



Financial Statements
September 30, 2018
Potter County, Texas

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County of Potter
State of Texas
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Amarillo, Texas 79101-3412



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County Auditor
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April 29, 2019

Honorable District Judges of Potter County
Honorable Members of the Potter County Commissioners' Court
Citizens of Potter County and the Financial Community:

The Comprehensive Annual Financial Report of Potter County, Texas (the County) for the year ended September 30, 2018 is submitted herewith. This report is submitted in accordance with Section 114.025 of the Local Government Code.

This report consists of management's representations concerning the finances of Potter County, Texas. Management assumes full responsibility for both the accuracy of the data and the completeness and fairness of this report, including all disclosures. To provide a reasonable basis of making these representations, Potter County management has established a comprehensive internal control framework designed both to protect governmental assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. The internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the reliability of financial reporting, the effectiveness and efficiency of operations, and compliance with existing law and regulations. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

These financial statements and supplemental financial information have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants engaged by the Potter County Commissioners' Court. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2018, are free of material misstatement. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2018 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Profile of the Government

Potter County, created in 1876 from Bexar District, was organized in 1887 and named for a Republic of Texas leader, Robert Potter. The County consists of approximately 591,577 acres of mostly level plain, broken by the Canadian River and its tributaries. Potter County is located in the Texas Panhandle with the City of Amarillo as the county seat. Due to its strategic location, the County, along with Randall County to the south, has become a trade center for a five-state area. The County is traversed from east and west by Interstate Highway 40 and from north and south by U.S. 287/87 along with State Highway 136. Railroads and an international airport serve the County along with bus lines and other motor-freight carriers.

Potter County, operating as specified under the Constitution and statutes, is governed by a Commissioners' Court, which consists of the County Judge and four Commissioners, one from each of the four geographical precincts and elected for staggered four-year terms. Commissioners' Court duties include setting the County Ad Valorem tax rate, approval of the budget, calling certain elections, approval and awarding contracts, issuance of bonds, and appointing or participating in the appointment of certain county officials and boards.

The County, as a political subdivision of the State of Texas provides only those services allowed, or implied, by the State Constitution or statutes. These services include, but are not limited to, judicial, law enforcement, detention facilities, juvenile services, health and human services, county roads and recording functions of Potter County.

The annual budget serves as the foundation of Potter County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Judge, who serves as the Budget Officer. The County Judge uses these requests as the starting point for developing a proposed budget, with revenue estimates provided by the County Auditor. The appropriated budget is adopted by fund, then by department, then by the categories of salaries and benefits, travel, contract services, general operations, prisoner care, equipment/vehicle maintenance, building repairs/maintenance, special expense, juvenile services and other. The County's budgetary system is fully integrated with the accounting and financial system to allow for the matching of budget appropriations with actual expenditures, obligations, and encumbrances on a daily basis. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

All governmental funds are appropriated annually with the exception of the following funds: District Attorney Crime Victim and Sheriff's Commissary.

Local Economy

Although Potter County's economy has greatly diversified, historically, major industries in the Amarillo area include grains, cattle, beef processing, natural gas, oil, helium and other petroleum by-products, refining operations and nuclear weapons processing. A significant portion of its economy is still based upon this important economic activity. In addition to these industries, today, our economy also includes

food processing, defense industry, manufacturing, distribution, traffic and transportation, general retail, banking, criminal justice, medical facilities and higher education.

Long-term Financial Planning and Relevant Financial Policies

As a sound financial management practice, members of the Commissioners' Court emphasize maintaining a sufficient unrestricted fund balance level to meet first quarter obligations, thus assisting in maintaining financial stability and retaining or enhancing the County's bond ratings. Potter County has achieved this goal since fiscal year 2004. At that time, the court evaluated the county's physical and financial condition and chose to begin an annual transfer of funds to capital project funds to reduce the amount that will need to be borrowed to finance future construction. The current Commissioners' Court has also made every effort to keep tax rate increases to a minimum. The rate increased from \$0.67 for 2018 to \$0.685 for 2019, which was a 3.8% increase over the effective rate.

Major Initiatives

The voters approved a County Assistance District for the unincorporated areas of the county providing a 2% sales tax to assist with firefighting and fire prevention services, along with all other lawful and permissible functions. Some of the major initiatives in fiscal year 2019 from these CAD funds include two fire trucks and a new facility in the Bushland area, west of Amarillo. The 2019 General Fund budget includes funds for a court supervised release program with two officers, a mental health/veterans officer, 5 patrol officers, and two school resource officers. Capital Project funds are set aside to hire an architect to begin the design of a new District Courts Building.

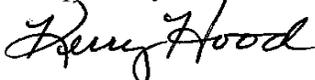
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Potter County for its comprehensive annual financial report for the fiscal year ended September 30, 2017. This was the twenty-fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not be possible without the efficient and dedicated services of the entire staff of the County Auditor's Office and the professional services provided by our independent auditors, Eide Bailly LLP. I sincerely appreciate the loyalty and dedication of my staff for their extra efforts to produce timely and accurate records for Potter County. Credit also must be given to the District Judges, the Commissioners' Court and all the elected officials and department heads for their interest and support in planning and conducting the financial operations of Potter County in a responsible manner.

Respectfully submitted,



Kerry Hood
Potter County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Potter County
Texas

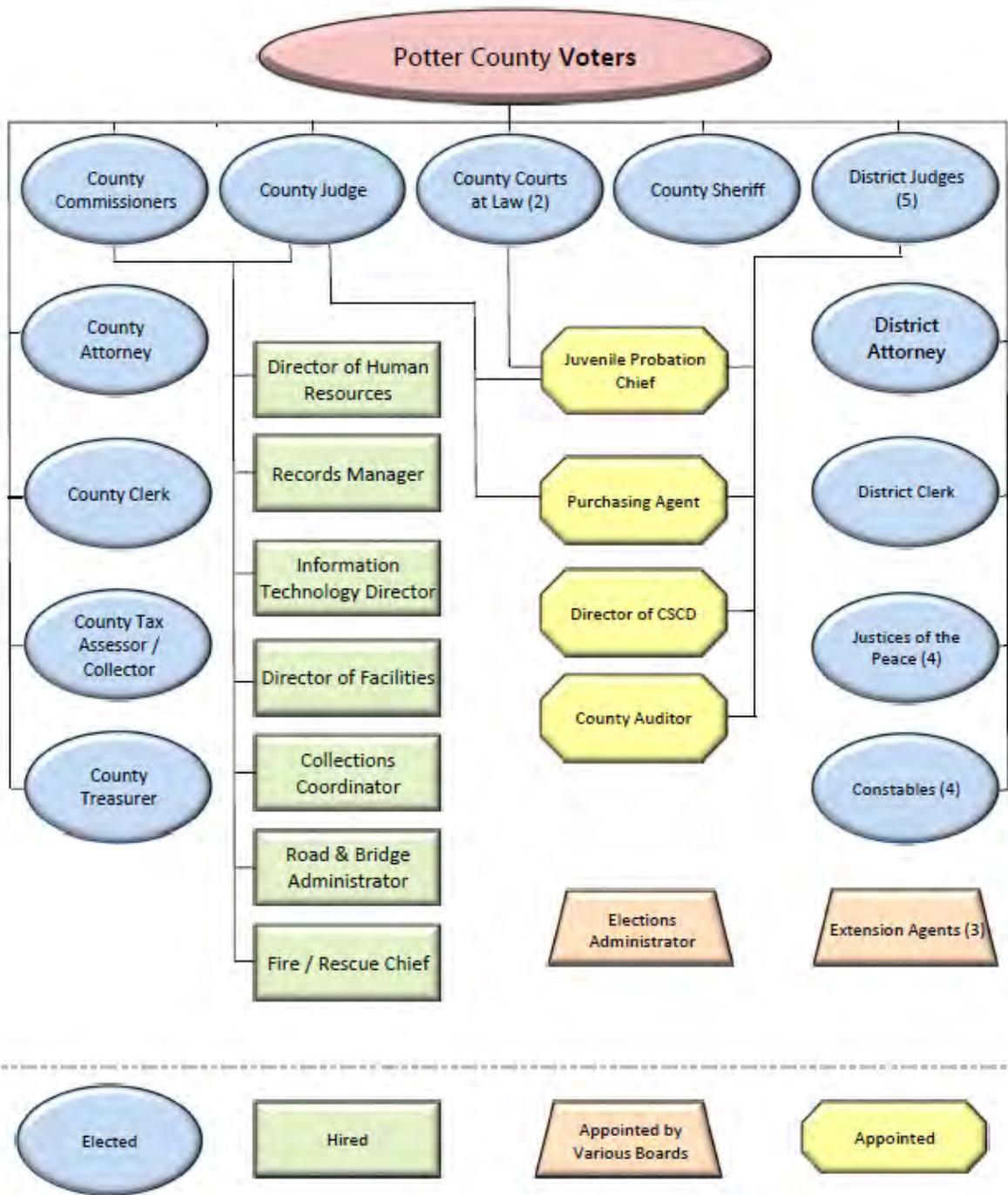
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

Organization Chart



County Officials

Nancy Tanner	County Judge
H. R. Kelly	Commissioner, Precinct #1
Mercy Murguia	Commissioner, Precinct #2
Leon Church	Commissioner, Precinct #3
Alphonso Vaughn	Commissioner, Precinct #4
Dan Schaap	Judge, 47th District Court
Douglas Woodburn	Judge, 108th District Court
John Board	Judge, 181st District Court
Ana Estevez	Judge, 251st District Court
Don R. Emerson	Judge, 320th District Court
Randall Sims	District Attorney
Caroline Woodburn	District Clerk
W. F. "Corky" Roberts	Judge, County Court at Law #1
Pamela Sirmon	Judge, County Court at Law #2
C. Scott Brumley	County Attorney
Julie Smith	County Clerk
Sherri Aylor	Tax Assessor/Collector
Leann Jennings	County Treasurer
Brian Thomas	County Sheriff
Debra Horn	Justice of the Peace, Precinct #1
Richard Herman	Justice of the Peace, Precinct #2
Gary Jackson	Justice of the Peace, Precinct #3
Thomas Jones	Justice of the Peace, Precinct #4
Darryl Wertz	Constable, Precinct #1
Georgia Estrada	Constable, Precinct #2
Mike Duval	Constable, Precinct #3
Idella Jackson	Constable, Precinct #4
Vickie Shelton	Purchasing Agent
Kerry Hood	County Auditor



Independent Auditor's Report

The Honorable Judge and Members of the Commissioners Court
Potter County, Texas
Amarillo, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Potter County, Texas (the county) 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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 Potter County, Texas, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 1 and 16 to the financial statements, the County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which has resulted in a restatement of the net position as of October 1, 2017. Our opinions are not modified with respect to this matter.

Restatement of Prior Period Fund Balance

As discussed in Note 17 to the financial statements, it has been determined that fund balance was understated related to capital outlay which has resulted in a restatement of beginning fund balance. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, net pension obligation, and total OPEB liability information on pages 9 through 17 and 62 through 79 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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 Potter County's financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2019 on our consideration of Potter County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Abilene, Texas
April 29, 2019

As management of Potter County, we offer readers of Potter County's financial statements this narrative overview and analysis of the financial activities of Potter County for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-3 of this report.

Financial Highlights

- The assets and deferred outflows of resources of Potter County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$90,223,036 (*net position*). Of this amount, \$19,790,799 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- Potter County's total net position decreased \$194,062. Charges for services decreased \$341,864, operating grants increased \$883,609, property taxes increased \$2,785,009 and sales taxes increased \$1,359,952. Public safety expenditures increased \$5,683,404 and road and bridge expenditures increased by \$222,269.
- At the close of the current fiscal year, Potter County's governmental funds reported combined fund balances of \$44,002,995 a decrease of \$2,406,204 in comparison with the prior year. Approximately 47% of the fund balance (\$20,830,357) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$22,378,457 or approximately 42% of total general fund expenditures.
- Potter County's total outstanding long-term debt decreased by \$2,150,000 during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Potter County's basic financial statements. Potter County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Potter County's finances, in a manner similar to a private-sector business. The *statement of net position* presents financial information on all of Potter County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Potter County is improving or deteriorating.

The *statement of activities* presents information showing how Potter County'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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report functions of Potter County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of Potter County include general government, judicial, public safety and correctional, health and human services, roads and bridges, and facilities.

The government-wide financial statements can be found on pages 19-20 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. Potter County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Potter County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The basic governmental fund financial statements can be found on pages 21-24 of this report.

Proprietary Funds. Potter County maintains only one proprietary fund. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among Potter County's various functions. Potter County uses an internal service fund to account for the management of its self-insured fund for employee health benefits. The proprietary fund financial statements can be found on pages 25-27 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support Potter County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Potter County maintains one type of fiduciary funds. The *Agency funds* report resources held by Potter County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found on page 28 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-61 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 80-117 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of Potter County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$90,223,236 at the close of the most recent fiscal year.

