</u>	<u>913,051</u>	<u>1,015,300</u>	<u>102,249</u>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	1,149,443	1,092,484	1,015,211	77,273
Debt Service				
Principal Retirement	13,608	67,191	67,191	0
		3,376	3,375	1
Total Expenditures	<u>1,163,051</u>	<u>1,163,051</u>	<u>1,085,777</u>	<u>77,274</u>
Net Changes in Fund Balances - Budgetary Basis	<u>(\$250,000)</u>	<u>(\$250,000)</u>	<u>(\$70,477)</u>	<u>\$179,523</u>
Reconciliation from budgetary basis to modified accrual basis:				
Capital Lease Proceeds			259,846	
Purchase of Capital Asset			(259,846)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(70,477)</u>	
Fund Balances - Beginning			397,953	
Fund Balances - Ending			<u>\$327,476</u>	

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

WILSON COUNTY, TEXAS  
ROAD AND BRIDGE NO. 2 FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes				
Property	\$734,836	\$734,836	\$744,962	\$10,126
Intergovernmental	483,332	483,332	477,062	(6,270)
Licenses and Permits	345,000	345,000	354,436	9,436
Fines and Forfeitures	141,000	141,000	138,356	(2,644)
Miscellaneous	3,000	3,000	8,439	5,439
Total Revenues	<u>1,707,168</u>	<u>1,707,168</u>	<u>1,723,255</u>	<u>16,087</u>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	1,632,115	1,632,115	1,639,633	(7,518)
Debt Service				
Principal Retirement	64,922	64,922	61,071	3,851
Interest Retirement	10,131	10,131	9,990	141
Total Expenditures	<u>1,707,168</u>	<u>1,707,168</u>	<u>1,710,694</u>	<u>(3,526)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	12,561	12,561
Net Changes in Fund Balances - Budgetary Basis	<u>\$0</u>	<u>\$0</u>	<u>\$12,561</u>	<u>\$12,561</u>
Reconciliation from budgetary basis to modified accrual basis:				
Proceeds from Capital Lease			232,684	
Purchase of Capital Asset			<u>(232,684)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			12,561	
Fund Balances - Beginning			<u>263,865</u>	
Fund Balances - Ending			<u>\$276,426</u>	

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS  
ROAD AND BRIDGE NO. 3 FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property	\$554,598	\$554,598	\$561,964	\$7,366
Intergovernmental	13,000	13,000	10,918	(2,082)
Licenses and Permits	275,000	275,000	266,162	(8,838)
Fines and Forfeitures	108,500	108,500	104,421	(4,079)
Miscellaneous	8,000	8,000	13,332	5,332
Total Revenues	<u>959,098</u>	<u>959,098</u>	<u>956,797</u>	<u>(2,301)</u>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	989,895	923,523	939,417	(15,894)
Debt Service				
Principal Retirement	42,470	104,074	104,074	0
Interest Retirement	1,733	6,501	6,501	0
Total Expenditures	<u>1,034,098</u>	<u>1,034,098</u>	<u>1,049,992</u>	<u>(15,894)</u>
Net Changes in Fund Balances - Budgetary Basis	<u>(\$75,000)</u>	<u>(\$75,000)</u>	<u>(\$93,195)</u>	<u>(\$18,195)</u>
Reconciliation from budgetary basis to modified accrual basis:			116,266	
Purchase of Capital Asset			(116,266)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(93,195)</u>	
Fund Balances - Beginning			<u>228,787</u>	
Fund Balances - Ending			<u>\$135,592</u>	

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS  
ROAD AND BRIDGE NO. 4 FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes				
Property	\$688,802	\$688,802	\$698,853	\$10,051
Intergovernmental	87,801	87,801	91,174	3,373
Licenses and Permits	340,000	340,000	330,411	(9,589)
Fines and Forfeitures	128,500	128,500	129,689	1,189
Miscellaneous	11,000	11,000	81,774	70,774
Total Revenues	<u>1,256,103</u>	<u>1,256,103</u>	<u>1,331,901</u>	<u>75,798</u>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	1,312,234	1,226,375	1,167,373	59,002
Debt Service				
Principal Retirement	41,112	125,294	125,269	25
Interest Retirement	2,757	4,434	4,459	(25)
Total Expenditures	<u>1,356,103</u>	<u>1,356,103</u>	<u>1,297,101</u>	<u>59,002</u>
Net Changes in Fund Balances - Budgetary Basis	<u>(\$100,000)</u>	<u>(\$100,000)</u>	<u>\$34,800</u>	<u>\$134,800</u>
Reconciliation from budgetary basis to modified accrual basis:				
Proceeds from Capital Lease			228,410	
Purchase of Capital Asset			(228,410)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>34,800</u>	
Fund Balances - Beginning			<u>208,529</u>	
Fund Balances - Ending			<u>\$243,329</u>	

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS  
 RECORDING FEES  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$115,500	\$126,075	\$114,809	(\$11,266)
Total Revenues	<u>115,500</u>	<u>126,075</u>	<u>114,809</u>	<u>(11,266)</u>
<b>EXPENDITURES</b>				
Current:				
General Administration				
Records Management	115,500	126,075	107,723	18,352
Total Expenditures	<u>115,500</u>	<u>126,075</u>	<u>107,723</u>	<u>18,352</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>7,086</u>	<u>7,086</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	0	0	7,086	7,086
Fund Balances - Beginning	(169,822)	(169,822)	(169,822)	
Fund Balances - Ending	<u>(\$169,822)</u>	<u>(\$169,822)</u>	<u>(\$162,736)</u>	<u>\$7,086</u>

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

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

	Agency Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$1,977,897
Receivables (net of allowance for uncollectibles)	44,780
Due from Others	0
Total Assets	<u>\$2,022,677</u>
<b>LIABILITIES:</b>	
Accounts Payable	238,663
Due to Others	1,781,895
Total Liabilities	<u>2,020,558</u>
<b>NET POSITION</b>	
Held in Trust - Unexpendable	0
Held in Trust - Historical Purposes	2,119
Total Net Position	<u>\$2,119</u>

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



WILSON COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

I. Summary of Significant Accounting Policies

A. Reporting entity

Wilson 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 Wilson 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 and Fund 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 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, which are presented as internal balances and eliminated in the total primary government column. 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.

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, 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 unit road fund accounts for the activities of the government's road and bridge operations.

The recording fees fund is used for future book restoration.

- C. Fiduciary fund financial statements include a Statement of Net Position. The County's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus.

D. Assets, Liabilities, and Net position 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 and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value.

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 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 property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at September 30, 2018 and 10 percent of the 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

Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

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

4. Restricted Assets

There were 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 activities' columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The County renovated the Justice Center Renovation roof.

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

	<i>Years</i>
Buildings	50
Building Improvements	20
System Infrastructure	30
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 financial statements. A liability for these amounts is reported in government-wide financial statements.

7. Long-Term Obligations

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

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

***Nonspendable*** — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

***Restricted*** — This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements.

***Committed*** — This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Commissioners' Court. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

***Unassigned*** — all other spendable amounts.

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

Fund Balances:	
Non-Spendable	
Prepaid Items	\$25,396
Restricted	
Debt Service	68,253
General Administration	106,752
Judicial	186,914
Legal	6,321
Public Safety	612,968
Public Transportation	1,078,224
Committed	
County Show Barn	262,604
Culture and Recreation	140,692
General Administration	52,883
Unassigned	<u>5,986,616</u>
Total Fund Balance	<u>\$8,527,623</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 Commissioners' Court 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 to 40 percent of the subsequent year's budgeted General Fund expenditures.

9. 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 has two items that qualify for reporting in this category; 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 has three items that qualify for reporting in this category; Future Book Restoration monies, GASB 68, and GASB 75.

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. The government has included the following in this category: 1. Future Book Restoration monies and 2. Deferred Ad Valorem Taxes pursuant to GASB 65.

10. 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 position.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains 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 \$13,326,499 difference are as follows:

Bonds Payable	\$7,070,000
Bond Premium	228,000
Capital Leases Payable	909,710
Accrued Interest Payable	42,542
Compensated Absences	110,983
Net OPEB Liability	3,960,652
Net Pension Liability	1,004,612
	<u>\$13,326,499</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 position 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 \$15,712,039 difference are as follows:

Capital Assets Not Being Depreciated	\$600,275
Capital Assets Being Depreciated	31,163,627
Accumulated Depreciation	(16,051,863)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$15,712,039</u>

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position. (Continued)

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains 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 \$1,325,199 difference are as follows:

Property Taxes Receivable	\$1,440,524
Allowance for Doubtful Accounts	<u>(115,325)</u>
Net	<u>\$1,325,199</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 "Justice of the Peace and Clerk fines and fees receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles.)" Other elements of that reconciliation includes GASB 68 and GASB 75 deferrals. The details of this \$1,077,052 difference are as follows:

Fines Receivable	\$3,872,840
Allowance for Doubtful Accounts	(3,459,591)
<b>GASB 75</b>	
Differences between expected and actual experience	(25,131)
Changes of Assumptions	14,456
<b>GASB 68</b>	
Deferred Outflow of Resources-Contributions (after 12/31/17)	947,409
Differences between expected and actual experience	(117,354)
Changes of Assumptions	160,805
Net difference between projected and actual earnings	<u>(316,382)</u>
Net	<u>\$1,077,052</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 a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation 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 \$198,457 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$22,325
Capital Outlay - Additions - Being Depreciated	2,265,975
Capital Outlay - Deletions - Net	0
Depreciation Expense	(2,089,843)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net assets of Governmental Activities	\$198,457

### 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 fund.

Budgets for all budgeted General, Road and Bridge, and Recording Fees fund are adopted on a budgetary basis which is not in conformity with generally accepted accounting principles (GAAP).