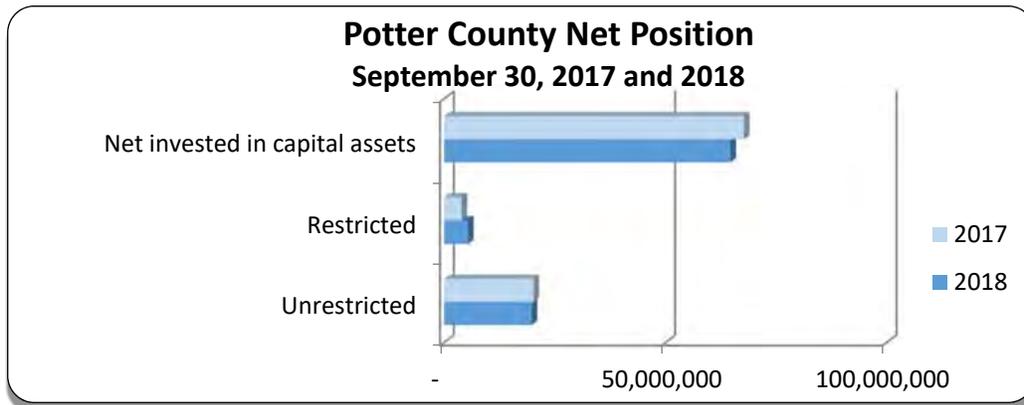
Potter County's Net Position

	Governmental Activities	
	2018	2017 Restated
Current and other assets	\$ 48,916,411	\$ 52,910,750
Capital assets	88,755,442	87,017,235
Total assets	\$ 137,671,853	\$ 139,927,985
Deferred Outflows	\$ 4,470,475	\$ 13,002,504
Long-term liabilities outstanding	\$ 27,902,334	\$ 29,843,333
Net Pension Liability	13,663,121	22,886,003
Total OPEB Liability	3,427,802	3,414,939
Other liabilities	3,277,350	4,226,680
Total liabilities	\$ 48,270,607	\$ 59,722,992
Deferred Inflows	\$ 3,654,685	\$ 2,142,436
Net position:		
Net investment in capital assets	\$64,693,433	\$68,206,907
Restricted	5,738,804	3,906,123
Unrestricted	19,790,799	18,304,018
Total net position	\$ 90,233,036	\$ 90,417,098

By far, the largest portion of Potter County's net position (72%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. Potter County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although Potter County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Potter County's net position (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$19,790,799 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, Potter County is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental activities.



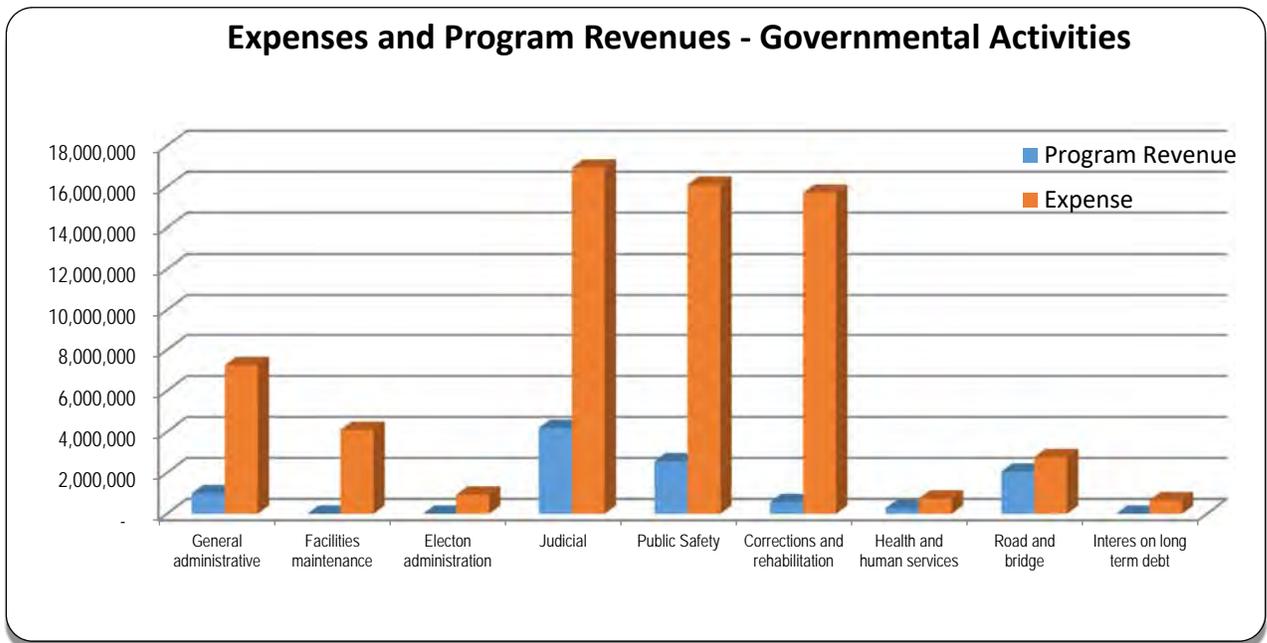
- Governmental Activities.** During the current fiscal year, net position for governmental activities decreased \$194,062 from the prior fiscal year for an ending balance of \$90,417,048. Charges for services decreased \$341,864, operating grants increased \$833,609, property taxes increased \$2,785,009 and sales taxes increased by \$1,359,952. Overall expenses increased to provide a 1% cost of living adjustment to all employees as well as an increase of 12.8% on employer premiums for medical insurance. Public safety increased \$5,176,390 and road and bridge expenses increased by \$222,269.

Potter County's Changes in Net Position

	Governmental activities	
	2018	2017 Partially Restated*
Charges for services	\$ 7,485,229	\$ 7,827,093
Operating grants and contributions	3,140,940	2,307,331
Capital grants and contributions	-	62,480
Property taxes	51,031,734	48,246,725
Other taxes	2,199,808	867,941
Other	1,046,123	652,937
Total revenues	\$64,903,834	\$59,964,507
General administrative	7,343,911	7,884,841
Facilities maintenance	4,086,104	4,298,440
Election administration	823,471	684,434
Judicial	16,512,328	16,951,402
Public safety	16,499,800	10,816,346
Corrections and rehabilitation	15,692,873	16,966,846
Health and human services	734,689	660,817
Road and bridge	2,753,192	2,530,923
Interest on long term debt	651,527	469,663
Total expenses	\$ 65,097,896	\$ 61,263,712
Increase (decrease) in net position	(194,062)	(1,299,205)
Net position – beginning (restated)	91,417,098	91,716,303
Net position – ending	\$ 90,233,036	\$ 91,417,098

*2017 was restated for the correction of error, but not for the implementation of GASB 75

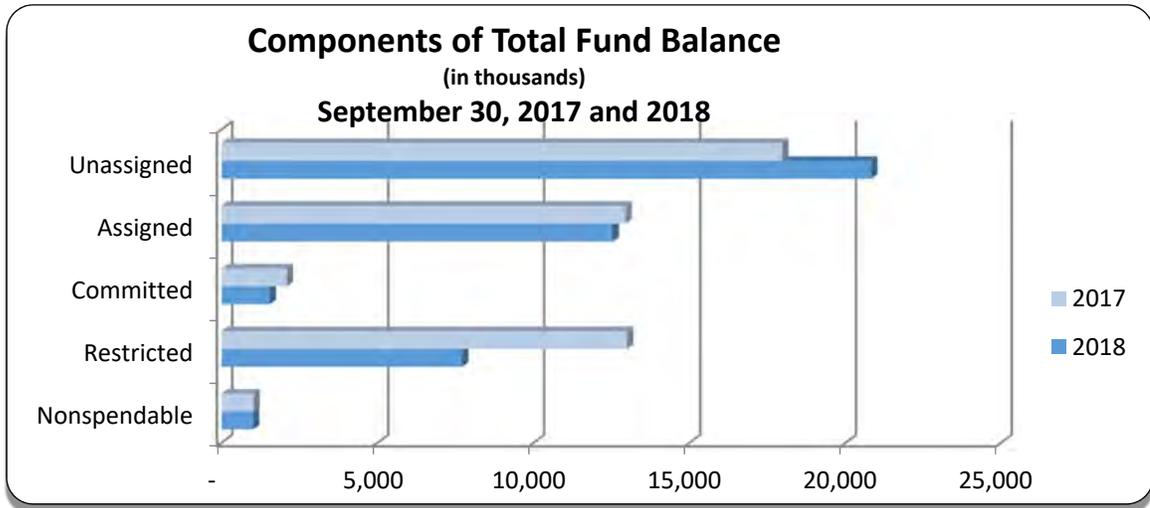
Financial Analysis of Governmental Funds



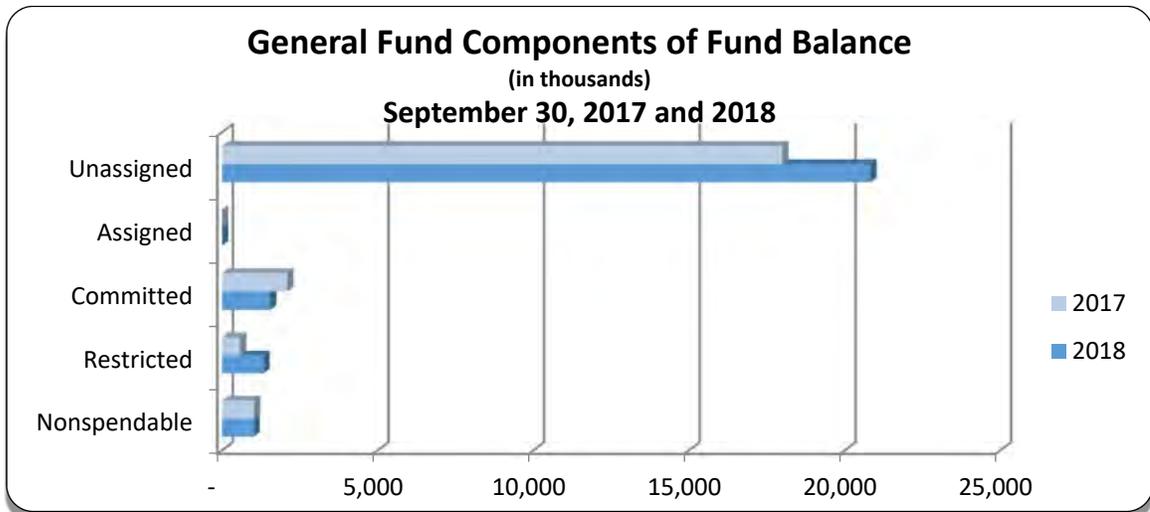
As noted earlier, Potter County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

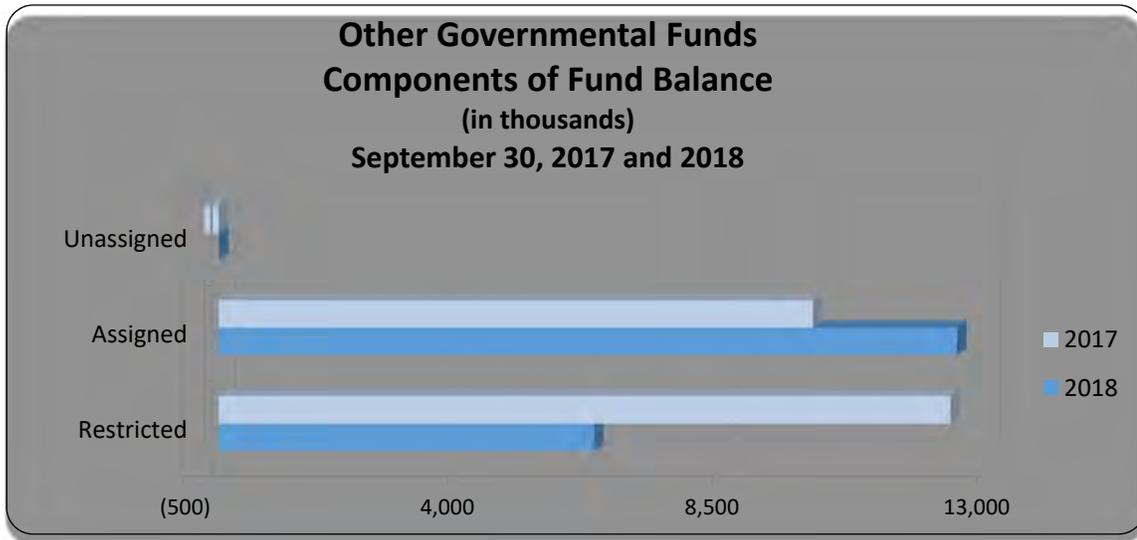
Governmental Funds. The focus of Potter County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Potter County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, Potter County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by Potter County's Commissioners' Court.

At September 30, 2018, Potter County's governmental funds reported combined fund balances of \$44,002,995, a decrease of \$2,406,204 in comparison with the prior year. Approximately 48% of this amount (\$20,830,357) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$1,014,300), 2) restricted for particular purposes (\$8,063,602), 3) committed for particular purposes (\$1,548,100), or 4) assigned for particular purposes (\$12,559,330).



The general fund is the chief operating fund of Potter County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$20,830,357, while total fund balance increased to \$24,727,990. 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 general fund expenditures. Unassigned fund balance represents approximately 39.5% of total general fund expenditures, while total fund balance represents approximately 46.8% of that same amount.





Potter County's fund balance of the general fund increased by \$3,022,902 during the fiscal year.

The Sheriff Admin Construction fund, a major governmental fund, was established to account for proceeds from the 2017 sale of certificates of obligation issued to construct new facilities for the administration, law enforcement and fleet maintenance divisions of the Sheriff's office. The \$21,470,000 debt issue provided for expenditures of \$6.6M during the fiscal year leaving a fund balance of \$2,418,269. Another major governmental fund is the Capital Projects fund. This fund accounts for \$5,625,000 issued in tax notes to fund a radio communications system in a joint effort with the City of Amarillo. The current year expenditures of \$2,326,974 provided \$2,146,802 towards the radio communication system and \$180,172 for voting equipment.

Proprietary Funds. Potter County's proprietary fund for employee health insurance provides the same type of information found in the government-wide financial statements, but in more detail.

Restricted net position of the fund at the end of the year was \$150,412. The decrease in net position was \$607,072.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, significant amendments to increase the original budgeted revenue resulted from medical exam recoveries (\$30,000) unanticipated grant proceeds (\$74,073), and reinstated State funding for law enforcement education (\$16,627). Corresponding appropriations were added to the budget along with carryover for encumbrances from the prior year (\$144,199) and budgeting for records preservation expenditures from restricted fund balance (\$93,000). Generally, the movement of the appropriations between departments was not significant.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

Estimated Revenue source	Budgeted revenues	Actual revenues	Difference
License and fees	\$ 4,118,700	\$ 4,389,953	\$ 271,253
Intergovernmental	2,355,270	2,892,286	557,016
Investment Earnings	325,000	656,412	331,412

License and fees revenue were higher than anticipated in several offices: District Clerk, Sheriff, Tax Assessor/Collector and Road and Bridge. The excess in Intergovernmental revenues is due to a grant from 9-1-1 to help with the cost to purchase and implement of a radio communication system for our first responders. The investment earnings were higher than anticipated due to the rising interest rates.

A review of actual expenditures compared to the appropriations in the final budget yields significant variances in the following categories: salaries and fringe benefits are below budget by \$1,874,430 as a result of employee turnover, services in the judicial section (capital cases and visiting judges) were \$502,037 under budget, county-wide general operating expenditures were expensed \$421,399 less than budget, and building operation costs had a remaining budget of \$373,678.

Capital Assets and Debt Administration

Capital assets. Potter County's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$88,755,442 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads, and bridges. The total increase in capital assets for the current fiscal year was approximately 14.9%.

Potter County's Capital Assets (net of depreciation)

	Governmental activities	
	2018	2017 Restated
Land	\$ 5,019,784	\$ 5,050,536
Buildings and improvements	65,655,092	50,276,151
Streets and bridges	9,749,778	9,336,624
Furniture and equipment	8,330,788	7,751,183
Construction in progress	-	14,602,741
Total	\$88,755,442	\$87,017,235

Major capital asset events during the current fiscal year included the following:

- Construction was completed on the Law Enforcement Complex (\$6,612,256).
- A radio communications system implementation was completed (\$2,626,974).

Additional information on Potter County's capital assets can be found in Note 5 on pages 40-41 of this report.

Long-term Debt. At the end of our fiscal year, Potter County had total outstanding bonded debt of \$26,020,000. This amount is paid from ad valorem taxes.

Potter County's Outstanding Debt

	Governmental activities	
	2018	2017
2012 Advanced General Obligation Refunding Bonds	\$ -	\$ 1,075,000
2017 Certificates of Obligation	\$20,570,000	\$21,470,000
2018 Tax Notes	\$ 5,450,000	\$ 5,625,000
Total	\$26,020,000	\$28,170,000

Potter County's total debt decreased by \$2,150,000 during the current fiscal year. Potter County maintains an "AA" rating from Standard & Poor's and an "Aa2" rating from Moody's Investors Service for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of the assessed valuation of real property. The current debt limitation for Potter County is \$356,286,235 which is significantly in excess of Potter County's outstanding general obligation debt.

Additional information on Potter County's long-term debt can be found in Note 8 on pages 43-44 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect Potter County and were considered in developing the 2018-2019 fiscal year budget.

The unemployment rate for Potter County is currently 2.7%, which is a slight decrease from a rate of 2.9% a year ago. Potter County continues to remain below the National average of 3.7% and the State average of 3.9%. Growth in the taxable assessed value used to budget for fiscal year 2019 was \$242,315,310 or 3.17% compared to fiscal year 2018.

Interest rates are expected to increase slightly throughout fiscal year 2019.

On the expenditure side, increases are expected in health insurance premiums, as well as pension and other employee benefit costs. The one major capital project anticipated is the design for a new District Courts building to be constructed in 2019/2020 which will include the issuance of debt. Potter County continues to purchase a catastrophic liability insurance policy to protect itself from unforeseen losses in excess of \$1 million.

Requests for Information

This financial report is designed to provide a general overview of Potter County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Potter County Auditor's Office, 900 S. Polk, Suite 716, Amarillo, Texas 79101-3412.

Potter County, Texas
Statement of Net Position (Exhibit A-1)
September 30, 2018

	Governmental Activities
Assets	
Pooled cash and cash equivalents	\$ 17,083,425
Investments	26,177,932
Receivables (net of allowance for uncollectibles)	
Taxes	1,275,306
Other	1,513,366
Fines, fees, and court costs	949,813
Due from other governments	135,399
Prepaid expenses	1,014,300
Restricted assets:	
Pooled cash and cash equivalents	730,602
Investments	32,391
Accounts receivable	3,877
Capital assets not being depreciated	5,019,784
Capital assets (net of accumulated depreciation)	83,735,658
Total assets	137,671,853
Deferred Outflows of Resources	
Deferred outflows - pension	4,470,475
Liabilities	
Accounts payable and other current liabilities	2,368,283
Due to other governments	108,556
Unearned revenues	70,125
Accrued interest payable	107,928
Claims payable from restricted assets	616,458
Noncurrent liabilities	
Total other postemployment benefit liability	3,427,802
Due within one year	2,080,997
Due in more than one year	25,821,337
Net pension liability	13,663,121
Total liabilities	48,264,607
Deferred Inflows of Resources	
Deferred inflows - pension	3,451,678
Deferred inflows - OPEB	203,007
Total deferred inflows of resources	3,654,685
Net Position	
Net investment in capital assets	64,693,433
Restricted for	
Debt service	2,407,277
Insurance claims	150,412
Restricted for drug court programs	69,893
Restricted for preservation and restoration of County records	779,721
Restricted for continuing education of local law enforcement	16,326
Restricted for bail bond board	41,426
Restricted for victim assistance contributions	18,478
Restricted for state criminal alien assistance program	44,937
Restricted for other purposes	2,210,334
Unrestricted	19,790,799
Total net position	\$ 90,223,036

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General administrative	\$ 7,343,911	\$ 898,839	\$ 94,635	\$ -
Facilities maintenance	4,086,104	-	-	-
Election administration	823,471	529	-	-
Judicial	16,512,328	3,165,013	1,021,650	-
Public safety	16,499,800	926,178	1,632,877	-
Corrections and rehabilitation	15,692,873	403,005	160,427	-
Health and human services	734,689	56,795	212,469	-
Road and bridge	2,753,192	2,034,870	18,882	-
Interest on long term debt	651,527	-	-	-
Total governmental activities	65,097,896	7,485,229	3,140,940	-
Total primary government	\$ 65,097,896	\$ 7,485,229	\$ 3,140,940	\$ -

General Revenues

Property taxes, levied for general purposes
Property taxes, levied for debt purposes
Sales tax
Mixed drink tax
Vehicle inventory tax
Bingo tax proceeds
Unrestricted investment earnings

Total general revenues

Change in Net Position

Net Position at Beginning of Year, restated

Net Position at End of Year

Potter County, Texas
Statement of Activities (Exhibit A-2)
Year Ended September 30, 2018

Net (Expense) Revenue and Changes in Net Position	
Primary Government	
Governmental Activities	Total
\$ (6,350,437)	\$ (6,350,437)
(4,086,104)	(4,086,104)
(822,942)	(822,942)
(12,325,665)	(12,325,665)
(13,940,745)	(13,940,745)
(15,129,441)	(15,129,441)
(465,425)	(465,425)
(699,440)	(699,440)
(651,527)	(651,527)
(54,471,727)	(54,471,727)
(54,471,727)	(54,471,727)
46,489,497	46,489,497
4,542,237	4,542,237
1,359,952	1,359,952
655,717	655,717
11,686	11,686
172,453	172,453
1,046,123	1,046,123
54,277,665	54,277,665
(194,062)	(194,062)
90,417,098	90,417,098
\$ 90,223,036	\$ 90,223,036

	General Fund	Capital Projects Fund
Assets		
Pooled cash and cash equivalents	\$ 8,772,954	\$ 287,801
Investments	15,462,584	8,771,930
Receivables (net of allowances for uncollectibles)		
Taxes	870,079	-
Other	1,362,465	-
Fines, fees, and court costs	949,813	-
Due from other governments	135,399	-
Due from other funds	26,291	41,268
Prepaid items	1,014,300	-
Total assets	\$ 28,593,885	\$ 9,100,999
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable and other current liabilities	\$ 2,076,307	\$ -
Due to other funds	62,312	-
Due to other governments	108,556	-
Unearned revenues	70,125	-
Total liabilities	2,317,300	-
Deferred inflows of resources		
Unavailable revenue - property taxes	757,178	-
Unavailable revenue - fines, fees and court costs	791,417	-
Total deferred inflows of resources	1,548,595	-
Fund balances		
Nonspendable fund balances		
Prepaid items	1,014,300	-
Restricted fund balances		
Restricted for debt service	-	-
Restricted for drug court programs	69,893	-
Restricted for preservation and restoration of County records	293,254	-
Restricted for continuing education of local law enforcement	16,326	-
Restricted for bail bond board	41,426	-
Restricted for victim assistance contributions	18,478	-
Restricted for state criminal alien assistance program	44,937	-
Restricted for capital projects	-	-
Restricted for other purposes	850,919	-
Committed fund balances		
Committed for capital replacement expenditures	1,548,100	-
Assigned fund balances		
Capital project funds assigned for specific purposes	-	9,100,999
Special revenue funds assigned for specific purposes	-	-
Unassigned fund balance	20,830,357	-
Total fund balances	24,727,990	9,100,999
Total liabilities, deferred inflows of resources and fund balances	\$ 28,593,885	\$ 9,100,999

See Notes to Financial Statements

Potter County, Texas
Balance Sheet – Governmental Funds (Exhibit A-3)
September 30, 2018

Sheriff Admin Construction Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,301,658	\$ 6,721,012	\$ 17,083,425
1,117,069	826,349	26,177,932
-	405,227	-
-	150,901	1,275,306
-	-	1,513,366
-	-	949,813
-	-	135,399
-	33,165	100,724
-	-	1,014,300
<u>\$ 2,418,727</u>	<u>\$ 8,136,654</u>	<u>\$ 48,250,265</u>
\$ 458	\$ 291,518	\$ 2,368,283
-	38,412	100,724
-	-	108,556
-	-	70,125
<u>458</u>	<u>329,930</u>	<u>2,647,688</u>
-	50,987	808,165
-	-	791,417
<u>-</u>	<u>50,987</u>	<u>1,599,582</u>
-	-	1,014,300
-	2,464,218	2,464,218
-	-	69,893
-	486,467	779,721
-	-	16,326
-	-	41,426
-	-	18,478
-	-	44,937
2,418,269	-	2,418,269
-	1,359,415	2,210,334
-	-	1,548,100
-	-	-
-	-	9,100,999
-	3,458,331	3,458,331
-	(12,694)	20,817,663
<u>2,418,269</u>	<u>7,755,737</u>	<u>44,002,995</u>
<u>\$ 2,418,727</u>	<u>\$ 8,136,654</u>	<u>\$ 48,250,265</u>

See Notes to Financial Statements

Potter County, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit A-4)
September 30, 2018

Total Fund Balance-Governmental Funds \$ 44,002,995

The County uses internal service funds to charge the costs of certain activities, such as self-insurance to appropriate functions in other governmental funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. The net effect of this consolidation is to increase net position. 150,412

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.

Governmental capital assets	160,867,977	
Accumulated depreciation	<u>(72,112,535)</u>	88,755,442

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	(26,020,000)	
Premium on bonds payable	(352,350)	
Accrued interest payable	(107,928)	
Compensated absences	(1,529,984)	
Net pension liability	(13,663,121)	
Total OPEB liability	<u>(3,427,802)</u>	(45,101,185)

Included in the items related to long-term liabilities is the recognition of the County's deferred outflow of resources, and deferred inflow of resources relating to its pension liability and OPEB liability.

Deferred inflow of resources - pension	(3,451,678)	
Deferred outflow of resources - pension	4,470,475	
Deferred intflow of resources - OPEB	<u>(203,007)</u>	815,790

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting.