B. Excess of Expenditures over Appropriations

Expenditures exceeded appropriations for the year ended September 30, 2018 for the following: The Road and Bridge No. 2 fund whereby expenditures of \$1,710,694 exceeded appropriations of \$1,707,168 by \$3,526. The Road and Bridge No. 3 fund whereby expenditures of \$1,049,992 exceeded appropriations of \$1,034,098 by \$15,894.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2018 except for the recording fees fund which had a deficit of \$162,736 and the VOCA grant which had a deficit fund balance of \$11,315. This deficit will be financed by future resources of the fund.

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) banker's acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments:

The County has adopted a deposit and investment policy and the county addresses the following risks:

*Custodial credit risk - deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2018, the government's bank balance of \$4,504,011 was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is 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 \$8,860,661 and the FDIC coverage is \$303,903. The book amount of the cash at September 30, 2018 is \$2,185,794.

*Interest rate risk:* In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

*Credit risk:* State law limits investments in commercial paper and corporate bonds to the top two rating issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2018, the local investment pool - Texpool (99% of portfolio) was rated AAAm by Standard and Poor's and Texas Class (1% of portfolio) was rated AAAm by Standard and Poor's.

*Concentration of credit risk:* The County places no limit on the amount the County may invest in any one issuer. 99 percent of the County's investments are in Texpool and 1 percent of the County's investments are in Texas Class.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$8,042,072	Less than 1 year	Less than 1 year
Texas Class	\$ 47,919	Less than 1 year	Less than 1 year

The County participates in two Local Government Investment Pools: TexPool and Texas Class. The County invests in TexPool and Texas Class to provide its liquidity needs. It is a local government investment pool established in conformity with the Inter-local Cooperation Act Chapter 791 of the Texas Government Code and the Public Investment Act Chapter 2256 of the Code. TexPool and Texas Class are a 2(a) 7 like funds meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the fund seeks to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. The County considers the holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder short of a significant change in value. The TexPool and Texas Class funds are within the Governmental Activities.

B. Receivables

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

	General	Road and Bridge	Recording Fees	Other Governmental Funds	Total
<u>Receivables</u>					
Ad Valorem Taxes	\$1,098,977	\$247,137		\$94,410	\$1,440,524
Fines	3,872,840				3,872,840
Fees Receivable	132,938	87,956	17,853	30,781	269,528
Other	3,151				3,151
Gross Receivables	5,107,906	335,093	17,853	125,191	5,586,043
Less: Allowance for Uncollectibles	3,547,573	19,785		7,558	3,574,916
Net Total Receivables	\$1,560,333	\$315,308	\$17,853	\$117,633	\$2,011,127

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	\$566,080	\$34,195	\$0	\$600,275
Construction in Progress	11,870	9,410	21,280	0
Total capital assets not being depreciated:	577,950	43,605	21,280	600,275
Capital assets being depreciated:				
Building and Improvements	18,825,863	1,015,115		19,840,978
Machinery and Equipment	4,736,977	516,660	359,851	4,893,786
Vehicles	2,825,115	734,200	312,347	3,246,968
Intangible	586,179		0	586,179
Infrastructure	2,595,716		0	2,595,716
Total capital assets being depreciated:	29,569,850	2,265,975	672,198	31,163,627
Less: Accumulated Depreciation for:				
Building and Improvements	5,635,676	1,173,538	0	6,809,214
Machinery and Equipment	3,963,402	416,318	359,851	4,019,869
Vehicles	1,979,101	468,523	312,347	2,135,277
Intangible	460,323	31,464	0	491,787
Infrastructure	2,595,716	0	0	2,595,716
Total Accumulated Depreciation	14,634,218	2,089,843	672,198	16,051,863
Total Capital Assets Depreciated, Net	14,935,632	176,132	0	15,111,764
Governmental Activities capital assets, Net	\$15,513,582	\$219,737	\$21,280	\$15,712,039

The County renovated the Justice Center Renovation roof.

Depreciation charged to the functions is as follows:

Governmental Activities	
General Administration	\$31,501
Legal	1,820
Judicial	497,899
Financial Administration	31,844
Public Facilities	426,325
Public Safety	347,837
Public Transportation	661,020
Culture and Recreation	78,016
Health and Welfare	7,583
Conservation - Agriculture	5,998
Total Depreciation Expense - Governmental Activities	<u>\$2,089,843</u>

D. Interfund Receivables, Payables, and Transfers

The no Due to/from other funds at September 30, 2018 are as follows:

<u>DUE</u>					
<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>	<u>REASON</u>	<u>RECURRING</u>	
GENERAL FUND	CIVIL PREPAREDNESS	\$200	PROVIDE CAPITAL	YES	
TIF GRANT	GENERAL FUND	<u>22,494</u>	PROVIDE CAPITAL	YES	
		<u>\$22,694</u>			

There were no advances at September 30, 2018.

The transfers are as follows: The transfers from the General Fund to the Other Governmental Funds of \$379,000 were for operating capital. The \$130,838 from the Other Governmental Funds to the General Fund were a return of capital.

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$19,545 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	\$13,840
2020	13,840
2021	9,486
2022	8,340
2023	<u>2,775</u>
Total	<u>\$48,281</u>

Rent expenditures were \$20,397 for the year ended September 30, 2018. Rental income was \$41,466 for the year ended September 30, 2018.

F. Long-Term Debt

Capital Leases

The government has entered into lease agreements as lessee for financing a Skid Steer Loader for the Landfill and Tax Office Software for Financial Administration; an asphalt Zipper and a 2017 Peterbilt truck for Precinct No. 1; a 2016 Peterbilt Tractor/Trailer and a Caterpillar Motor Grader for Precinct No. 2; a 2019 Peterbilt Truck for Precinct No. 3; and two 2019 Peterbilt Trucks for Precinct No. 4. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The debt service for the capital leases are from the respective funds. The security pledged for the capital leases is the equipment financed.

The assets acquired through capital leases are capitalized into capital assets as follows:

ASSET	TAX OFFICE SOFTWARE GENERAL	SKID STEER LOADER GENERAL	ASPHALT ZIPPER PCT. 1	2017 PETERBILT TRUCK PCT. 1	2016 PETERBILT TRAC./TRA. PCT. 2	CAT. MOTOR GRADER PCT. 2	2019 PETERBILT TRUCK PCT. 3	2019 PETERBILT TRUCK PCT. 4	2019 PETERBILT TRUCK PCT. 4	TOTAL
COST	\$151,670	41,156.00	\$143,580	\$116,266	111,696.00	232,684.00	\$116,266	\$114,213	\$114,197	\$1,141,728
ACCUMULATED DEPRECIATION	60,668	16,462	28,716	23,253	67,018	46,537	23,253	22,843	22,839	311,589
NET ASSET	\$91,002	\$24,694	\$114,864	\$93,013	\$44,678	\$186,147	\$93,013	\$91,370	\$91,358	\$830,139

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	
	Activities	Total
2019	\$258,536	\$258,536
2020	258,536	258,536
2021	201,790	201,790
2022	183,297	183,297
2023	76,018	76,018
TOTAL MINIMUM LEASE PAYMENTS	978,177	978,177
LESS: AMOUNT REPRESENTING INTEREST	68,467	68,467
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	\$909,710	\$909,710

## Bonds

The government issues Bonds to provide funds for the courthouse renovation Series 2014 in the amount of \$8,215,000. The bond premium was \$285,000. The bond premium will be amortized over the life of the bond. The bonds are direct obligations and pledge the full faith and credit of the government.

Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Rates</u>	<u>Amount</u>
Refunding Bonds - Series 2014	2.00% to 4.00%	7,070,000

The following is a summary of debt service requirements to maturity.

YEAR	Governmental Activities	
	Principal	Interest
2019	\$340,000	\$251,000
2020	350,000	242,375
2021	360,000	232,600
2022	370,000	221,650
2023	380,000	210,400
2024-2028	2,115,000	839,425
2029-2033	2,575,000	381,500
2034	580,000	11,600
TOTALS	<u>\$7,070,000</u>	<u>\$2,390,550</u>

## Changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<u>Governmental Activities:</u>						
General Obligation Bonds	\$7,405,000	\$0	\$335,000	\$7,070,000	\$340,000	\$6,730,000
Add: Bond Issuance Premium	242,250		14,250	228,000		228,000
Total Bonds Payable	<u>7,647,250</u>	<u>0</u>	<u>349,250</u>	<u>7,298,000</u>	<u>340,000</u>	<u>6,958,000</u>
Capital Leases	478,274	837,206	405,770	909,710	226,727	682,983
Net OPEB Liability	3,623,423	337,229		3,960,652		3,960,652
Net Pension Liability	1,397,373		392,761	1,004,612		1,004,612
Compensated Absences	188,790	110,983	188,790	110,983	110,983	0
	<u>5,687,860</u>	<u>1,285,418</u>	<u>987,321</u>	<u>5,985,957</u>	<u>337,710</u>	<u>5,648,247</u>
Grand Total	<u>\$13,335,110</u>	<u>\$1,285,418</u>	<u>\$1,336,571</u>	<u>\$13,283,957</u>	<u>\$677,710</u>	<u>\$12,606,247</u>

The above are serviced by the debt service fund established for the purpose of servicing the bonded debt. The capital leases are serviced by the road and bridge funds. The compensated absences of \$110,983 are funded by the general and road and bridge funds and are considered current. The total interest expense was \$272,259.

The government-wide statement of activities includes \$677,710 as "noncurrent liabilities, due within one year".



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).