Unavailable revenue - office fees receivable	791,417	
Unavailable revenue - property taxes	<u>808,165</u>	<u>1,599,582</u>

Net Position of Governmental Activities-Statement of Net Position \$ 90,223,036

Potter County, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit A-5)
Year Ended September 30, 2018

	General Fund	Capital Projects Fund	Sheriff Admin Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	48,502,375	\$ -	\$ -	\$ 4,540,863	\$53,043,238
License and fees	4,389,953	-	-	689,659	5,079,612
Intergovernmental	2,892,286	-	-	457,792	3,350,078
Fines and forfeitures	1,007,895	-	-	-	1,007,895
Charges for services	676,832	-	-	14,043	690,875
Investment earnings	656,412	180,000	83,570	109,209	1,029,191
Miscellaneous	86,273	-	-	710,305	796,578
Total revenues	58,212,026	180,000	83,570	6,521,871	64,997,467
Expenditures					
Current					
General administrative	6,452,332	-	-	100,327	6,552,659
Facilities maintenance	2,609,067	-	-	-	2,609,067
Election administration	470,063	-	-	21,976	492,039
Judicial	14,952,824	-	-	935,515	15,888,339
Public safety	9,728,077	-	1,186,886	821,034	11,735,997
Corrections and rehabilitation	15,174,485	-	-	77,418	15,251,903
Health and human services	674,758	-	-	-	674,758
Road and bridge	2,215,544	-	-	-	2,215,544
Debt service					
Principal	-	-	-	2,150,000	2,150,000
Interest and fiscal charges	-	-	-	731,220	731,220
Capital outlay	522,606	2,326,974	5,425,370	577,195	8,852,145
Total expenditures	52,799,756	2,326,974	6,612,256	5,414,685	67,153,671
Excess (Deficiency) of Revenue over Expenditures	5,412,270	(2,146,974)	(6,528,686)	1,107,186	(2,156,204)
Other Financing Sources (Uses)					
Transfers in	-	1,541,268	-	598,100	2,139,368
Transfers out	(2,389,368)	-	-	-	(2,389,368)
Total other financing sources (uses)	(2,389,368)	1,541,268	-	598,100	(250,000)
Net Change in Fund Balances	3,022,902	(605,706)	(6,528,686)	1,705,286	(2,406,204)
Fund Balances at Beginning of Year, as restated	21,705,088	9,706,705	8,946,955	6,050,451	46,409,199
Fund Balances at End of Year	\$24,727,990	\$ 9,100,999	\$ 2,418,269	\$ 7,755,737	\$44,002,995

Potter County, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities (Exhibit A-6)
Year Ended September 30, 2018

Net Change in Fund Balances -Total Governmental Funds \$ (2,406,204)

The County uses internal service funds to charge the costs of certain activities, such as self-insurance to appropriate functions in other governmental funds. The change in net position of these internal service funds are reported with governmental funds. The net effect of this consolidation is to decrease net position. (607,072)

Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements.

Capital outlay	6,065,666	
Principal payments	<u>2,150,000</u>	8,215,666

Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. (3,850,355)

Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase. The County's unrecognized deferred inflows and outflows for TCDRS as of the measurement date must be amortized and the County's share of pension expense must be recognized.

Change in contributions made after measurement date	3,428,146	
Pension expense	<u>(3,965,486)</u>	(537,340)

Certain expenditures for the OPEB that are recorded to the fund financial statements must be recorded as deferred outflows of resources. The County's unrecognized deferred inflows and outflows as of the measurement date must be amortized and the County's share of OPEB expense must be recognized.

OPEB expense	<u>(296,919)</u>	(296,919)
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Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting.

Decrease in unavailable office fines and fees receivable	(76,004)	
Increase in unavailable tax revenues	15,851	
Decrease in bond interest payable	34,420	
Net book value of assets retired	(477,104)	
Amortization of bond premium	45,273	
Increase in compensated absences	<u>(254,274)</u>	<u>(711,838)</u>

Change in Net Position of Governmental Activities-Statement of Activities \$ (194,062)

Potter County, Texas
Statement of Net Position – Proprietary Funds (Exhibit A-7)
September 30, 2018

	Governmental Activities
	Internal Service Fund
Assets	
Current assets	
Restricted assets	
Pooled cash and cash equivalents	\$ 730,602
Investments	32,391
Accounts receivable	
Other	3,877
Total current assets	766,870
Total assets	766,870
Liabilities	
Current liabilities	
Claims payable from restricted assets	616,458
Total current liabilities	616,458
Total liabilities	616,458
Net Position	
Restricted for insurance claims	150,412
Total net position	\$ 150,412

Potter County, Texas
Statement of Changes in Fiduciary Net Position – Proprietary Funds (Exhibit A-8)
Year Ended September 30, 2018

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Insurance premiums	\$ 6,743,800
Charges for services	469,571
Total operating revenues	7,213,371
Operating Expenses	
Claims	6,582,783
Premiums	624,467
Administrative expenses	880,125
Total operating expenses	8,087,375
Operating Income	(874,004)
Nonoperating Revenues	
Investment earnings	16,932
Transfers in	250,000
Total non-operating revenues	266,932
Change in Net Position	(607,072)
Net Position at Beginning of Year	757,484
Net Position at End of Year	\$ 150,412

Potter County, Texas
Statement of Cash Flows – Proprietary Funds (Exhibit A-9)
Year Ended September 30, 2018

	Governmental Activities <u>Internal Service Fund</u>
Cash Flows From Operating Activities	
Cash received from participants	\$ 6,753,390
Cash received from recoveries and other	469,571
Cash payments for claims	(6,305,639)
Cash payments for administrative fees	(880,125)
Cash payments for insurance premiums	<u>(624,467)</u>
Net Cash used for Operating Activities	<u>(587,270)</u>
Cash Flows From Noncapital Financing Activities	
Cash received from the general fund	<u>250,000</u>
Net Cash from noncapital financing activities	<u>250,000</u>
Cash flows from Investing Activities	
Interest and dividends	16,932
Sale of investments	<u>507,405</u>
Net Cash from Investing Activities	<u>524,337</u>
Net Change in Cash and Cash Equivalents	187,067
Cash and Cash Equivalents at Beginning of Year	<u>543,535</u>
Cash and Cash Equivalents at End of Year	<u>\$ 730,602</u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ (874,004)
Net change in	
Accounts receivable	9,590
Claims payable	<u>277,144</u>
Total adjustments	<u>286,734</u>
Net Cash used for Operating Activities	<u>\$ (587,270)</u>

Potter County, Texas
Statement of Fiduciary Net Position – Fiduciary Funds (Exhibit A-10)
September 30, 2018

	Agency Funds
Assets	
Pooled cash and cash equivalents	\$ 6,242,313
Accounts receivable:	
Other	86,700
Total assets	\$ 6,329,013
Liabilities	
Accounts payable and other current liabilities	\$ 596,638
Due to other governments	2,432,545
Due to trust beneficiaries	3,085,354
Due to other entities	214,476
Total liabilities	\$ 6,329,013

Note 1 - Summary of Significant Accounting Policies

The financial statements of Potter County, Texas (the County) included in the accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's Basic Financial Statements.

A. Reporting Entity

Potter County, Texas is a public corporation and political subdivision of the State of Texas. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general administration, tax and recording (e.g. tax collection), judicial (courts, juries, etc.), legal (district attorney, county attorney, etc.) public safety (sheriff, jail, etc.), transportation, facilities, and public service (e.g. rural fire protection and emergency management).

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, as amended, "The Financial Reporting Entity," include whether:

1. the organization is legally separate (can sue and be sued in its name)
2. the County holds the corporate powers of the organization
3. the County appoints a voting majority of the organization's board
4. the County is able to impose its will on the organization
5. the organization has the potential to impose a financial benefit/burden on the County
6. there is fiscal dependency by the organization on the County
7. the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14, as amended, requires inclusion of such an organization as a component unit when 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; 2) the County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the County.

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of Presentation

Government-wide financial statements. The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes,

intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements. The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Governmental Fund Types:

The County reports the following major governmental funds:

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

Capital Projects Fund. This fund accounts for financial resources that are restricted, committed or assigned to be used for the acquisition or construction of major capital facilities.

Sheriff Admin Construction Fund. This fund accounts for financial resources to be used to provide funds to construct sheriff administrative, enforcement and maintenance facilities.

In addition, the County reports the following fund types:

Special Revenue Funds. These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds. These funds are used to account for the accumulation of resources that are legally restricted, committed or assigned to expenditures for the specified purpose of the retirement of long-term debt, including debt principal, interest and related costs.

Proprietary Fund Types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. The internal service fund is used to account for the provision of health insurance to employees of the County. The general fund is contingently liable for liabilities of this fund. Because the

principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary Fund Types:

Agency Funds: These funds are used to report funds of the County's fee offices and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Fees are generated and retained by the fee offices until notification is received to disburse funds to the proper individual or entity. Fees generated include fines, restitution, bail bond deposits, and inmate trust funds.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

Measurement Focus and Basis of Accounting

Government-wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Revenues from local sources consist primarily of property taxes. Property taxes revenue and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expenses for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

C. Assets, Liabilities, Deferred Inflows/Outflows of Revenues, and Net Position or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available 1) when they become due or past due and receivable within the current period and 2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

The County bills and collects its own property taxes and those of the Amarillo College District, the City of Amarillo, Amarillo Independent School District (AISD), River Road Independent School District, Highland Park Independent School District, the Village of Bishop Hills, and Underground Water Conversation District which fall within the boundaries of Potter County. The County is the only entity controlled by the Commissioners' Court; the County acts only as an intermediary in the collection and distribution of property taxes to the other entities.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The County uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed. In the fund financial statements, they are offset by a designation of nonspendable fund balance which indicates they do not represent "available spendable resources".

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction is included as part of the capitalized value of the assets constructed. There was no capitalized interest during the current fiscal year.

In the case of the initial capitalization of general infrastructure assets (i.e., streets and bridges), the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the County constructs or acquires additional capital assets each year, including infrastructure assets, they are capitalized and reported at historical cost.

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

Buildings and Improvements	40 years
Furniture and Fixtures	5 years
General Equipment	5 years
Trucks	15 years
Cars	5 years
Computer Hardware	5 years
Streets	15-25 years
Bridges	50 years

Receivables and Payable Balances

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue.

The County expects to collect the following amounts net of deferral in one year:

1. Taxes receivable of \$791,417
2. Fines receivable of \$802,409

Compensated Absences

A liability for unused vacation and comp time for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

1. Leave or compensation is attributable to services already rendered
2. Leave or compensation is not contingent on specific event (such as illness)

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities are expected to be expensed using available financial resources. Compensated absences are accrued as long-term debt in the government-wide statements.

Upon termination from the County employment, an employee shall be entitled to payment for total accrued but unused days of vacation not accumulated beyond two years. Comp time earned, but not taken, is paid at termination, but cannot accumulate beyond 100 hours per eligible employee. Sick leave accrues at one day per month with no maximum limit, but compensation is paid only for an illness-related absence. Unused sick leave is non-vesting and will not be paid on termination, thus vacation and comp time are the only accrued compensation liabilities recorded. Compensated absences will be liquidated through salary expenses in the funds which employees are paid.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and Transfers out are netted and presented as a single “Transfers” line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single “Internal Balances” line on the government-wide statement of net position.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management’s estimates. Actual results could differ from those estimates.

Assets limited as to use or restricted

Resources are set aside for the terms of bond agreements or self-insurance arrangements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Liquidation of long-term obligations will be expensed through the debt service funds.

Deferred Outflows/Inflows of Resources

The County reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in current period. Deferred inflows of resources also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows of resources for the difference between projected and actual earnings for its pension plan and contributions made to the pension plan after the measurement date, but before the end of the fiscal year.

In addition to liabilities, the statement of net position will 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 County has deferred inflows of resources for the differences between expected and actual experience related to its pension and OPEB plans. Additionally, the County has deferred inflows of resources for uncollected property taxes as well as fines, fees and court costs. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned Revenue

The County reports unearned revenue when potential revenue is received before it has legally been earned according to revenue recognition principles.

Legally Adopted Budgets

All governmental funds have legally adopted budgets except for the following:

1. County Assistance District
2. County Attorney Pretrial Diversion
3. District Attorney Crime Victim
4. Sheriff Office Commissary

Pensions

The fiduciary net position of the Texas County & District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCERS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Texas County & District Retirement System Post Retirement Welfare Plan (PRWP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from PRWP's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Implementation of GASB Statement No. 75

As of October 1, 2017, the County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments calculate and report the costs and obligations associated with OPEB in their basic financial statements. Employers are required to recognize OPEB amounts for all benefits provided through the plan which include the total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. The effect of the implementation of this standard on beginning net position is

disclosed in Note 16 and the additional disclosures required by this standard is included in Note 14.

Fair Value Measurements

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the County defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Cash Deposits

At September 30, 2018, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$24,056,340 and the bank balance was \$29,110,054. The County's cash deposits at September 30, 2018, were entirely covered by FDIC insurance or by pledged collateral held by the County's bank in the County's name.

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Note 2 - Deposits and Investments

Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management, include a list of the types of authorized investments in which the investing entity's funds may be invested and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act (Act) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports an establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, certificates of deposit, certain municipal securities, money market savings accounts, repurchasing agreements, bankers' acceptance, mutual funds, investment pools, guaranteed investment contracts, and common trust funds.

The County's investments at September 30, 2018 are shown below.

Investment or Investment Type	Weighted Average Maturity (Days)	Fair Value	Rating
TexPool	37	\$ 4,923,124	AAAm
TexPool Prime	51	10,285,309	AAAm
Money Market Investments	N/A		Non-rated
Texas Class	29	11,001,890	AAAm
Total investments		\$ 26,210,323	

Various certificates of deposit were purchased under the Certificate of Deposit Account Registry Service through a commercial banking institution. All certificates of deposit purchased under this program were entirely covered by FDIC insurance.

The County has investments with the following public funds investment pools as of September 30, 2018:

Texas Local Government Investment Pool (TexPool & TexPool Prime) – Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. The reported value of the pool is the same as the fair value of the pool shares. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of TexPool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

Texas CLASS was created as an investment pool for its participants pursuant to Section 2256 of the Public Funds Investment Act, Texas Government Code. The fund is administered by MBIA Municipal Investors Service Corporation and Wells Fargo Bank Texas, NA is the Custodian.

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end:

A. Interest Rate Risk

In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to less than 365 days. The maximum allowable stated maturity of any individual investment owned by the County shall not exceed three years.

B. Credit Risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. County policy limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

C. Concentration of Credit Risk

The County's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

D. Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

E. Public Funds Investment Pools

Public funds investment pools in Texas (the pool) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, to maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service and to maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The County's investments in pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule of 195 2a7 of the Investment Company Act of 1940.