Changes in accrued liabilities for these claims follow:

	Year ended <u>09/30/18</u>	Year ended <u>09/30/17</u>
Unpaid Claims, Beginning of Fiscal Year	\$ -0-	\$ -0-
Incurred Claims (including IBNRs)	-0-	-0-
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 has joined together with other governments in the Texas Association of Counties Risk Management Pool. The County pays an annual premium to Risk Management for auto vehicle insurance coverage. The agreement with Risk Management provides that Risk Management will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 to \$300,000 for each insurance event. The County anticipates no contingent losses.

Texas Association of Counties Risk Management Pool has published its own financial report that can be obtained from the Texas Association of Counties Risk Management Pool.

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

2. Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Association of Counties Risk Management Pool.

3. Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Association of Counties Risk Management Pool.

4. Group Health and Life Insurance

The County maintains a group health insurance plan for active employees and their eligible dependents. Costs are recorded in the fund from which the employees' compensation is paid.

5. Unemployment Compensation Insurance

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

B. Related Party Transaction

Deborah Bryan- District Clerk – Husband owns Bryan Air Conditioning and Heating; County did \$103,905 in business in the year 2018.

Raymundo Luna – Pct #1 Operator – Wife, Edna Luna, owns a trucking company; County spent \$111,946 in 2018.

Richard Jackson- County Judge- Brother-in-law owns C-Trucking; County did \$7,050 in business in the year 2018.

Manuel Perez- Deputy – Contracts to do special work for the County; County spent \$11,682 in business in the year 2018.

Nathan Dryzmalla – Deputy; Wife is contracted by County Jail as a nurse; County spent \$72,000 in business in the year 2018.

C. Subsequent Events

On November 13, 2018 Commissioner's Court approved the purchase of a Water Truck for Pct. 3 in the amount of \$49,000.00, the purchase of MTU DS275 Diesel Generator for the Sheriff's Office through HGAC Buy in the amount of \$83,509.00, and the funding of 25% (approximately \$6,000.00) of new repeater for the North Tower, with remaining cost to be equally paid from ESDs 1,2 & 3. The Court also approved a letter of credit for Eden Crossing Unit 6 in the amount of \$208,750.00.

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.

The County was not a defendant in any lawsuit at year's end.

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 where by both governmental activities' Net Assets and the fund balances were both restated as follows: The accounts payable was restated upward by \$11,700 so as to be in agreement with the actual balance. The County also had a prior period adjustment where by governmental activities' Net Assets were restated downward by \$3,623,423 due to the County implementing GASB 75. The restatements had the corresponding effect on the beginning net assets and fund balance, as follows:

	Net Position, as Previously Reported	Accounts Payable Restatement	GASB 75 Restatement	Net Position As Restated
<b>Governmental Activities:</b>				
Net Position	\$18,547,634	(\$11,700)	(\$3,623,423)	\$14,912,511
<b>Total Governmental Activities</b>	<b>\$18,547,634</b>	<b>(\$11,700)</b>	<b>(\$3,623,423)</b>	<b>\$14,912,511</b>
	Fund Balance, as Previously Reported	Accounts Payable Restatement	Fund Balance As Restated	
<b>Governmental Funds</b>				
Fund Balance	\$8,768,762	(\$11,700)	\$8,757,062	
<b>Total Governmental Funds</b>	<b>\$8,768,762</b>	<b>(\$11,700)</b>	<b>\$8,757,062</b>	

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	\$21,976,302	\$24,555,545
Fiduciary net position	20,578,929	23,550,932
Net pension liability/ (asset)	1,397,373	1,004,612
Fiduciary net position as a % of total pension liability	93.64%	95.91%
Pensionable covered payroll <sup>(1)</sup>	\$6,970,323	\$7,168,622
Net pension liability as a % of covered payroll	20.05%	14.01%

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 TCORS.*

**Discount Rate**

Discount rate <sup>(2)</sup>	8.10%	8.10%
Long-term expected rate of return, net of investment expense <sup>(2)</sup>	8.10%	8.10%
Municipal bond rate <sup>(3)</sup>	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	\$23,550,932	\$1,232,902	\$1,516,401	\$23,551	\$1,895,432	\$25,139,315
2019	25,139,315	1,158,360	1,378,807	25,139	2,026,532	26,920,261
2020	26,920,261	1,114,434	1,505,390	26,920	2,163,947	28,666,331
2021	28,666,331	1,076,006	1,624,264	28,666	2,299,062	30,388,469
2022	30,388,469	1,039,101	1,743,688	30,388	2,432,279	32,085,772
2023	32,085,772	1,003,126	1,884,326	32,086	2,562,680	33,735,166
2024	33,735,166	978,585	2,002,318	33,735	2,690,555	35,368,253
2025	35,368,253	951,094	2,143,850	35,368	2,816,058	36,956,186
2026	36,956,186	912,143	2,275,172	36,956	2,937,856	38,494,057
2027	38,494,057	891,268	2,393,341	38,494	3,056,840	40,010,331
2037	52,354,853	730,313	3,571,241	52,355	4,125,847	53,587,417
2047	64,825,495	674,617	4,283,064	64,825	5,104,994	66,257,216
2057	85,792,914	786,376	4,111,888	85,793	6,813,758	89,195,367
2067	142,163,056	1,048,928	3,002,683	142,163	11,431,975	151,499,113
2077	287,586,490	1,442,254	1,619,591	287,586	23,276,043	310,397,610
2087	627,928,729	1,985,832	532,894	627,929	50,894,985	679,648,623
2097	1,384,529,771	2,734,280	66,915	1,384,530	112,197,855	1,498,010,461

\* 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	\$21,976,302	\$20,578,929	\$1,397,373
Changes for the year:			
Service cost	862,352		862,352
Interest on total pension liability <sup>(1)</sup>	1,804,050		1,804,050
Effect of plan changes <sup>(2)</sup>	1,122,366		1,122,366
Effect of economic/demographic gains or losses	(191,506)		(191,506)
Effect of assumptions changes or inputs	137,325		137,325
Refund of contributions	(133,033)	(133,033)	0
Benefit payments	(1,022,312)	(1,022,312)	0
Administrative expenses		(15,662)	15,662
Member contributions		501,804	(501,804)
Net investment income		3,003,556	(3,003,556)
Employer contributions		638,007	(638,007)
Other <sup>(3)</sup>	0	(356)	356
Balances as of December 31, 2017	\$24,555,545	\$23,550,932	\$1,004,612

(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 Wilson 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	\$27,617,868	\$24,555,545	\$21,966,272
Fiduciary net position	<u>23,550,932</u>	<u>23,550,932</u>	<u>23,550,932</u>
Net pension liability/ (asset)	\$4,066,936	\$1,004,612	(\$1,584,660)

## Pension Expense/ (Income)

Pension Expense/ (Income)	<u>January 1, 2017 to December 31, 2017</u>
Service cost	\$862,352
Interest on total pension liability <sup>(1)</sup>	1,804,050
Effect of plan changes	1,122,366
Administrative expenses	15,662
Member contributions	(501,804)
Expected investment return net of investment expenses	(1,665,640)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(32,136)
Recognition of assumption changes or inputs	92,142
Recognition of investment gains or losses	118,894
Other <sup>(2)</sup>	356
Pension expense/ (income)	\$1,816,244

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

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

As of December 31, 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	\$153,936	\$36,582
Changes of assumptions	0	160,805
Net difference between projected and actual earnings	316,382	0
Contributions made subsequent to measurement date <sup>(3)</sup>	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	\$171,144
2019	75,996
2020	(252,489)
2021	(267,583)
2022	0
Thereafter <sup>(4)</sup>	0

<sup>(3)</sup> 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.

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

### 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 <sup>(1)</sup> (c)	Amount Recognized for 2017 <sup>(1)</sup> (a)+ (c)	Inflows	Outflows
<i>Investment (gains) or losses</i>					
\$(1,337,915)	12/31/2017	5.0	\$(267,583)	\$1,070,332	\$0
143,198	12/31/2016	5.0	28,640	0	85,919
1,550,969	12/31/2015	5.0	310,194	0	620,388
238,221	12/31/2014	5.0	47,644	0	47,644
 <i>Economic/ demographic (gains) or losses</i>					
(191,506)	12/31/2017	4.0	(47,876)	143,629	0
73,163	12/31/2016	4.0	18,291	0	36,582
(41,228)	12/31/2015	4.0	(10,307)	10,307	0
31,027	12/31/2014	4.0	7,757	0	0
 <i>Assumption changes or inputs</i>					
137,325	12/31/2017	4.0	34,331	0	102,994
0	12/31/2016	4.0	0	0	0
231,245	12/31/2015	4.0	57,811	0	57,811
0	12/31/2014	4.0	0	0	0

*Employer contributions made subsequent to measurement date <sup>(2)</sup>*

-----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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total Pension Liability</b>										
Service cost	\$862,352	\$906,702	\$782,314	\$743,868	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,804,050	1,644,965	1,530,935	1,419,549	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	1,122,366	0	(109,795)	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	137,325	0	231,245	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(191,505)	73,163	(41,228)	31,027	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,155,345)	(1,004,855)	(970,097)	(828,175)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	2,579,243	1,619,975	1,423,374	1,396,368	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	21,976,302	20,356,327	18,932,054	17,566,585	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	\$24,555,545	\$21,976,302	\$20,356,327	\$18,932,954	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fiduciary Net Position</b>										
Employer contributions	\$638,007	\$620,359	\$600,753	\$560,772	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	501,804	487,823	472,503	424,827	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	3,003,556	1,400,245	(12,710)	1,167,034	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,155,345)	(1,004,855)	(970,097)	(828,175)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(15,662)	(15,240)	(13,548)	(13,880)	N/A	N/A	N/A	N/A	N/A	N/A
Other	(358)	164,783	155,307	37,144	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	2,972,003	1,643,194	232,208	1,367,723	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	20,578,929	18,935,735	18,703,527	17,335,803	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	\$23,550,932	\$20,578,929	\$18,935,735	\$18,703,527	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability / (asset), ending= (a) - (b)	\$1,004,612	\$1,397,373	\$1,420,592	\$229,427	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	95.91%	93.64%	93.02%	98.79%	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$7,168,622	\$6,970,323	\$6,750,040	\$6,068,964	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability (asset) as % of covered payroll	14.01%	20.05%	21.05%	3.78%	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<sup>(1)</sup>**