Note 3 - Receivables

Receivables at year end, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental		Proprietary	Fiduciary
	General Fund	Other Governmental Funds	Internal Service	Agency
Receivables				
Taxes	\$ 1,889,778	\$ 473,891	\$ -	\$ -
Fines, fees, and court costs	31,704,081	-	-	-
Other	1,362,465	150,901	3,877	86,700
Total gross receivables	34,956,324	624,792	3,877	86,700
Less Allowance for uncollectibles				
Taxes	(1,019,699)	(68,664)	-	-
Fines, fees, and court costs	(30,754,268)	-	-	-
Net total receivables	\$ 3,182,357	\$ 556,128	\$ 3,877	\$ 86,700

Note 4 - Commitments Under Noncapitalized Leases

The County leases copiers from Tascosa Office Machines, Inc. for a term of five years beginning April 25, 2015 and ending April 25, 2020. The minimum lease amount is \$89,550.

Future minimum rental payments applicable to these operating leases are as follows:

<u>Year Ending September 30,</u>	
2019	\$ 89,550
2020	52,238
Total minimum rental	<u>\$ 141,788</u>
Rental expenditures in 2018	<u>\$ 137,946</u>

Note 5 - Capital Assets

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

<u>Governmental Activities</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated				
Land	\$ 5,050,536	\$ 6,030	\$ (36,782)	\$ 5,019,784
Construction in progress	14,602,741	7,839,014	(22,441,755)	-
Total capital assets not being depreciated	19,653,277	7,845,044	(22,478,537)	5,019,784
Capital assets being depreciated				
Streets and bridges	36,013,341	712,651	-	36,725,992
Buildings and improvements	81,605,833	17,884,387	(1,153,299)	98,336,921
Furniture and equipment	19,046,190	2,065,339	(326,249)	20,785,280
Total capital assets being depreciated	136,665,364	20,662,377	(1,479,548)	155,848,193
Less accumulated depreciation for				
Streets and bridges	(26,676,717)	(299,497)	-	(26,976,214)
Buildings and improvements	(31,329,682)	(2,146,483)	794,336	(32,681,829)
Furniture and equipment	(11,295,007)	(1,404,375)	244,890	(12,454,492)
Total accumulated depreciation	(69,301,406)	(3,850,355)	1,039,226	(72,112,535)
Total capital assets being depreciated, net	<u>67,363,958</u>	<u>16,812,022</u>	<u>(440,322)</u>	<u>83,735,658</u>
Governmental activities capital assets, net	<u>\$87,017,235</u>	<u>\$24,657,066</u>	<u>\$ (22,918,859)</u>	<u>\$88,755,442</u>

Depreciation was charged to functions as follows:

General administrative	\$ 551,134
Road and bridge	444,224
Facilities maintenance	1,434,484
Judicial	130,345
Public safety	1,080,593
Correctional	<u>209,575</u>
Total depreciation expense	<u><u>\$ 3,850,355</u></u>

Note 6 - Interfund Balances and Activity

Due to and from Other Funds

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. Balances due to and due from other funds at September 30, 2018, consisted of the following:

Due to fund	Due from fund	Amount	Purpose
General fund	Nonmajor governmental funds	\$ 26,291	Short-term loans
Nonmajor governmental funds	General fund	33,165	Short-term loans
Capital project funds	Nonmajor governmental funds	12,121	Short-term loans
Capital project funds	General fund	<u>29,147</u>	Short-term loans
	Total	<u><u>\$ 100,724</u></u>	

Transfers to and from Other Funds

Transfers to and from other funds at September 30, 2018, consisted of the following:

Transfers from	Transfers to	Amount	Purpose
General fund	Capital project fund	\$ 1,541,268	Supplement construction funds
General fund	Internal service fund	250,000	Supplemental fund sources
General fund	Nonmajor governmental funds	<u>598,100</u>	Supplemental fund sources
	Total	<u><u>\$ 2,389,368</u></u>	

The General Fund transferred \$1,541,268 to the Capital Projects Fund for architect fees and consultant and to build fund balance to reduce amount necessary to borrow. The General Fund transferred \$550,000 to Courthouse Security Fund for operational expenditures. The General Fund also transferred \$48,100 to the Auto Burglary and Theft Prevention Authority Grants Fund to provide required cash match for the grant. The General Fund also transferred \$250,000 to the Internal Service Fund to cover claims above expectations.

Note 7 - Risk Management

The County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, errors and omissions and personnel risks which relate to workers compensation. The County carries commercial insurance in order to manage the above listed risks. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

Note 8 - Long-Term Obligations

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the County.

Bonds

The County issued Certificates of Obligation, Series 2003 to provide funds for the acquisition and construction of major capital facilities.

The County issued General Obligation Refunding bonds, Series 2012 to refund the Certificates of Obligation, Series 2003 in order to restructure the County's debt service and to pay costs related to the issuance of the bonds. The proceeds were used to refund \$7,770,000 of the outstanding bonds. The refunding bonds were issued with a premium of \$306,365 which is being amortized over the life of the Series 2012 bonds.

The County issued Certificates of Obligation, Series 2016 to provide funds to construct sheriff administrative, enforcement and maintenance facilities. The Certificates were issued with a premium of \$405,189, which is being amortized over the life of the Certificates.

The County issued Tax notes, Series 2017 for the purpose of paying contractual obligations to be incurred for the purchase of equipment for an emergency radio system.

Debt service is primarily paid from ad valorem taxes and is recorded in the debt service funds.

The following are general obligation bond issues outstanding at September 30, 2018:

	<u>Interest rates</u>	<u>Date of issue</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Certificates of obligation, Series 2016	1.25 - 3.00	2016	2036	\$20,570,000
Tax notes, Series 2017	1.91	2017	2024	<u>5,450,000</u>
Total general obligations debt				<u><u>\$26,020,000</u></u>

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

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 1,775,000	\$ 674,224	\$ 2,449,224
2020	1,805,000	644,955	2,449,955
2021	1,835,000	609,345	2,444,345
2022	1,870,000	566,023	2,436,023
2023	1,920,000	519,287	2,439,287
2024-2028	6,345,000	1,995,460	8,340,460
2029-2033	6,250,000	1,112,850	7,362,850
2034-2036	4,220,000	192,450	4,412,450
Totals	<u>\$26,020,000</u>	<u>\$ 6,314,594</u>	<u>\$32,334,594</u>

Compensated Absences

The cost of the County's liability for compensated absences is calculated at the end of the fiscal year based on the employee's pay rate and the accumulated vacation hours earned but not taken. Typically, the General Fund has been used to liquidate the liability for compensated absences.

Long-Term Obligation Activity

Long-Term Obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2018, are as follows:

#	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
General obligations bonds	\$ 1,075,000	\$ -	\$ 1,075,000	\$ -	\$ -
Certificate of obligation	21,470,000	-	900,000	20,570,000	910,000
Tax Notes	5,625,000	-	175,000	5,450,000	865,000
Total bonds payable	28,170,000	-	2,150,000	26,020,000	1,775,000
Compensated absences	1,275,710	1,141,930	887,656	1,529,984	305,997
Net pension liability	22,886,003	10,542,220	19,765,102	13,663,121	-
Total OPEB liability	3,414,989	326,290	313,477	3,427,802	-
Unamortized bond premium	397,623	-	45,273	352,350	-
Total governmental activities	<u>\$56,144,325</u>	<u>\$12,010,440</u>	<u>\$23,161,508</u>	<u>\$44,993,257</u>	<u>\$2,080,997</u>

Note 9 - Pension Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the state-wide agent multiple-employer public employee retirement system consisting of 738 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or at <https://www.tcdrs.org>.

Benefits Provided

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 20 years of service regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the County’s Board within certain guidelines.

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

Inactive employees or beneficiaries currently receiving benefits	351
Inactive employees entitled to but not yet receiving benefits	272
Active employees	598
	1,221

Contributions

The County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

	Contribution Rates	
	2017	2018
Member	7.00%	7.00%
Employers	14.33%	14.78%
Employer Contributions	\$ 4,074,113	\$ 4,528,570
Member Contributions	\$ 2,068,086	\$ 2,160,555

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	12.1 years
Asset Valuation Method	5 year smoothed market
Discount Rate	8.10%
Long-term expected Investment Rate of Return*	8.10%
Salary Increases*	4.90%, average
Payroll Growth Rate	3.25%

**Includes Inflation of 2.75%*

The plan does not have an automatic cost-of-living adjustment and one is not considered to be substantively automatic under GASB No. 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the funding valuation. Each year, the plan may elect an ad-hoc COLA for its retirees.

Disability rates for males and females were as follows.

Age	Male and Female Occupational	Male and Female All Other Causes
28-29	-	0.00008
30	-	0.00009
31-32	-	0.00010
33	-	0.00011
34	-	0.00014
35	0.00001	0.00018
36	0.00001	0.00022
37	0.00002	0.00028
38	0.00002	0.00033
39	0.00002	0.00038
40	0.00002	0.00042
41	0.00003	0.00047
42	0.00003	0.00053
43	0.00004	0.00058
44	0.00004	0.00063
45	0.00004	0.00069
46	0.00005	0.00076
47	0.00006	0.00084
48	0.00007	0.00095
49	0.00009	0.00109
50	0.00010	0.00125
51	0.00012	0.00142
52	0.00013	0.00162
53	0.00015	0.00183
54	0.00018	0.00203
55	0.00018	0.00222
56	0.00018	0.00238
57	0.00018	0.00250
58	0.00018	0.00259
59	0.00018	0.00270
60 and above	0.00018	-

Mortality rates for depositing members were based on 90% of the RP-2014 Active Employee Mortality Table for males and females as appropriate, with adjustments, projected with 110% of the MP-2014 Ultimate Scale after 2014. Service retirees, beneficiaries, and non-depositing members were based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females as appropriate, with adjustments, projected with 110% of the MP-2014 Ultimate Scale after 2014. Disabled retirees were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the MP-2014 Disabled Annuitant Mortality Table for females as appropriate, with adjustments, projected with 110% of the MP-2014 Ultimate Scale after 2014.

Service retirement rates for males and females were as follows:

Age	Male and Female
40-44	0.450
45-49	0.090
50	0.010
51-53	0.009
54-57	0.100
58-61	0.120
62	0.200
63-64	0.150
65-66	0.250
67	0.220
68-69	0.200
70-74	0.220
75 & Over	1.000

The actuarial assumptions were developed from an actuarial experience investigation of TCDRS over the years 2013 - 2016. Assumptions were recommended by Milliman, Inc., adopted by the TCDRS Board of Trustees in 2017 and first used in the December 31, 2017 actuarial valuation.

There were no changes in methods reflected in the December 31, 2017 actuarial valuation. The following changes in actuarial assumptions were reflected in the December 31, 2017 actuarial valuation:

- Inflation assumptions decreased from 3.00% per year to 2.75% per year, with a corresponding decrease in the general wage growth assumption from 3.5% to 3.25%.
- Slightly adjusted all mortality rates to better reflect anticipated experience.
- Adjusted retirement rates to reflect people retiring at older ages.
- Lowered disability retirement rates.
- Adjustments made to termination rates.
- Lowered probability of withdrawal of contributions upon termination.
- Adjusted merit salary scale to reflect anticipated future experience.
- Adjusted payroll increase assumption to reflect the changes in the general wage growth assumption and to reflect changes in anticipated experience.

Discount Rate

The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year.

In order to determine the discount rate to be used, we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under our funding policy and the legal requirements under the TCDRS Act:

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered period.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2017 information for a 7 – 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is based on a 30-year time horizon; the most recent analysis was performed in 2017 based on the period January 1, 2013 – December 31, 2016. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized below:

Asset Class	Benchmark	Target Allocation ^[1]	Geometric Real Rate of Return (Expected minus Inflation) ^[2]
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.55%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index [3]	16.00%	7.55%
Global Equities	MSCI World (net) Index	1.50%	4.85%
International Equities - Developed	MSCI World Ex USA (net) Index	11.00%	4.55%
International Equities - Emerging	MSCI World Ex USA (net) Index	8.00%	5.55%
Investment-Grade Bonds	Bloomberg Baryclays U.S Aggregate Bond Index	3.00%	0.75%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	8.00%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.06%
Distressed Debt	Cambridge Associates Distressed Securities Index [4]	2.00%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index [5]	6.00%	6.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	18.00%	4.10%

^[1] Target asset allocation adopted at the April 2018 TCDRS Board meeting.

^[2] Geometric real rates of return in addition to assumed inflation of 1.95%, per Cliffwater's 2018 capital market assumption

^[3] Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

^[4] Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

^[5] Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2018, the County reported a net pension liability of \$13,663,121 measured at December 31, 2017. For the year ended September 30, 2018, the County recognized pension expense of \$5,065,825.

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

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

Changes in the net pension liability for the year ended December 31, 2017 are as follows:

Changes in Net Pension Liability / (Asset)	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2016	\$ 170,953,410	\$ 148,067,407	\$ 22,886,003
Changes for the year			
Service Cost	4,273,814	-	4,273,814
Interest on total pension liability (1)	13,871,195	-	13,871,195
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	71,577	-	71,577
Effect of assumptions changes or inputs	439,421	-	439,421
Refund of contributions	(439,181)	(439,181)	-
Benefit payments	(7,674,606)	(7,674,606)	-
Administrative expense	-	(111,613)	111,613
Member contributions	-	2,109,629	(2,109,629)
Net investment income	-	21,585,568	(21,585,568)
Employer contributions	-	4,318,705	(4,318,705)
Other (3)	-	(23,400)	23,400
Net changes	10,542,220	19,765,102	(9,222,882)
Balance at December 31, 2017	\$ 181,495,630	\$ 167,832,509	\$ 13,663,121

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

(2) No plan changes valued.