Year Ending December 31	Actuarially Determined Contribution <sup>(1)</sup>	Actual Employer Contribution <sup>(1)</sup>	Contribution Deficiency (Excess)	Pensionable Covered Payroll <sup>(2)</sup>	Actual Contribution as a % of Covered Payroll
2008	\$292,998	\$330,947	\$(37,949)	\$4,412,626	7.5%
2009	349,765	368,658	(18,894)	4,608,231	8.0%
2010	388,043	396,530	(8,487)	4,714,981	8.4%
2011	403,197	408,503	(5,305)	4,822,933	8.5%
2012	425,841	443,192	(17,351)	4,957,406	8.9%
2013	464,000	473,036	(9,036)	5,315,008	8.9%
2014	547,421	560,772	(13,352)	6,068,964	9.2%
2015	573,753	600,753	(27,000)	6,750,040	8.9%
2016	572,264	620,359	(48,095)	6,970,323	8.9%
2017	536,930	638,007	(101,078)	7,168,622	8.9%

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

<sup>(2)</sup> 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	12.6 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.

## Appendix A- GASB 68 Plan Description for Wilson County

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

- a. Wilson County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
  - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
  - 2) The plan provides retirement, disability and survivor benefits.
  - 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 180%) 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 Wilson County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 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](http://www.tcdrs.org).

### Membership Information

Members	Dec.31,2016	Dec.31,2017
Number of inactive employees entitled to but not yet receiving benefits:	200	204
Number of active employees:	186	196
Average monthly salary*:	\$3,043	\$3,075
Average age*:	46.67	46.69
Average length of service in years*:	9.15	9.22

### Inactive Employees (or their Beneficiaries) Receiving Benefits

Number of benefit recipients:	98	94
Average monthly benefit:	\$867	\$910

*\*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 Wilson County December 31, 2017 Summary Valuation Report for further details.

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

<b>Valuation Timing</b>	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.
<b>Actuarial Cost Method</b>	Entry Age Normal <sup>(1)</sup>
<b>Amortization Method</b>	
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
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
<b>Inflation</b>	Same as funding valuation: See Appendix C
<b>Salary Increases</b>	Same as funding valuation: See Appendix C
<b>Investment Rate of Return</b>	8.10% (Gross of administrative expenses)
<b>Cost-of-Living Adjustments</b>	Cost-of-Living Adjustments for Wilson 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.
<b>Retirement Age</b>	Same as funding valuation: See Appendix C
<b>Turnover</b>	Same as funding valuation: See Appendix C
<b>Mortality</b>	Same as funding valuation: See Appendix C

<sup>(1)</sup> 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 GASS 68 report entitled "Actuarial Methods and Assumptions Used for GASS 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 Wilson County.

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

GASS 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 GASS 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 TCDRS 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 TCDRS 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.

Please refer to the Glossary shown in Appendix D of this report for more information on the relevant accounting terminology.

## Total OPEB Liability

Total OPEB Liability	<u>December 31, 2016</u>	<u>December 31, 2017</u>
Total OPEB liability	\$419,829	\$423,111

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

*<sup>(1)</sup> 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	0.23%	\$16,488	No change from prior year
Retiree GTL Benefit	0.20%	14,337	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 47.72727%, allocated as follows:

Coverage Type	2018 GTL Rate	Proportion	Financial Reporting
Active Member GTL Benefit	0.23%	52.27273%	No change from prior year
Retiree GTL Benefit	0.21%	47.72727%	GASB 75

### Changes in Total OPEB Liability

	Changes in Total OPEB Liability
Balances as of December 31, 2016	\$419,829
Changes for the year:	
Service cost	13,945
Interest on total OPEB liability <sup>(1)</sup>	16,128
Changes of benefit terms <sup>(2)</sup>	0
Effect of economic/demographic experience	(29,319)
Effect of assumptions changes or inputs <sup>(3)</sup>	16,865
Benefit payments	(14,337)
Other	0
	\$423,111

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

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

<sup>(3)</sup> 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 Wilson 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	\$501,096	\$423,111	\$362,486



## OPEB Expense/ (Income)

OPEB Expense/ (Income)	<u>January 1, 2017 to December 31, 2017</u>
Service cost	\$13,945
Interest on total OPEB liability <sup>(1)</sup>	16,128
Effect of plan changes	0
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(4,188)
Recognition of assumption changes or inputs	2,409
Other	0
<b>OPEB expense/ (income)</b>	<b><u>\$28,294</u></b>

<sup>(1)</sup> 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	\$25,131	\$0
Changes of assumptions	0	14,456
Contributions made subsequent to measurement date <sup>(2)</sup>	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	\$(1,779)
2019	(1,779)
2020	(1,779)
2021	(1,779)
2022	(1,779)
Thereafter <sup>(3)</sup>	(1,779)

<sup>(2)</sup> 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.

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

**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 <sup>(1)</sup> (c)	Amount Recognized for 2017 <sup>(2)</sup> (a)+ (c)	Inflows	Outflows
<i>Economic/ demographic (gains) or losses</i> (29,319)	12/31/2017	7.0	(4,188)	25,131	0
<i>Assumption changes or inputs</i> 16,865	12/31/2017	7.0	2,409	0	14,456

*Employer contributions made subsequent to measurement date <sup>(2)</sup>*

-----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<sup>(1)</sup>**

	Year Ended December 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total OPEB Liability</b>										
Service cost	\$13,945	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	16,128	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	16,855	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(29,319)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(14,337)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	3,282	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	419,829	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending (a)	\$423,111	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$7,168,622	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability:(asset) as % of covered payroll	5.90%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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 Wilson County

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

- a. Wilson 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 <sup>(1)</sup>	36	39
Number of active employees:	186	196
Average age of active employees:	46.67	46.69
Average length of service in years for active employees:	9.15	9.22
<hr/>		
<b>Inactive Employees Receiving Benefits<sup>(1)</sup></b>		
Number of benefit recipients <sup>(1)</sup> :	84	79

(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 8- 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.

<b>Valuation Timing</b>	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.
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	
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
<b>Asset Valuation Method</b>	Does not apply
<b>Inflation</b>	Does not apply
<b>Salary Increases</b>	Does not apply
<b>Investment Rate of Return (Discount Rate)</b>	3.44% 20 Year Bond GO Index published by bondbuyer.com as of December 28, 2017.
<b>Cost-of-Living Adjustment</b>	Does not apply
<b>Disability</b>	See Table 1
<b>Mortality</b>	See Table 2
<b>Retirement</b>	See Table 3
<b>Other Termination of Employment</b>	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 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 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."

H. Summary of GASB 75 Group Insurance Policy

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**EXECUTIVE SUMMARY**

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Wilson County ("County") provides medical (including prescription drug) benefits to eligible retirees and their spouse. The County pays 100% of the contribution for retirees meeting certain eligibility requirements. Retirees are required to make the full contribution for dependent care. All active employees who retire directly from the County and meet the eligibility criteria may participate.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 was enacted on December 8, 2003. As a result of this legislation, employers providing drug coverage to Medicare eligible retirees, that is, at least actuarially equivalent to the standard benefit provided by Medicare, may be eligible to receive a federal subsidy.

GASB has taken the position that any federal subsidy received should be reported as revenue to the plan sponsor and not used as an offset to the GASB liabilities. This report is prepared on that basis.

This SUMMARY identifies the value of benefits at September 30, 2018 and costs for the 2018 Fiscal Year:

	September 30, 2018		
	Initial Results	Medicare Prescription Savings	Final
Present Value of Future Benefits	7,016,149	N/A	7,016,149
Total OPEB Liability (TOL)	3,537,541	N/A	3,537,541
Fiduciary Net Position (FNP)	0	N/A	0
Net OPEB Liability (NOL)	3,537,541	N/A	3,537,541
FY 2018 Expected OPEB Benefits (includes any implicit subsidy)*	119,031	N/A	119,031
*The FY2018 implicit subsidy is \$52,148.			

This section presents detailed valuation results for the County's Plan.

- ▶ The **Present Value of Future Benefits** is the total present value of all expected future benefits, based on certain actuarial assumptions. The Present Value of Future Benefits is a measure of total liability or obligation. Essentially, this present value is the value (on the valuation date) of the benefits promised current and future retirees. The Plan's present value of all projected benefits (at September 30, 2018) is \$ **7,016,149**. Most of this obligation is for current active employees (future retirees).
- ▶ The **Total OPEB Liability (TOL)** is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's TOL (at September 30, 2018) is \$ **3,537,541**. Most of this liability is for active employees. The TOL represents **50.42%** of the present value of all projected benefits.
- ▶ **Service Cost** is the value of benefits expected to be earned during the year, again based on certain actuarial methods and assumptions. The 2018 Fiscal Year Service Cost (at September 30, 2018) is \$ **325,328**.

The results were calculated based upon plan provisions, as provided by the County, along with certain demographic and economic assumptions as recommended by our consulting actuary with guidance from the GASB statement.

#### **Demographic Assumptions**

Data was provided by the County as of January 2019. Appropriate adjustments in this data were made for the actuarial valuation. There is no assumption for future hires.