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

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (7.10%)	Current Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	\$ 205,167,013	\$ 181,495,630	\$ 161,574,656
Fiduciary net position	167,832,509	167,832,509	167,832,509
Net pension liability	<u>\$ 37,334,504</u>	<u>\$ 13,663,121</u>	<u>\$ (6,257,853)</u>

At December 31, 2017 the County reported its deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 1,494,734	\$ 57,262
Changes in actuarial assumptions	-	985,067
Difference between projected and actual investment earnings	1,956,944	-
Contributions subsequent to the measurement date	-	3,428,146
Total	<u>\$ 3,451,678</u>	<u>\$ 4,470,475</u>

\$3,428,146 reported as deferred outflows of resources related to pensions resulting from contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2019. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year Ended September 30:	Pension Expense Amount
2019	\$ 816,599
2020	508,106
2021	(1,903,373)
2022	(1,830,681)
	<u>\$ (2,409,349)</u>

Note 10 - Health Care Coverage

The County has established the Health and Life Insurance Fund (an internal service fund) to account for its health and life program. The purpose of this fund is to finance and pay for the uninsured medical claims of the County employees and their covered dependents according to the plan document and minimize the total costs of insurance to the County and its employees. Dependent coverage is funded by charges to employees. The County contributed \$863 per month, per employee. The County's liability is limited to \$125,000 per covered person per year and an aggregate limit of \$6,399,067 per year under the present plan. The County has obtained stop loss insurance through a private insurance carrier for claims in excess of the above coverage. The County's third party administrator processes all the claims and bills the County weekly for processed claims that are within the coverage of the fund. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The premium amounts were based on calculations by the insurance carrier using experience factors to estimate what would be needed to cover claims and to establish a reserve for losses. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Changes in the County's claims liability amount were:

For the Year Ended	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
September 30, 2016	\$ 229,580	\$ 4,106,617	\$ (4,114,903)	\$ 221,294
September 30, 2017	221,294	5,181,149	(5,063,129)	339,314
September 30, 2018	339,314	6,582,783	(6,305,639)	616,458

100% of claims and judgments are due within one year of September 30, 2018. The risk of loss on the life insurance program is completely carried by the insurance carrier and is included in this fund only for administrative purposes.

Note 11 - Contingencies

Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Litigation

The County Attorney has indicated that there are various lawsuits filed and pending against the County but in his opinion none will result in a material effect on the County's financial position.

Note 12 - Fund Balance

The GASB has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned).
2. Restricted fund balance category includes amounts that can be spent for only the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action, such as a resolution, of the Commissioners' Court (the County's highest level of decision-making authority).
4. Assigned fund balance classification includes amounts intended to be used by the County for specific purposes but does not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. The County's general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Nonspendable Fund Balance

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

Prepaid items	\$1,014,300
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Restricted Fund Balance

At September 30, 2018, the restricted fund balance is composed of the following:

Debt service	\$2,464,218
Sheriff Administration	2,418,269
Drug court programs	69,893
Preservation and restoration of County records	779,721
Continuing education of local law enforcement	16,326
Bail bond board	41,426
Victim assistance contributions	18,478
State criminal alien assistance program	44,937
Other purposes	2,210,334

Committed Fund Balance

The County’s committed fund balance is the portion of the fund balance that may only be established and modified by a formal action of the Commissioners’ Court. At September 30, 2018, the following amount of fund balance is committed by a formal action of the Commissioners’ Court:

Capital replacement expenditures	\$1,548,100
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Assigned Fund Balance

Pursuant to the County’s adopted fund balance policy in accordance with GASB 54, the Commissioners’ Court has delegated the authority to assign fund balance for specific purposes to the County Auditor and County Judge when it has been determined to be appropriate for fund balance to be assigned. At September 30, 2018, the following amounts of fund balance have been assigned:

Other capital projects	\$9,100,999
Court security	47,814
Records management	172,232
Election administration	163,400
Technology	169,223
Forfeiture funds	1,808,536
Sheriff office commissary	582,918
Hot check funds	196,283
Other purposes	317,925

Order of Fund Balance Spending Policy

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: 1) Restricted; 2) Committed; 3) Assigned; and 4) Unassigned.

Minimum Fund Balance Policy

The County’s financial goal is to have a sufficient balance in the operating fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The County shall strive to maintain a yearly fund balance in the general operating fund in which the total unassigned fund balance is not less than 25% of the total operating expenditures.

Note 13 - Joint Venture

The Amarillo-Potter Events Venue District is a joint venture between Potter County and the City of Amarillo that was established as provided in Chapter 335 of the Texas Local Government Code. The seven member board of directors consists of three directors appointed by the County Judge and four directors appointed by the City Mayor. The amount of control exercised by each government is limited to its representation on the board.

The District operates certain facilities to be used for special events in the area. General operations are funded by user charges and typically require support for major improvements only.

The District has issued bonds under concurrent resolutions by the City Commission of the City of Amarillo and the Commissioners' Court of Potter County. These bonds were issued primarily for the construction of facilities. Debt service is secured by a 2% hotel occupancy tax and a 5% car rental tax. Additional security is provided by the City of Amarillo's pledge of its 7% hotel occupancy tax.

Due to the nature of the joint venture, none of the assets and liabilities have been reported by the County. The District is reported as a component unit by the City of Amarillo.

Note 14 - Other Postemployment Healthcare Benefits

Plan Description

The County provides certain health care benefits through a single-employer defined benefit OPEB plan. Permanent full-time employees who retire under TCDRS eligibility rules are eligible to participate in the County's health care plan as a retiree at their own expense. The retiree pays 100% of the premiums for the insurance. Members are eligible at any age with 30 years of service or at age 60 with 8 years of service or when the retirees age plus years of service equals 75. Spouses and dependents of retirees are also eligible. As of the date of the latest actuarial valuation, the County has 504 active employees and 40 retirees participating in the plan.

When a regular, full-time employee retires and is currently enrolled in the health care plan, they are eligible to continue to participate in the County's group health insurance and prescription plans. Members who terminate employment prior to retirement are not eligible for retiree health care benefits.

Texas Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to the Commissioners Court. The plan is not administered by a trust and there are no assets accumulated in a trust.

Contributions

The funding policy of the plan is to ensure that adequate resources are available to meet the required insurance premiums for the upcoming year. The County requires the retirees to pay both the employer and employee portions of the contributions. It is not the intent of the funding policy to pre-fund retiree health insurance during employees' entire careers.

Benefits Provided

Retirees may purchase retiree health care coverage through the County's health care plan as a retiree and for eligible spouses and dependents at their own expense. Surviving spouses and dependents of deceased retired members may continue retiree health care coverage up to age 65 for spouses and to age 25 for dependents.

Spouse and/or dependent must be on the plan prior to retirement of the employee. Retirees are required to enroll in Medicare Parts A and B once eligible.

Membership

Inactive Employees' Accounts	
Receiving benefits	10
Spouses of retirees	8
	8
Total	18

Actuarial Assumptions

The total OPEB liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	October 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	N/A
Inflation	2.30%
Discount rate	4.18%
Long-term expected investment rate of return	4.18%
Salary increases*	4.00%
Payroll growth rate	N/A
Health care trend rates	Pre-65: 7.40% in 2017 decreasing to 5.3% in 2025
Participate rates	20% for employees upon retirement 60% active participants elect spousal coverage

**including inflation of 2.30%*

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far in the future. Examples include assumptions about future employment, mortality, and the health care cost trends. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Mortality rates for pre and post retirees were based on the gender-distinct RP-2014 Total Dataset Mortality Table projected backward to 2006 with Mortality Improvement Scale MP-2014 and then forward with Mortality Improvement Scale MP-2017 on a generational basis with Healthy annuitant rates and benefit commencement. Mortality rates for disabled retirees were based on RP -2014 Disabled Retiree Mortality Table projected backward to 2016 with Mortality Improvement Scale MP-2014 and then forward with Mortality Improvement Scale MP-2017 on a generational basis with disabled annuitant rates after benefit commencement.

Annuitant Mortality Tables with rates for males and females multiplied by 90%. For active members, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.

Disability rates for males and female were as follows:

Age	Ordinary Disability	
	Male	Female
25	0.000%	0.000%
30	0.023	0.023
35	0.047	0.047
40	0.111	0.111
45	0.180	0.180
50	0.325	0.325
55	0.577	0.577
60	0.000	0.000

Service retirement rates for males and females were as follows:

Age	Male Participants	Femail Participants
40-44	5.0%	5.0%
45-49	10.0	10.0
50-61	14.0	14.0
62	32.0	32.0
63-64	18.0	18.0
65	35.0	35.0
66+	25.0	25.0

The actuarial assumptions and methods that determined the total OPEB liability as of October 1, 2017, were based on results of an actuarial experience study for the period October 1, 2017 – September 30, 2018 as conducted by TCDRS.

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.31% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). The discount rate was 3.81% as of the prior measurement date.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The County’s total OPEB liability of \$3,427,802 was measured as of September 30, 2018, and was determined by an actuarial valuation as of October 1, 2017. For the year ended September 30, 2018, the County recognized OPEB expense of \$296,919.

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

Changes in the total OPEB liability for the measurement year ended September 30, 2018 are as follows:

Changes in Total OPEB Liability	Total OPEB Liability
Balances at September 30, 2017, as restated	\$ 3,414,939
Changes for the year	
Service cost	196,351
Interest on the total OPEB liability	129,989
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	-
Changes of assumptions	(232,428)
Benefit payments	(81,049)
Balances as of September 30, 2018	\$ 3,427,802

At September 30, 2018 the county reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes of assumptions	203,007	-
Contributions subsequent to the measurement date	-	-
Total	\$ 203,007	\$ -

No deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement were recorded since the County does not make contributions. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

<u>Year ended September 30</u>	
2019	\$ (29,421)
2020	(29,421)
2021	(29,421)
2022	(29,421)
2023	(29,421)
Thereafter	<u>(55,902)</u>
Total	<u>\$ (203,007)</u>

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the County, calculated using the discount rate of 4.18%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.18%) or 1 percentage point higher (5.18%) than the current rate.

	1% Decrease 3.18%	Discount Rate 4.18%	1% Increase 5.18%
Total OPEB liability	\$ 3,777,422	\$ 3,427,802	\$ 3,094,508

Healthcare Cost Trend Rate Sensitivity Analysis

The following presents the total OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the total OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 2,950,829	\$ 3,427,802	\$ 3,979,711

Note 15 - Unearned Revenues and Deferred Inflows of Resources

Unearned revenues reported on the Balance Sheet-Governmental Funds consisted of the following at year-end:

<u>Discription</u>	<u>Fund</u>	<u>Deferred Amount</u>
County Attorney Seizures	General	\$ 70,125

Deferred inflows of resources reported on the Balance Sheet-Governmental Funds consisted of the following at year-end:

Discription	Fund	Deferred Amount
Property Taxes	General	\$ 757,178
Property Taxes	Series 2012 Refunding Bond	18,407
Property Taxes	Series 2016 Certificat of obligation	26,824
Property Taxes	Series 2017 Tax notes	5,756
Fines, fees and court costs	General	791,417
		\$ 1,599,582

Note 16 - Adoption of Accounting Standard GASB 75

As of October 1, 2017, the County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments calculate and report the cost and obligations associated with other postemployment benefits other than pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position of governmental activities was restated to retroactively remove the prior OPEB liability reported under GASB Statement No. 45 and adopt the provisions of GASB Statement No. 75 to report the beginning total OPEB liability and deferred outflows of resources related to contributions made after the measurement date as follows:

	<u>Governmental Activities</u>
Net position at September 30, 2017, as previously reported	\$ 91,644,570
Remove previously reported OPEB liability reported under GASB Statement No. 45	2,187,467
Add total OPEB liability under GASB Statement No. 75 at September 30, 2017	<u>(3,414,939)</u>
Net position at October 1, 2017, as restated	<u>\$ 90,417,098</u>

Note 17 - Other Prior Period Adjustments

During the fiscal year 2017 the County implemented a new software system. At September 30, 2017 the County estimated that additional costs would be \$337,994. When the final invoice was received it amounted to \$175,667 which resulted in expenses being overstated by \$162,327 and fund balance to be understated by that same amount. Additionally, it was noted that in invoice in the amount of \$810,340 was recorded improperly in 2018 for expenses incurred in 2017, which caused 2017 expenses to be understated and fund balance to be overstated by that same amount. The effects on fund balances were as follows:

	Capital Projects Fund	Sheriff Admin Construction Fund
Fund balance at September 30, 2017	\$ 9,544,378	\$ 9,757,295
Overstatement of expenses	162,327	-
Understatement of expenses	-	(810,340)
	\$ 9,706,705	\$ 8,946,955
Fund balance at September 30, 2018	\$ 9,706,705	\$ 8,946,955

The overstatement of prior year Capital Projects Fund expenditures of \$162,327 as of December 31, 2017 also resulted in an overstatement of accounts payable and construction in progress in Governmental Activities, but it had a net effect of \$0 on governmental activities beginning net position. Additionally, the understatement of the Sheriff Admin Construction Funds expenditures of \$810,000 as of December 31, 2017 also resulted in an understatement of accounts payable and construction in progress in Governmental Activities but it had a net effect of \$0 on governmental activities beginning net position.

Note 18 - Subsequent Events

On April 9, 2019, the County issued Certificates of Obligation in the amount of \$50,375,000. The purpose of proceeds from the sale of the certificates will be used to pay all or a portion of the County's contractual obligations incurred in connection with constructing and equipping county and district court facilities and professional services related to these projects.