#### **Economic Assumptions**

The GASB statement requires that the discount rate used to determine the plan liabilities for retiree healthcare benefits is based on the earnings rate of the plan assets if the projected assets are sufficient to cover the projected benefit payments. If the projected assets are not sufficient then a municipal bond index rate must be used for discounting benefits not covered by the projected assets. Since there are no plan assets held in trust the Bond Buyer GO Bond 20 Index is used for determining the discount rate of **4.06%**.

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The GASB statement does not require a particular source for information to determine healthcare trends, but it does recommend selecting a source that is "publicly available, objective and unbiased".

The balance of this report provides greater detail for the above results.



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**PRINCIPAL VALUATION RESULTS**

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The following highlights the County's recognition of the above amounts:

- ▶ The September 30, 2018 Plan Fiduciary Net Position is \$0
- ▶ The FY 2018 Total OPEB Expense is \$452,978.
- ▶ Expected FY 2018 OPEB benefits are \$119,031 (includes \$66,883 in subsidy payments made by the employer.)

The following table shows results by active and retired employee groups as of September 30, 2018:

	Initial Results	Medicare Prescription Savings	Final
<b>Present Value of Future Benefits</b>			
Actives	6,789,559	N/A	6,789,559
Retirees	226,590	N/A	226,590
<b>Total</b>	<b>7,016,149</b>	<b>N/A</b>	<b>7,016,149</b>
<b>Total OPEB Liability (TOL)</b>			
Actives	3,310,951	N/A	3,310,951
Retirees	226,590	N/A	226,590
<b>Total</b>	<b>3,537,541</b>	<b>N/A</b>	<b>3,537,541</b>
Plan Fiduciary Net Position			0
Net OPEB Liability (NOL)			3,537,541
Service Cost			325,328

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**ACCOUNTING INFORMATION**

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The adoption date for the new GASB 75 OPEB Accounting Standard was for the Fiscal Year beginning October 1, 2017. The following shows the development of the Net OPEB Liability (NOL), the Total OPEB Expense, the Schedule of Deferred Inflows/Outflows and the Trend and Discount Rate Sensitivity Analysis.

**Net OPEB Liability (NOL)**

The Standard sets the method for determining the County's Total OPEB Liability and Net OPEB Liability. The Net OPEB Liability is the difference between the Total OPEB liability and the Plan Fiduciary Net Position. The Plan Fiduciary Net Position is zero for plans with no dedicated plan assets. To be included as assets of the plan the assets must be held in an irrevocable trust for the exclusive purpose of providing post-retirement benefits. Changes in benefit terms are recognized immediately. Changes in assumptions and experience gains/losses are amortized over the average remaining service of active employees and inactive participants. Investment gains/losses are amortized over five (5) years.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
<b>Total OPEB Liability</b>			
<b>October 1, 2017</b>	3,203,594	0	3,203,594
Service Cost	312,635	0	312,635
Interest Cost	140,343	0	140,343
Changes of Benefit Terms	0	0	0
Differences between expected and actual experience	0	0	0
Changes in assumptions	0	0	0
Other changes	0	0	0
Contributions-employer	0	0	0
Net investment income	0	0	0
Benefit payments	(119,031)	0	(119,031)
Administrative expense	0	0	0
Net change in total OPEB liability	333,947	0	333,947
<b>Total OPEB Liability</b>			
<b>September 30, 2018</b>	3,537,541	0	3,537,541

### Total OPEB Expense

Part of the disclosure is the Total OPEB Expense included in the financial statements each fiscal year. This expense includes the service cost, interest cost and the amortized amount of each basis required by GASB 75.

Total OPEB Expense	FY2018
Service Cost at October 1, 2017	312,635
Interest Cost (including interest on Service Cost)	140,343
Changes of benefit terms	0
Current Recognized Deferred Outflows/ (Inflows)	0
Difference between expected and actual experience	0
Changes in assumptions or other inputs (Other changes, if significant)	0
Difference of Projected Investment Earnings	0
Total OPEB Expense as of September 30, 2018	452,978

### Schedule of Deferred Inflows/Outflows

GASB75 requires disclosure of the deferred inflows/outflows resulting from the changes in the Total OPEB liability each year. Included will be a schedule showing the original amortization amount, the years to be amortized, and the remaining balance. If applicable, Appendix A to this report discloses any detailed amortization information.

Schedule of Deferred Inflows/Outflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	0	0
Changes of assumptions/inputs	0	0
Net difference between projected and actual investments	0	0
Total	0	0

**Required Supplementary Information**

Below is the Schedule of Funding Progress. Ultimately 10 years of funding progress will be shown:

Measurement Date	Fiduciary Net Position	Total OPEB Liability Entry Age Normal Percentage of Salary	Net OPEB Liability	Funded Rate	Covered Payroll	Net OPEB Liability of a Percentage of Covered Payroll
September 30, 2018	H	3,537,541	3,537,541	0.00%	6,716,993	52.67%
	0			0.00%		
	0			0.00%		

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**SUMMARY OF PRINCIPAL PLAN PROVISIONS**

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**Plan Provisions**

**Medical Benefits**

Eligibility	Retirement through the Texas County & District Retirement System at the earlier of a) age 60 with 8 years of service or b) with 20 years of service or c) the sum of age plus service equals 75.
Dependent eligibility	Spouse covered at time of retirement for at least one year.
Postretirement contributions	The retiree pays the full contribution for additional dependent coverage. The County pays 100% of the active individual premium rate for retirees.

**Medical Plan Benefit Schedule**

	<u>Medical</u>	<u>Network</u>	<u>Non-Network</u>
Deductible		\$1,000	\$3,000
Copayment		80%	60%
Fam Ded Max	\$3,000		\$9,000

<b>Other Benefits</b>	The retiree pays the full cost of dependent coverage. These benefits continue to age 65.
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**Change in Plan Provisions** None

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**METHODS AND ASSUMPTIONS**

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**Actuarial Method**                      Individual Entry Age Normal Cost Method-Level Percentage of Projected Salary.

**Service Cost**                              Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.

**Total OPEB Liability**                      The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.

**Discount Rate**                              4.06% (1.06% real rate of return plus 3.00% inflation)

**Average Per Capita Claim Cost**

Age	Medical
50	10,810
51	11,080
52	11,357
53	11,641
54	11,932
55	12,231
56	12,537
57	12,850
58	13,171
59	13,500
60	13,838
64	15,275

**Health Care Cost Trend**                      Level 5.00%

<b>Effect of ACA</b>	The excess coverage excise tax penalty of the Affordable Care Act has been postponed until the plan year beginning in 2022 and is not included in the projection of benefits in this valuation. This plan has current medical costs well under the limits in current law. Current legislative discussions include both repeal of the excise tax and postponement beyond 2022.
<b>Mortality</b>	RPH-2014 Total Table with Projection MP-2018
<b>Turnover</b>	Rates varying based on gender, age and select and ultimate at 15 years. Rates based the TCDRS actuarial assumptions from the 2017 retirement plan valuation report. More detail is shown on Page 14.
<b>Disability</b>	None assumed
<b>Retirement Rates</b>	Detail is shown on Page 14.
<b>Retiree Contributions</b>	None for individual coverage. Retiree pays a contribution for dependent coverage.
<b>Salary Scale</b>	3.50%
<b>Data Assumptions</b>	
<i>Coverage</i>	100% of all retirees who currently have healthcare coverage will continue with the same coverage.
	100% of all actives who currently have healthcare coverage will continue with the same coverage.

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
<b>Total Pension Liability</b>										
Service cost	\$862,352	\$906,702	\$782,314	\$743,868	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,804,050	1,644,985	1,530,935	1,419,549	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	1,122,366	0	(109,795)	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	137,325	0	231,245	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(191,505)	73,163	(41,228)	31,027	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,155,345)	(1,004,855)	(970,097)	(828,175)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	2,579,243	1,619,975	1,423,374	1,366,368	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	21,978,302	20,356,327	18,932,954	17,566,585	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	<u>\$24,555,545</u>	<u>\$21,976,302</u>	<u>\$20,356,327</u>	<u>\$18,932,954</u>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fiduciary Net Position</b>										
Employer contributions	\$638,007	\$620,359	\$600,753	\$560,772	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	501,804	487,923	472,503	424,827	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	3,003,556	1,400,245	(12,710)	1,187,034	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,155,345)	(1,004,855)	(970,097)	(828,175)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(15,662)	(15,240)	(13,548)	(13,880)	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(356)</u>	<u>154,763</u>	<u>155,307</u>	<u>37,144</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	2,972,003	1,643,184	232,208	1,367,723	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>20,578,929</u>	<u>18,935,735</u>	<u>18,703,527</u>	<u>17,335,803</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	<u>\$23,550,932</u>	<u>\$20,578,929</u>	<u>\$18,935,735</u>	<u>\$18,703,527</u>	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability / (asset), ending= (a) - (b)	<u>\$1,004,612</u>	<u>\$1,397,373</u>	<u>\$1,420,592</u>	<u>\$229,427</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	95.91%	93.64%	93.02%	98.79%	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	57,168,622	56,970,323	56,750,040	58,058,964	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liabilities (asset) as % of covered payroll	14.01%	20.05%	21.05%	3.78%	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 <sup>(1)</sup>**

<b>Year Ending December 31</b>	<b>Actuarially Determined Contribution<sup>(1)</sup></b>	<b>Actual Employer Contribution<sup>(1)</sup></b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll<sup>(2)</sup></b>	<b>Actual Contribution as a % of Covered Payroll</b>
2008	\$292,998	\$330,947	\$(37,949)	\$4,412,626	7.5%
2009	349,765	368,658	(18,894)	4,608,231	8.0%
2010	388,043	396,530	(8,487)	4,714,981	8.4%
2011	403,197	408,503	(5,305)	4,822,933	8.5%
2012	425,841	443,192	(17,351)	4,957,406	8.9%
2013	464,000	473,036	(9,036)	5,315,008	8.9%
2014	547,421	560,772	(13,352)	6,068,964	9.2%
2015	573,753	600,753	(27,000)	6,750,040	8.9%
2016	572,264	620,359	(48,095)	6,970,323	8.9%
2017	536,930	638,007	(101,078)	7,168,622	8.9%

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

<sup>(2)</sup> 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	12.6 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 Wilson County December 31, 2017 Summary Valuation Report for further details.

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

<b>Valuation Timing</b>	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.
<b>Actuarial Cost Method</b>	Entry Age Normal <sup>(1)</sup>
<b>Amortization Method</b>	
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
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
<b>Inflation</b>	Same as funding valuation: See Appendix C
<b>Salary Increases</b>	Same as funding valuation: See Appendix C
<b>Investment Rate of Return</b>	8.10% (Gross of administrative expenses)
<b>Cost-of-Living Adjustments</b>	Cost-of-Living Adjustments for Wilson 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.
<b>Retirement Age</b>	Same as funding valuation: See Appendix C
<b>Turnover</b>	Same as funding valuation: See Appendix C
<b>Mortality</b>	Same as funding valuation: See Appendix C

<sup>(1)</sup> 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
<b>Total OPEB Liability</b>										
Service cost	\$13,945	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	16,128	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	16,865	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(29,319)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(14,337)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	3,282	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	<u>419,829</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total OPEB liability, ending (a)	<u>\$423,111</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Pensionable covered payroll	\$7,168,622	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability/(asset) as % of covered payroll	5.90%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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 8- 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.

<b>Valuation Timing</b>	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.
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	
Recognition of economic/demographic gains or losses	Straight-Line amortization <i>over</i> Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization <i>over</i> Expected Working Life
<b>Asset Valuation Method</b>	Does not apply
<b>Inflation</b>	Does not apply
<b>Salary Increases</b>	Does not apply
<b>Investment Rate of Return (Discount Rate)</b>	3.44% 20 Year Bond GO Index published by bondbuyer.com as of December 28, 2017.
<b>Cost-of-Living Adjustment</b>	Does not apply
<b>Disability</b>	See Table 1
<b>Mortality</b>	See Table 2
<b>Retirement</b>	See Table 3
<b>Other Termination of Employment</b>	See Table 4

**Required Supplementary Information**

Below is the Schedule of Funding Progress. Ultimately 10 years of funding progress will be shown:

Measurement Date	Fiduciary Net Position	Total OPEB Liability Entry Age Normal Percentage of Salary (b)	Net OPEB Liability (b) - (a)	Funded Rate (a) / (b)	Covered Payroll (c)	Net OPEB Liability at a Percentage of Covered Payroll (b)-(a)/(c)
September 30, 2018	H 0 0	3,537,541	3,537,541	0.00% 0.00% 0.00%	6,716,993	52.67%

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**SUMMARY OF PRINCIPAL PLAN PROVISIONS**

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**Plan Provisions**

**Medical Benefits**

**Eligibility** Retirement through the Texas County & District Retirement System at the earlier of a) age 60 with 8 years of service or b) with 20 years of service or c) the sum of age plus service equals 75.

**Dependent eligibility** Spouse covered at time of retirement for at least one year.

**Postretirement contributions** The retiree pays the full contribution for additional dependent coverage. The County pays 100% of the active individual premium rate for retirees.

**Medical Plan Benefit Schedule**

	<u>Medical</u>	<u>Network</u>	<u>Non-Network</u>
Deductible		\$1,000	\$3,000
Copayment		80%	60%
Fam Ded Max		\$3,000	\$9,000

**Other Benefits** The retiree pays the full cost of dependent coverage.  
These benefits continue to age 65.

**Change in Plan Provisions** None



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**METHODS AND ASSUMPTIONS**

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**Actuarial Method**                      Individual Entry Age Normal Cost Method-Level Percentage of Projected Salary.

**Service Cost**                              Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.

**Total OPEB Liability**                      The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.

**Discount Rate**                              4.06% (1.06% real rate of return plus 3.00% inflation)

**Average Per Capita Claim Cost**

Age	Medical
50	10,810
51	11,080
52	11,357
53	11,641
54	11,932
55	12,231
56	12,537
57	12,850
58	13,171
59	13,500
60	13,838
64	15,275

**Health Care Cost Trend**                      Level 5.00%

<b>Effect of ACA</b>	The excess coverage excise tax penalty of the Affordable Care Act has been postponed until the plan year beginning in 2022 and is not included in the projection of benefits in this valuation. This plan has current medical costs well under the limits in current law. Current legislative discussions include both repeal of the excise tax and postponement beyond 2022.
<b>Mortality</b>	RPH-2014 Total Table with Projection MP-2018
<b>Turnover</b>	Rates varying based on gender, age and select and ultimate at 15 years. Rates based the TCDRS actuarial assumptions from the 2017 retirement plan valuation report. More detail is shown on Page 14.
<b>Disability</b>	None assumed
<b>Retirement Rates</b>	Detail is shown on Page 14.
<b>Retiree Contributions</b>	None for individual coverage. Retiree pays a contribution for dependent coverage.
<b>Salary Scale</b>	3.50%
<b>Data Assumptions</b>	
<i>Coverage</i>	100% of all retirees who currently have healthcare coverage will continue with the same coverage.
	100% of all actives who currently have healthcare coverage will continue with employee only coverage upon retirement.

**Valuation Methodology and Terminology**

We have used GASB accounting methodology to determine the postretirement medical benefit obligations.

**Valuation Date** September 30, 2018

**Measurement Date** September 30, 2018

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

WILSON COUNTY, TEXAS  
 BALANCE SHEET - ROAD AND BRIDGE  
 SEPTEMBER 30, 2018

	Road and Bridge NO. 1	Road and Bridge NO. 2	Road and Bridge NO. 3	Road and Bridge NO. 4	Total
<b>ASSETS</b>					
Cash and Cash Equivalents	\$336,341	\$418,914	\$144,504	\$265,019	\$1,164,778
Receivables (net of allowance for uncollectibles)	59,117	95,155	71,789	89,247	315,308
<b>Total Assets</b>	<b>\$395,458</b>	<b>\$514,069</b>	<b>\$216,293</b>	<b>\$354,266</b>	<b>\$1,480,086</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Accounts Payable	\$14,571	\$154,988	\$13,997	\$31,808	215,364
Accrued Wages Payable	10,807	14,038	14,942	14,759	54,546
<b>Total Liabilities</b>	<b>25,378</b>	<b>169,026</b>	<b>28,939</b>	<b>46,567</b>	<b>269,910</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Property Taxes	42,604	68,617	51,762	64,370	227,353
<b>Fund Balances:</b>					
Restricted					
Public Transportation	327,476	276,426	135,592	243,329	982,823
<b>Total Fund Balance</b>	<b>327,476</b>	<b>276,426</b>	<b>135,592</b>	<b>243,329</b>	<b>982,823</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$395,458</b>	<b>\$514,069</b>	<b>\$216,293</b>	<b>\$354,266</b>	<b>\$1,480,086</b>

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS  
 YEAR ENDED SEPTEMBER 30, 2018

	Road and Bridge NO. 1	Road and Bridge NO. 2	Road and Bridge NO. 3	Road and Bridge NO. 4	Total
<b>REVENUES</b>					
Taxes					
Property	\$462,540	\$744,962	\$561,964	\$698,853	\$2,468,319
Intergovernmental	237,058	477,062	10,918	91,174	816,212
Licenses and Permits	219,370	354,436	266,162	330,411	1,170,379
Fines and Forfeitures	86,123	138,356	104,421	129,689	458,589
Miscellaneous	10,209	8,439	13,332	81,774	113,754
Total Revenues	<u>1,015,300</u>	<u>1,723,255</u>	<u>956,797</u>	<u>1,331,901</u>	<u>5,027,253</u>
<b>EXPENDITURES</b>					
Current:					
Public Transportation Road and Bridge	1,275,057	1,872,317	1,055,683	1,395,783	5,598,840
Debt Service					
Principal Retirement	67,191	61,071	104,074	125,269	357,605
Interest Retirement	3,375	9,990	6,501	4,459	24,325
Total Expenditures	<u>1,345,623</u>	<u>1,943,378</u>	<u>1,166,258</u>	<u>1,525,511</u>	<u>5,980,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(330,323)	(220,123)	(209,461)	(193,610)	(953,517)
<b>OTHER FINANCING SOURCES (USES):</b>					
Other Financing Sources - Capital Lease	259,846	232,684	116,266	228,410	837,206
Total Other Financing Sources (Uses)	<u>259,846</u>	<u>232,684</u>	<u>116,266</u>	<u>228,410</u>	<u>837,206</u>
Net Changes in Fund Balances	(70,477)	12,561	(93,195)	34,800	(116,311)
Fund Balances - Beginning	397,953	263,865	228,787	208,529	1,099,134
Fund Balances - Ending	<u>\$327,476</u>	<u>\$276,426</u>	<u>\$135,592</u>	<u>\$243,329</u>	<u>\$982,823</u>