Required Supplementary Information
September 30, 2018

Potter County, Texas

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues				
Taxes	\$ 48,430,128	\$ 48,430,128	\$ 48,502,375	\$ 72,247
License and fees	4,117,700	4,118,700	4,389,953	271,253
Intergovernmental	2,244,570	2,335,270	2,892,286	557,016
Fines and forfeitures	1,081,000	1,081,000	1,007,895	(73,105)
Rents and recoveries	537,700	567,700	676,832	109,132
Investment earnings	325,000	325,000	656,412	331,412
Miscellaneous	63,500	67,705	86,273	18,568
Total revenues	56,799,598	56,925,503	58,212,026	1,286,523
Expenditures				
General administrative				
Current				
County judge				
Salaries and fringe benefits	233,339	233,339	232,520	819
Travel	2,000	2,000	1,002	998
Contract services	1,000	750	-	750
General operations	3,800	4,050	3,881	169
Equipment/vehicle maintenance	800	800	619	181
	<u>240,939</u>	<u>240,939</u>	<u>238,022</u>	<u>2,917</u>
County commissioners				
Salaries and fringe benefits	234,017	234,017	212,261	21,756
Travel	12,000	12,000	4,993	7,007
General operations	4,700	4,700	3,531	1,169
	<u>250,717</u>	<u>250,717</u>	<u>220,785</u>	<u>29,932</u>
Human resources				
Salaries and fringe benefits	267,284	267,284	265,845	1,439
Travel	3,000	3,000	-	3,000
Contract services	3,331	3,331	-	3,331
General operations	21,064	24,595	4,409	20,186
Equipment/vehicle maintenance	3,500	3,500	3,310	190
	<u>298,179</u>	<u>301,710</u>	<u>273,564</u>	<u>28,146</u>
Information technology				
Salaries and fringe benefits	797,066	797,066	680,197	116,869
Travel	20,000	20,000	10,138	9,862
Contract services	358,685	358,685	271,066	87,619
General operations	342,389	341,889	323,100	18,789
Equipment/vehicle maintenance	1,720	2,220	1,919	301
	<u>1,519,860</u>	<u>1,519,860</u>	<u>1,286,420</u>	<u>233,440</u>

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Information and records management				-
Salaries and fringe benefits	492,655	492,655	489,813	2,842
Travel and uniforms	4,000	4,000	3,025	975
Contract services	6,000	6,000	4,333	1,667
General operations	25,602	27,239	24,673	2,566
Equipment/vehicle maintenance	2,000	2,000	1,110	890
	<u>530,257</u>	<u>531,894</u>	<u>522,954</u>	<u>8,940</u>
General administrative				
Salaries and fringe benefits	30,000	30,000	-	30,000
Contract services	535,000	535,000	515,534	19,466
General operations	33,000	36,258	29,934	6,324
Equipment/vehicle maintenance	165,000	113,061	31,053	82,008
Miscellaneous	1,188,565	1,229,965	605,068	624,897
	<u>1,951,565</u>	<u>1,944,284</u>	<u>1,181,589</u>	<u>762,695</u>
County auditor				
Salaries and fringe benefits	543,556	543,556	528,860	14,696
Travel	10,000	10,000	6,305	3,695
Contract services	116,000	116,000	114,780	1,220
General operations	7,000	6,900	4,486	2,414
Equipment/vehicle maintenance	1,500	1,600	1,570	30
	<u>678,056</u>	<u>678,056</u>	<u>656,001</u>	<u>22,055</u>
County treasurer				
Salaries and fringe benefits	224,792	224,792	224,156	636
Travel	5,000	5,000	3,884	1,116
General operations	11,250	11,250	10,499	751
Equipment/vehicle maintenance	2,200	2,200	1,703	497
	<u>243,242</u>	<u>243,242</u>	<u>240,242</u>	<u>3,000</u>
Purchasing agent				
Salaries and fringe benefits	447,164	447,164	399,988	47,176
Travel	15,000	15,000	9,885	5,115
General operations	11,800	11,800	8,924	2,876
Equipment/vehicle maintenance	6,000	6,000	3,232	2,768
	<u>479,964</u>	<u>479,964</u>	<u>422,029</u>	<u>57,935</u>
Collections				
Salaries and fringe benefits	193,689	193,689	182,258	11,431
Travel	2,500	2,500	1,714	786
Contract services	3,745	3,745	3,600	145
General operations	18,650	18,650	15,681	2,969
Equipment/vehicle maintenance	1,500	1,500	1,226	274
	<u>220,084</u>	<u>220,084</u>	<u>204,479</u>	<u>15,605</u>

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Tax assessor/collector				
Salaries and fringe benefits	1,237,036	1,237,036	1,112,468	124,568
Travel	8,000	8,000	7,022	978
Contract services	57,630	57,630	43,687	13,943
General operations	99,400	104,375	39,469	64,906
Equipment/vehicle maintenance	4,200	4,200	3,601	599
	<u>1,406,266</u>	<u>1,411,241</u>	<u>1,206,247</u>	<u>204,994</u>
Total general administrative	<u>7,819,129</u>	<u>7,821,991</u>	<u>6,452,332</u>	<u>1,369,659</u>
Facilities maintenance				
Facilities maintenance department				
Salaries and fringe benefits	1,629,564	1,629,564	1,510,310	119,254
Travel	23,740	23,740	16,894	6,846
General operations	83,672	84,965	61,964	23,001
Equipment/vehicle maintenance	20,880	20,880	16,078	4,802
	<u>1,757,856</u>	<u>1,759,149</u>	<u>1,605,246</u>	<u>153,903</u>
Courthouse				
Building repair/maintenance	266,890	266,890	207,784	59,106
	<u>266,890</u>	<u>266,890</u>	<u>207,784</u>	<u>59,106</u>
Courts building				-
General operations	2,650	2,650	625	2,025
Building repair/maintenance	283,425	283,425	228,188	55,237
	<u>286,075</u>	<u>286,075</u>	<u>228,813</u>	<u>57,262</u>
Library building				
Building repair/maintenance	10,100	10,100	7,367	2,733
	<u>10,100</u>	<u>10,100</u>	<u>7,367</u>	<u>2,733</u>
Extension service building				
Building repair/maintenance	16,950	16,950	11,191	5,759
	<u>16,950</u>	<u>16,950</u>	<u>11,191</u>	<u>5,759</u>
Santa Fe building				
Building repair/maintenance	472,255	496,755	408,226	88,529
	<u>472,255</u>	<u>496,755</u>	<u>408,226</u>	<u>88,529</u>
Baseball Stadium				
Building repair/maintenance	12,000	12,000	2,799	9,201
	<u>12,000</u>	<u>12,000</u>	<u>2,799</u>	<u>9,201</u>

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
JP#3 Office				
Building repair/maintenance	14,750	14,750	10,986	3,764
	14,750	14,750	10,986	3,764
Bowie Annex				
Building repair/maintenance	25,000	25,000	17,452	7,548
	25,000	25,000	17,452	7,548
West 6th Street Annex				
Building repair/maintenance	10,850	15,850	14,069	1,781
	10,850	15,850	14,069	1,781
Law Enforcement Center				
General operating	2,400	2,400	314	2,086
Building repair/maintenance	140,050	140,050	64,615	75,435
	142,450	142,450	64,929	77,521
Vehicle Maintenance Garage				
General operating	2,100	2,100	54	2,046
Building repair/maintenance	13,500	19,000	18,973	27
	15,600	21,100	19,027	2,073
Fire Station #3				
General operating	1,500	1,500	369	1,131
Building repair/maintenance	15,350	15,350	10,809	4,541
	16,850	16,850	11,178	5,672
Total facilities maintenance	3,047,626	3,083,919	2,609,067	474,852
Election administration				
Elections				
Salaries and fringe benefits	355,484	355,484	338,340	17,144
Travel	4,400	4,400	2,726	1,674
Contract services	57,900	63,275	63,274	1
General operations	82,300	89,497	65,160	24,337
Equipment/vehicle maintenance	2,600	2,600	563	2,037
	502,684	515,256	470,063	45,193
Total election administration	502,684	515,256	470,063	45,193

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Judicial				
County clerk				
Salaries and fringe benefits	940,388	940,388	890,166	50,222
Travel	6,000	6,000	5,777	223
Contract services	20,000	20,300	20,263	37
General operations	42,575	43,028	24,990	18,038
Equipment/vehicle maintenance	10,000	10,000	5,092	4,908
	<u>1,018,963</u>	<u>1,019,716</u>	<u>946,288</u>	<u>73,428</u>
District clerk				
Salaries and fringe benefits	1,257,276	1,257,276	1,143,176	114,100
Travel	9,000	9,000	8,870	130
Contract services	21,100	21,650	21,587	63
General operations	53,800	53,250	45,213	8,037
Equipment/vehicle maintenance	5,000	12,500	12,351	149
	<u>1,346,176</u>	<u>1,353,676</u>	<u>1,231,197</u>	<u>122,479</u>
Court of appeals				
Salaries and fringe benefits	10,977	10,977	10,254	723
	<u>10,977</u>	<u>10,977</u>	<u>10,254</u>	<u>723</u>
Specialty court				
Salaries and fringe benefits	58,439	58,439	58,104	335
Travel	1,000	1,000	149	851
General operations	7,200	7,200	354	6,846
Contract Services	13,500	13,500	-	13,500
Equipment/vehicle maintenance	720	720	156	564
	<u>80,859</u>	<u>80,859</u>	<u>58,763</u>	<u>22,096</u>
47th district court				
Salaries and fringe benefits	343,961	343,961	317,475	26,486
Travel	11,750	11,750	3,047	8,703
General operations	9,500	9,500	6,765	2,735
Equipment/vehicle maintenance	1,500	1,500	703	797
	<u>366,711</u>	<u>366,711</u>	<u>327,990</u>	<u>38,721</u>
108th district court				
Salaries and fringe benefits	343,962	343,962	342,209	1,753
Travel	11,750	11,000	4,278	6,722
General operations	9,500	10,250	10,140	110
Equipment/vehicle maintenance	1,500	1,500	1,219	281
	<u>366,712</u>	<u>366,712</u>	<u>357,846</u>	<u>8,866</u>

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
181st district court				
Salaries and fringe benefits	343,962	343,962	321,212	22,750
Travel	11,750	11,750	2,085	9,665
General operations	9,500	9,500	7,537	1,963
Equipment/vehicle maintenance	1,500	1,500	487	1,013
	<u>366,712</u>	<u>366,712</u>	<u>331,321</u>	<u>35,391</u>
251st district court				
Salaries and fringe benefits	343,962	345,562	345,559	3
Travel	11,750	10,150	5,218	4,932
General operations	9,500	9,650	5,962	3,688
Equipment/vehicle maintenance	1,500	1,500	783	717
	<u>366,712</u>	<u>366,862</u>	<u>357,522</u>	<u>9,340</u>
320th district court				
Salaries and fringe benefits	354,474	354,474	295,676	58,798
Travel	11,750	11,750	2,941	8,809
General operations	9,500	9,500	6,614	2,886
Equipment/vehicle maintenance	1,500	1,500	1,031	469
	<u>377,224</u>	<u>377,224</u>	<u>306,262</u>	<u>70,962</u>
Associate judge child support				
General operations	1,200	1,200	187	1,013
	<u>1,200</u>	<u>1,200</u>	<u>187</u>	<u>1,013</u>
Associate judge child abuse				
General operations	1,500	1,500	106	1,394
	<u>1,500</u>	<u>1,500</u>	<u>106</u>	<u>1,394</u>
County court at law #1				
Salaries and fringe benefits	579,897	579,897	550,580	29,317
Travel	8,150	8,150	2,924	5,226
General operations	7,600	7,600	2,980	4,620
Equipment/vehicle maintenance	600	600	561	39
	<u>596,247</u>	<u>596,247</u>	<u>557,045</u>	<u>39,202</u>

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
County court at law #2				
Salaries and fringe benefits	579,039	579,039	517,456	61,583
Travel	9,250	9,250	2,965	6,285
General operations	6,500	6,500	4,260	2,240
Equipment/vehicle maintenance	400	400	133	267
	<u>595,189</u>	<u>595,189</u>	<u>524,814</u>	<u>70,375</u>
Justice of the Peace, precinct #1				
Salaries and fringe benefits	266,744	266,744	261,583	5,161
Travel	4,500	4,500	592	3,908
Contract services	18,200	18,200	17,292	908
General operations	13,240	13,240	8,587	4,653
Equipment/vehicle maintenance	1,656	1,656	1,152	504
	<u>304,340</u>	<u>304,340</u>	<u>289,206</u>	<u>15,134</u>
Justice of the Peace, precinct #2				
Salaries and fringe benefits	214,862	214,862	213,018	1,844
Travel	3,500	3,500	3,234	266
Contract services	18,200	18,200	17,292	908
General operations	10,830	10,730	6,331	4,399
Equipment/vehicle maintenance	850	950	909	41
	<u>248,242</u>	<u>248,242</u>	<u>240,784</u>	<u>7,458</u>
Justice of the Peace, precinct #3				
Salaries and fringe benefits	271,449	271,449	260,252	11,197
Travel	3,500	3,500	3,499	1
Contract services	18,000	18,000	17,292	708
General operations	12,530	12,530	8,428	4,102
Equipment/vehicle maintenance	2,500	2,500	2,119	381
	<u>307,979</u>	<u>307,979</u>	<u>291,590</u>	<u>16,389</u>
Justice of the Peace, precinct #4				
Salaries and fringe benefits	214,864	214,864	203,750	11,114
Travel	3,500	3,500	3,275	225
Contract services	18,200	18,200	17,292	908
General operations	8,660	8,660	8,607	53
Equipment/vehicle maintenance	1,200	1,200	1,072	128
	<u>246,424</u>	<u>246,424</u>	<u>233,996</u>	<u>12,428</u>