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2019

	SPECIAL REVENUE																
	BODY ARMOR GRANT	CIVIL FEES	CIVIL PREPARED-NESS	COMMUNITY ECONOMIC DEVELOPMENT	COUNTY ATTORNEY FORFEITURE	COUNTY CLERK LAW LIBRARY	COUNTY CLERK TECH	COURT-HOUSE SECURITY	ERRORS AND OMISSIONS	FEDERAL SEIZURE ACCOUNT	INMATE TELEPHONE PRE-PAYMENT	JP TECHNOLOGY	JURY FUND	JUVENILE CASE MANAGEMENT FUND	LEOSE FUND	LIBRARY FUND	PRE-TRIAL INTERVENTION
<b>ASSETS</b>																	
Cash and Cash Equivalents		\$21,620	\$449,735	\$3,816	\$6,321	\$93,433	\$2,048	\$63,806	\$636	\$498	\$24,335	\$40,803	\$3,294	\$115	\$36,133	\$170,115	\$134,662
Receivables (net of allowance for uncollectibles)		10,607	2,650			1,920	8	2,328	435		1,347	1,154	5			33,445	4,850
Due from Other Funds																	
<b>Total Assets</b>	\$0	\$32,427	\$452,385	\$3,816	\$6,321	\$95,353	\$2,056	\$66,134	\$1,071	\$498	\$25,682	\$41,957	\$3,299	\$115	\$36,133	\$203,560	\$139,512
<b>LIABILITIES AND FUND BALANCES</b>																	
<b>Liabilities</b>																	
Accounts Payable		\$25,490				\$1,849		\$25,698			\$3,000	\$40					\$22,262
Cash Overdraft																	
Due to Other Funds			200														
Accrued Wages Payable						632		9,364									9,284
<b>Total Liabilities</b>	0	25,490	200	0	0	2,481	0	35,062	0	0	3,000	40	0	0	0	31,546	0
<b>DEFERRED INFLOWS OF RESOURCES</b>																	
Deferred Property Taxes																	31,322
<b>Fund Balances</b>																	
<b>Restricted</b>																	
Debt Service																	
General Administration		6,937		3,816		92,872	2,056		1,071			41,917	3,299				139,512
Judicial					6,321												
Legal																	
Public Safety			452,185					31,072		498	22,682			115	36,133		
Public Transportation																	
<b>Committed</b>																	
Culture and Recreation																	
General Administration																	140,692
<b>Unassigned</b>																	
<b>Total Fund Balances</b>	0	6,937	452,185	3,816	6,321	92,872	2,056	31,072	1,071	498	22,682	41,917	3,299	115	36,133	140,692	139,512
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$0	\$32,427	\$452,385	\$3,816	\$6,321	\$95,353	\$2,056	\$66,134	\$1,071	\$498	\$25,682	\$41,957	\$3,299	\$115	\$36,133	\$203,560	\$139,512

(continued)

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

WILSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2017  
 (continued)

	SEIZURE HOLDING BANK ACCOUNT	SUB- DIVISION FUND	SUTHER- LAND SPRINGS SHOOTING	TIF GRANT	TIME PAYMENT	VAWA GRANT	VOCA GRANT	DEBT	CAPITAL	TOTAL NON-MAJOR GOVERN- MENTAL
								SERVICE BOND 16'S FUND	PROJECTS FEMA FUND	
<b>ASSETS</b>										
Cash and Cash Equivalents	\$70,283	\$52,883		\$72,907	\$28,250	\$2,186		\$85,098		\$1,342,977
Receivables (net of allowance for uncollectibles)								58,684		117,633
Due from Other Funds				22,494						22,494
<b>Total Assets</b>	<b>\$70,283</b>	<b>\$52,883</b>	<b>\$0</b>	<b>\$95,401</b>	<b>\$28,250</b>	<b>\$2,186</b>	<b>\$0</b>	<b>\$123,782</b>	<b>\$0</b>	<b>\$1,483,104</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts Payable					\$28,250					\$106,589
Cash Overdraft							11,315			11,315
Due to Other Funds										200
Accrued Wages Payable										19,290
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,250</b>	<b>0</b>	<b>11,315</b>	<b>0</b>	<b>0</b>	<b>137,394</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Deferred Property Taxes								65,529		86,851
<b>Fund Balances</b>										
<b>Restricted</b>										
Debt Service								68,253		68,253
General Administration										106,752
Judicial						2,186				186,914
Public Safety										6,321
Public Safety	70,283									612,968
Public Transportation				95,401						95,401
<b>Committed</b>										
Culture and Recreation										140,692
General Administration		52,883								52,883
Unassigned							(11,315)			(11,315)
<b>Total Fund Balances</b>	<b>70,283</b>	<b>52,883</b>	<b>0</b>	<b>95,401</b>	<b>0</b>	<b>2,186</b>	<b>(11,315)</b>	<b>68,253</b>	<b>0</b>	<b>1,258,669</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$70,283</b>	<b>\$52,883</b>	<b>\$0</b>	<b>\$95,401</b>	<b>\$28,250</b>	<b>\$2,186</b>	<b>\$0</b>	<b>\$123,782</b>	<b>\$0</b>	<b>\$1,483,104</b>

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

WILSON 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																
	BODY ARMOR GRANT	CIVIL FEES	CIVIL PREPARED-NESS	COMMUNITY ECONOMIC DEVELOP-MENT	COUNTY ATTORNEY FORFEI-TURE	COUNTY CLERK LAW LIBRARY	COUNTY CLERK TECH	COURT-HOUSE SECURITY	ERRORS AND OMISSIONS	FEDERAL SEIZURE ACCOUNT	INMATE TELEPHONE PRE-PAYMENT	JP TECHNO-LOGY	JURY FUND	JUVENILE CASE MANAGEMENT FUND	LEOSE FUND	LIBRARY FUND	PRE-TRIAL INTER-VENTION
<b>REVENUES</b>																	
Taxes																	
Property																	
Intergovernmental	9,899											18,900	11,288		7,216		\$340,060
Charges for Services			43,775			21,120	235	28,494	4,300				320	5			2,500
Fines and Forfeitures																	95,962
Interest			663			74											10,909
Miscellaneous	219				6,321						17,282		919				18,178
Total Revenues	10,118	0	44,438	0	6,321	21,194	235	28,494	4,300	0	17,282	18,900	12,527	5	7,216	371,847	95,962
<b>EXPENDITURES</b>																	
Current:																	
General Administration																	
County Clerk						34,707											
Non-Departmental		1,845							9,681								
Records Management																	
Judicial																	
Judicial																	
Justice of the Peace												25,968					12,737
Jury													29,950				
Public Safety																	
Sheriff	10,118							198,062			6,000						1,136
Public Transportation																	
Road and Bridge																	
Culture and Recreation																	
Library																	
Debt Service																	
Principal Retirement																	
Interest Retirement																	
Total Expenditures	10,118	1,845	0	0	0	34,707	0	198,062	9,681	0	6,000	25,968	29,950	0	1,136	384,018	12,737
Excess (Deficiency) of Revenues Over (Under)																	
Expenditures	0	(1,845)	44,438	0	6,321	(13,513)	235	(169,568)	(5,291)	0	11,282	(7,066)	(17,423)	5	6,080	(12,371)	83,225
<b>OTHER FINANCING SOURCES (USES):</b>																	
Transfers In																	
Transfers Out																	
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	164,000	6,000	0	0	0	9,000	0	0	0	(33,278)
Net Changes in Fund Balances	0	(1,845)	44,438	0	6,321	(13,513)	235	(5,568)	709	0	11,282	(7,066)	(8,423)	5	6,080	(12,371)	49,947
Fund Balances - Beginning	8,782	407,747	3,816		106,385	1,821		36,640	362	498	11,400	48,983	11,722	110	30,053	153,063	89,565
Fund Balances - Ending	\$0	\$6,937	\$452,185	\$3,816	\$6,321	\$92,672	\$2,056	\$31,072	\$1,071	\$498	\$22,682	\$41,917	\$3,299	\$115	\$36,133	\$140,692	\$139,512

The accompanying notes are an integral part of this statement.



WILSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2017  
 (continued)

	SEIZURE HOLDING BANK ACCOUNT	SUB- DIVISION FUND	SUTHER- LAND SPRINGS SHOOTING	TIF GRANT	TIME PAYMENT	VAWA GRANT	VOCA GRANT	DEBT SERVICE	FEMA FUND	TOTAL
								BOND I&S FUND	BOND I&S FUND	NON-MAJOR GOVERN- MENTAL
<b>REVENUES</b>										
Taxes				\$30,975				\$602,870		\$973,905
Property						109,121	44,064		705,730	909,718
Intergovernmental		17,000								211,301
Charges for Services										10,909
Fines and Forfeitures										1,625
Interest	9							879		49,913
Miscellaneous	6,413			591						
<b>Total Revenues</b>	<b>6,422</b>	<b>17,000</b>	<b>0</b>	<b>31,566</b>	<b>0</b>	<b>109,121</b>	<b>44,064</b>	<b>603,749</b>	<b>705,730</b>	<b>2,156,371</b>
<b>EXPENDITURES</b>										
Current:										
General Administration										34,707
County Clerk										86,071
Non-Departmental			74,545							16,937
Records Management		16,937								
Judicial										202,946
Judicial						134,206	56,003			25,966
Justice of the Peace										29,950
Jury										
Public Safety										215,686
Sheriff	370									
Public Transportation										798,419
Road and Bridge				16,301					782,118	
Culture and Recreation										384,018
Library										
Debt Service										335,000
Principal Retirement								335,000		259,020
Interest Retirement								259,020		
<b>Total Expenditures</b>	<b>370</b>	<b>16,937</b>	<b>74,545</b>	<b>16,301</b>	<b>0</b>	<b>134,206</b>	<b>56,003</b>	<b>694,020</b>	<b>782,118</b>	<b>2,389,720</b>
Excess (Deficiency) of Revenues Over (Under)										
Expenditures	6,052	63	(74,545)	15,255	0	(25,085)	(11,939)	9,729	(76,388)	(232,349)
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers In			200,000			27,271	624			406,895
Transfers Out			(125,455)							(158,733)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>74,545</b>	<b>0</b>	<b>0</b>	<b>27,271</b>	<b>624</b>	<b>0</b>	<b>0</b>	<b>248,162</b>
<b>Net Changes in Fund Balances</b>	<b>6,052</b>	<b>63</b>	<b>0</b>	<b>15,255</b>	<b>0</b>	<b>2,186</b>	<b>(11,315)</b>	<b>9,729</b>	<b>(76,388)</b>	<b>15,813</b>
Fund Balances - Beginning	64,231	52,820		80,146	0			58,524	76,388	1,243,056
<b>Fund Balances - Ending</b>	<b>\$70,283</b>	<b>\$52,883</b>	<b>\$0</b>	<b>\$95,401</b>	<b>\$0</b>	<b>\$2,186</b>	<b>(\$11,315)</b>	<b>\$68,253</b>	<b>\$0</b>	<b>\$1,258,869</b>

The accompanying notes are an integral part of this statement.

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

	COUNTY ATTORNEY	CREDIT CARD CLEARING	FOURTH COURT OF APPEALS	HOT CHECK RESTI- TUTION	JACKSON MEMORIAL PARK BOND	JP HOLDING	REMSCHEL- DEWEES HOUSE	STATE HOT CHECK	STATE TAX FUND	WOOD VALLEY ACRES I&S	COUNTY OFFICER ACCOUNTS	TOTAL
<b>ASSETS</b>												
Cash and Cash Equivalents	\$31,849	\$46,289	\$1,455	\$451	\$15,683	\$111,809	\$8,878	\$502	\$70,808	\$1,100	\$1,689,073	\$1,977,897
Receivables (net of allowance for uncollectibles)	51		240	0		15,870		0	28,543	76		44,780
Due from Others	0					0						0
<b>Total Assets</b>	<b>\$31,900</b>	<b>\$46,289</b>	<b>\$1,695</b>	<b>\$451</b>	<b>\$15,683</b>	<b>\$127,679</b>	<b>\$8,878</b>	<b>\$502</b>	<b>\$99,351</b>	<b>\$1,176</b>	<b>\$1,689,073</b>	<b>\$2,022,677</b>
<b>LIABILITIES:</b>												
Accounts Payable		\$46,289	\$545	\$686		\$117,788		\$796	\$70,808	\$1,751		238,663
Due to Others	31,900	0	1,150	(235)	15,683	9,891	6,759	(294)	28,543	(575)	1,689,073	1,781,895
<b>Total Liabilities</b>	<b>31,900</b>	<b>46,289</b>	<b>1,695</b>	<b>451</b>	<b>15,683</b>	<b>127,679</b>	<b>6,759</b>	<b>502</b>	<b>99,351</b>	<b>1,176</b>	<b>1,689,073</b>	<b>2,020,558</b>
<b>NET ASSETS</b>												
Held in Trust - Unexpendable	0	0	0	0	0	0	0	0	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0	0	0	2,119	0	0	0	0	2,119
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,119</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,119</b>

WILSON COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

<u>COUNTY ATTORNEY</u>	BALANCE 10/1/2017	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents	\$33,542	\$1,819	\$3,512	\$31,849
Receivables (net of allowance for uncollectibles)		51		51
Due from Others				0
Total Assets	<u>\$33,542</u>	<u>\$1,870</u>	<u>\$3,512</u>	<u>\$31,900</u>
<b>LIABILITIES:</b>				
Accounts Payable	\$0			\$0
Due to Others	33,542	1,870	3,512	31,900
Total Liabilities	<u>33,542</u>	<u>1,870</u>	<u>3,512</u>	<u>31,900</u>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
Total net position	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>CREDIT CARD CLEARING</u>	BALANCE 10/1/2017	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents	\$46,987	\$46,289	\$46,987	\$46,289
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
Total Assets	<u>\$46,987</u>	<u>\$46,289</u>	<u>\$46,987</u>	<u>\$46,289</u>
<b>LIABILITIES:</b>				
Accounts Payable	\$46,987	\$46,289	\$46,987	\$46,289
Due to Others	0	0	0	0
Total Liabilities	<u>46,987</u>	<u>46,289</u>	<u>46,987</u>	<u>46,289</u>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
Total Net Position	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FOURTH COURT OF APPEALS

	BALANCE 10/1/2017	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents	\$1,000	\$3,730	\$3,275	\$1,455
Receivables (net of allowance for uncollectibles)	240			240
Due from Others	0			0
<b>Total Assets</b>	<b>\$1,240</b>	<b>\$3,730</b>	<b>\$3,275</b>	<b>\$1,695</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$545			\$545
Due to Others	695	3,730	3,275	1,150
<b>Total Liabilities</b>	<b>1,240</b>	<b>3,730</b>	<b>3,275</b>	<b>1,695</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

HOT CHECK RESTITUTION

	BALANCE 10/1/2017	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents	\$398	\$53		\$451
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$398</b>	<b>\$53</b>	<b>\$0</b>	<b>\$451</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$686			\$686
Due to Others	(288)	53	0	(235)
<b>Total Liabilities</b>	<b>398</b>	<b>53</b>	<b>0</b>	<b>451</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>JACKSON MEMORIAL PARK FUND</u>	BALANCE 10/1/2017	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents	\$15,605	\$78		\$15,683
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$15,605</b>	<b>\$78</b>	<b>\$0</b>	<b>\$15,683</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$0			\$0
Due to Others	15,605	78	0	15,683
<b>Total Liabilities</b>	<b>15,605</b>	<b>78</b>	<b>0</b>	<b>15,683</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>JP HOLDING</u>	BALANCE 10/1/2017	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents	\$140,488	\$111,809	\$140,488	\$111,809
Receivables (net of allowance for uncollectibles)	66,486	15,870	66,486	15,870
Due from Others	0			0
<b>Total Assets</b>	<b>\$206,974</b>	<b>\$127,679</b>	<b>\$206,974</b>	<b>\$127,679</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$9,891	\$117,788	\$9,891	\$117,788
Due to Others	197,083	9,891	197,083	9,891
<b>Total Liabilities</b>	<b>206,974</b>	<b>127,679</b>	<b>206,974</b>	<b>127,679</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>REMSCHEL-DEWEES HOUSE</u>		BALANCE		BALANCE
		10/1/2017	ADDITIONS	9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents		\$8,834	\$44	\$8,878
Receivables (net of allowance for uncollectibles)		0		0
Due from Others		0		0
Total Assets		\$8,834	\$44	\$8,878
<b>LIABILITIES:</b>				
Accounts Payable		\$0	\$0	\$0
Due to Others		6,715	44	6,759
Total Liabilities		6,715	44	6,759
<b>NET POSITION</b>				
Held in Trust - Unexpendable		0	0	0
Held in Trust - Historical Purposes		2,119		2,119
Total Net Position		\$2,119	\$0	\$2,119

<u>STATE HOT CHECK</u>		BALANCE		BALANCE
		10/1/2017	ADDITIONS	9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents		\$458	\$44	\$502
Receivables (net of allowance for uncollectibles)		0		0
Due from Others		0		0
Total Assets		\$458	\$44	\$502
<b>LIABILITIES:</b>				
Accounts Payable		\$796	\$0	\$796
Due to Others		(338)	44	(294)
Total Liabilities		458	44	502
<b>NET POSITION</b>				
Held in Trust - Unexpendable		0	0	0
Held in Trust - Historical Purposes		0	0	0
Total Net Position		\$0	\$0	\$0

<u>STATE TAX FUND</u>	BALANCE 10/1/2017	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents	\$102,867	\$70,808	\$102,867	\$70,808
Receivables (net of allowance for uncollectibles)	34,805	28,543	34,805	28,543
Due from Others	0			0
<b>Total Assets</b>	<b>\$137,672</b>	<b>\$99,351</b>	<b>\$137,672</b>	<b>\$99,351</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$119,441	\$70,808	\$119,441	\$70,808
Due to Others	18,231	28,543	18,231	28,543
<b>Total Liabilities</b>	<b>137,672</b>	<b>99,351</b>	<b>137,672</b>	<b>99,351</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>WOOD VALLEY ACRES I&amp;S</u>	BALANCE 10/1/2017	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents	\$1,675	\$73,416	\$73,991	\$1,100
Receivables (net of allowance for uncollectibles)	76			76
Due from Others	0			0
<b>Total Assets</b>	<b>\$1,751</b>	<b>\$73,416</b>	<b>\$73,991</b>	<b>\$1,176</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$1,751			\$1,751
Due to Others	0	73,416	73,991	(575)
<b>Total Liabilities</b>	<b>1,751</b>	<b>73,416</b>	<b>73,991</b>	<b>1,176</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>COUNTY OFFICER ACCOUNTS</u>	BALANCE 10/1/2017	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents	\$5,224,396		\$3,535,323	\$1,689,073
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$5,224,396</b>	<b>\$0</b>	<b>\$3,535,323</b>	<b>\$1,689,073</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$0			\$0
Due to Others	5,224,396	0	3,535,323	1,689,073
<b>Total Liabilities</b>	<b>5,224,396</b>	<b>0</b>	<b>3,535,323</b>	<b>1,689,073</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



<u>TOTAL</u>	BALANCE 10/1/2017	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2018
<b>ASSETS</b>				
Cash and Cash Equivalents	\$5,576,250	\$308,090	\$3,906,443	\$1,977,897
Receivables (net of allowance for uncollectibles)	101,607	44,464	101,291	44,780
Due from Others	0	0	0	0
Total Assets	<u>\$5,677,857</u>	<u>\$352,554</u>	<u>\$4,007,734</u>	<u>\$2,022,677</u>
<b>LIABILITIES:</b>				
Accounts Payable	180,097	234,885	176,319	\$238,663
Due to Others	5,495,641	117,669	3,831,415	1,781,895
Total Liabilities	<u>5,675,738</u>	<u>352,554</u>	<u>4,007,734</u>	<u>2,020,558</u>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	2,119	0	0	2,119
Total Net Position	<u>\$2,119</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,119</u>