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Jury and jury related				
Salaries and fringe benefits	177,535	177,535	160,784	16,751
Contract services	115,000	115,000	85,868	29,132
General operations	50,000	67,583	54,094	13,489
Equipment/vehicle maintenance	4,000	4,000	3,885	115
	<u>346,535</u>	<u>364,118</u>	<u>304,631</u>	<u>59,487</u>
County attorney				
Salaries and fringe benefits	2,496,807	2,496,807	2,392,432	104,375
Travel	40,094	50,271	34,076	16,195
Contract services	50,074	50,074	36,421	13,653
General operations	56,749	56,749	33,803	22,946
Equipment/vehicle maintenance	15,750	15,150	5,110	10,040
	<u>2,659,474</u>	<u>2,669,051</u>	<u>2,501,842</u>	<u>167,209</u>
District attorney				
Salaries and fringe benefits	3,342,299	3,342,299	3,162,642	179,657
Travel	25,800	36,120	36,072	48
Contract services	142,474	171,974	130,254	41,720
General operations	63,950	66,320	64,529	1,791
Equipment/vehicle maintenance	14,500	14,500	11,731	2,769
	<u>3,589,023</u>	<u>3,631,213</u>	<u>3,405,228</u>	<u>225,985</u>
Bail Bond Board Administration				
Travel	1,500	1,500	750	750
General operations	500	1,500	892	608
	<u>2,000</u>	<u>3,000</u>	<u>1,642</u>	<u>1,358</u>
General judicial				
Travel	2,500	2,500	-	2,500
Contract services	2,435,000	2,835,000	2,546,123	288,877
General operations	82,810	82,810	65,143	17,667
Miscellaneous	656,033	256,033	63,044	192,989
	<u>3,176,343</u>	<u>3,176,343</u>	<u>2,674,310</u>	<u>502,033</u>
Total judicial	<u>16,375,542</u>	<u>16,454,295</u>	<u>14,952,824</u>	<u>1,501,471</u>
Public safety				
Forensic science lab				
Contract services	525,000	525,000	461,076	63,924
	<u>525,000</u>	<u>525,000</u>	<u>461,076</u>	<u>63,924</u>

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Constable, precinct #1				
Salaries and fringe benefits	74,948	74,948	74,612	336
Travel	2,250	5,368	3,717	1,651
Contract services	1,250	1,250	1,199	51
General operations	3,880	3,880	3,277	603
Equipment/vehicle maintenance	4,300	4,300	2,690	1,610
	<u>86,628</u>	<u>89,746</u>	<u>85,495</u>	<u>4,251</u>
Constable, precinct #2				
Salaries and fringe benefits	74,948	74,948	74,388	560
Travel	3,750	5,554	5,456	98
Contract services	1,248	1,248	1,199	49
General operations	4,830	4,670	3,335	1,335
Equipment/vehicle maintenance	4,000	4,050	4,065	(15)
	<u>88,776</u>	<u>90,470</u>	<u>88,443</u>	<u>2,027</u>
Constable, precinct #3				
Salaries and fringe benefits	74,948	74,948	74,586	362
Travel	2,600	5,060	3,561	1,499
Contract services	1,250	1,250	1,199	51
General operations	5,380	6,232	5,385	847
Equipment/vehicle maintenance	5,000	5,000	2,547	2,453
	<u>89,178</u>	<u>92,490</u>	<u>87,278</u>	<u>5,212</u>
Constable, precinct #4				
Salaries and fringe benefits	74,948	74,948	74,541	407
Travel	3,500	5,324	4,938	386
Contract services	1,248	1,248	1,199	49
General operations	5,140	5,140	4,271	869
Equipment/vehicle maintenance	4,000	4,000	2,980	1,020
	<u>88,836</u>	<u>90,660</u>	<u>87,929</u>	<u>2,731</u>
Sheriff				
Salaries and fringe benefits	6,641,987	6,641,987	6,532,588	109,399
Travel	100,000	163,808	151,632	12,176
Contract services	146,272	181,372	168,748	12,624
General operations	157,810	161,873	131,373	30,500
Equipment/vehicle maintenance	323,500	310,247	260,669	49,578
	<u>7,369,569</u>	<u>7,459,287</u>	<u>7,245,010</u>	<u>214,277</u>

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Sheriff offices				
Building repairs/maintenance	45,000	45,000	19,041	25,959
	<u>45,000</u>	<u>45,000</u>	<u>19,041</u>	<u>25,959</u>
Public service				
Building repair/maintenance	4,500	4,500	935	3,565
Miscellaneous	733,300	748,300	743,944	4,356
	<u>737,800</u>	<u>752,800</u>	<u>744,879</u>	<u>7,921</u>
Fire / rescue department				
Salaries and fringe benefits	338,501	338,501	332,657	5,844
Travel	57,500	63,187	58,675	4,512
Contract services	13,500	13,500	2,061	11,439
General operations	141,020	147,790	140,887	6,903
Equipment/vehicle maintenance	289,750	289,750	285,372	4,378
Building repair/maintenance	55,000	101,627	89,274	12,353
	<u>895,271</u>	<u>954,355</u>	<u>908,926</u>	<u>45,429</u>
Total public safety	<u>9,926,058</u>	<u>10,099,808</u>	<u>9,728,077</u>	<u>371,731</u>
Corrections and rehabilitation				
Detention center				
Salaries and fringe benefits	9,857,790	9,857,790	9,483,647	374,143
Contract services	45,230	45,230	34,260	10,970
General operations	58,520	66,527	64,407	2,120
Prisoner care	1,431,000	1,410,940	1,375,916	35,024
Equipment/vehicle maintenance	37,500	37,500	36,813	687
Building repairs/maintenance	460,000	514,768	512,776	1,992
	<u>11,890,040</u>	<u>11,932,755</u>	<u>11,507,819</u>	<u>424,936</u>
Community supervision and corrections				
General operations	13,000	13,000	12,247	753
Equipment/vehicle maintenance	15,000	15,000	14,655	345
	<u>28,000</u>	<u>28,000</u>	<u>26,902</u>	<u>1,098</u>

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Juvenile probation	3,639,764	3,639,764	3,639,764	-
	3,639,764	3,639,764	3,639,764	-
Total corrections and rehabilitation	15,557,804	15,600,519	15,174,485	426,034
Health and human services				
Mental health - community service				
Salaries and fringe benefits	65,236	67,436	67,389	47
Travel	2,000	2,000	-	2,000
Contract services	20,000	17,800	4,910	12,890
General operations	500	500	-	500
	87,736	87,736	72,299	15,437
County extension services				
Salaries and fringe benefits	203,506	203,506	171,469	32,037
Travel	10,500	10,500	4,388	6,112
General operations	14,190	14,190	11,897	2,293
Equipment/vehicle maintenance	19,000	19,000	14,406	4,594
Miscellaneous	2,200	2,200	1,525	675
	249,396	249,396	203,685	45,711
Family crime unit				
Salaries and fringe benefits	177,801	177,801	128,061	49,740
Travel	1,200	1,200	-	1,200
General operations	6,000	6,000	3,197	2,803
Equipment/vehicle maintenance	2,000	2,600	2,490	110
	187,001	187,601	133,748	53,853
Victim assistance - VOCA				
Salaries and fringe benefits	205,724	205,724	204,787	937
Travel	4,000	4,000	1,650	2,350
General operations	1,440	1,440	1,440	-
	211,164	211,164	207,877	3,287
Victim assistance - VLCCG				
Salaries and fringe benefits	62,095	62,095	56,693	5,402
Travel	2,000	2,000	456	1,544
General operations	-	-	-	-
	64,095	64,095	57,149	6,946
Total health and human services	799,392	799,992	674,758	125,234

Potter County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance from Final Budget
Road and bridge expenditures				
Salaries and fringe benefits	1,434,385	1,434,385	1,348,835	85,550
Travel and uniforms	13,535	14,735	14,184	551
Contract services	30,432	30,432	14,647	15,785
General operations	612,366	611,166	540,551	70,615
Equipment/vehicle maintenance	332,254	332,254	230,296	101,958
Building repairs/maintenance	83,182	83,182	67,031	16,151
Total road and bridge expenditures	<u>2,506,154</u>	<u>2,506,154</u>	<u>2,215,544</u>	<u>290,610</u>
Capital outlay	<u>611,858</u>	<u>622,212</u>	<u>522,606</u>	<u>99,606</u>
Total expenditures	<u>57,146,247</u>	<u>57,504,146</u>	<u>52,799,756</u>	<u>4,704,390</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	(346,649)	(578,643)	5,412,270	(5,990,913)
Other Financing Uses				
Transfers out	-	-	(2,389,368)	(2,389,368)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(2,389,368)</u>	<u>(2,389,368)</u>
Net Change in Fund Balance	(346,649)	(578,643)	3,022,902	(3,601,545)
Fund Balance at Beginning of Year	<u>21,705,088</u>	<u>21,705,088</u>	<u>21,705,088</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 21,358,439</u>	<u>\$ 21,126,445</u>	<u>\$ 24,727,990</u>	<u>\$ (3,601,545)</u>

Potter County, Texas
Schedule of Changes in Net Pension Liability and Related Ratios (Exhibit B-2)
Year Ended September 30, 2018

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability				
Service cost	\$ 4,273,814	\$ 4,352,352	\$ 4,127,523	\$ 4,108,621
Interest on total pension liability	13,871,195	13,037,017	12,402,512	11,669,923
Effect of plan changes		-	(728,256)	-
Effect of economic / demographic (gains) or losses	71,577	(1,265,495)	(1,704,163)	(268,856)
Effect of assumptions changes or inputs	439,421	-	1,583,826	-
Benefit payments/refunds of contributions	(8,113,787)	(7,822,670)	(7,265,790)	(6,536,622)
Net change in total pension liability	10,542,220	8,301,204	8,415,652	8,973,066
Total pension liability, beginning	170,953,410	162,652,206	154,236,554	145,263,488
Total pension liability, ending (a)	<u>\$ 181,495,630</u>	<u>\$ 170,953,410</u>	<u>\$ 162,652,206</u>	<u>\$ 154,236,554</u>
Fiduciary Net Position				
Contributions - Employer	\$ 4,318,705	\$ 4,074,113	\$ 3,944,278	\$ 3,899,238
Contributions - Employee	2,109,629	2,068,086	2,009,470	1,984,119
Net investment income	21,585,568	10,342,613	(641,794)	9,074,869
Benefit payments/refunds of contributions	(8,113,787)	(7,822,670)	(7,265,790)	(6,536,622)
Administrative expenses	(111,613)	(112,476)	(101,332)	(106,048)
Other	(23,400)	(361,045)	143,195	29,017
Net change in fiduciary net position	19,765,102	8,188,621	(1,911,973)	8,344,573
Fiduciary net position, beginning	148,067,407	139,878,786	141,790,759	133,446,186
Fiduciary net position, ending (b)	<u>\$ 167,832,509</u>	<u>\$ 148,067,407</u>	<u>\$ 139,878,786</u>	<u>\$ 141,790,759</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 13,663,121</u>	<u>\$ 22,886,003</u>	<u>\$ 22,773,420</u>	<u>\$ 12,445,795</u>
Fiduciary net position as a percentage of total pension liability	92.47%	86.61%	86.00%	91.93%
Pensionable covered payroll	30,137,563	\$ 29,544,082	\$ 28,706,709	\$ 28,296,592
Net pension liability as a percentage of covered payroll	45.34%	77.46%	79.33%	43.98%

The Schedule of Changes in Net Pension Liability and Related Ratios is intended to present information for ten years. Additional years' information will be presented as it becomes available.

Potter County, Texas
Schedule of Employer Contributions (Exhibit B-3)
Year Ended September 30, 2018

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2006	\$ 2,073,195	\$ 2,073,195	\$ -	\$ 22,510,260	9.2%
2007	2,358,076	2,358,076	-	23,580,763	10.0%
2008	2,445,105	2,445,105	-	24,698,031	9.9%
2009	2,526,779	2,526,779	-	25,394,759	9.9%
2010	2,811,788	2,811,788	-	25,492,185	11.0%
2011	2,949,729	2,949,729	-	26,196,785	11.3%
2012	3,267,656	3,267,656	-	27,005,912	12.1%
2013	3,633,934	3,633,934	-	28,018,224	13.0%
2014	3,899,238	3,899,238	-	28,296,592	13.8%
2015	3,944,278	3,944,278	-	28,706,709	13.7%
2016	4,074,113	4,074,113	-	29,544,082	13.8%
2017	4,318,705	4,318,705	-	30,877,835	14.0%

Potter County, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios (Exhibit B-4)
Year Ended September 30, 2018

	Year Ended September 30 2018
Total OPEB Liability	
Service cost	\$ 196,351
Interest on total OPEB liability	129,989
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	-
Changes of assumptions	(232,428)
Benefit payments	(81,049)
Net change in total OPEB liability	12,863
Total OPEB liability, beginning	3,414,989
Total OPEB liability, ending	\$ 3,427,852
Covered-employee payroll	\$ 25,795,275
Total OPEB liability as a percentage of covered-employee payroll	13.29%

Note: No assets are accumulated in a trust that meet the criteria in GASB Statement No. 74, paragraph 4 for the OPEB plan.

Note: GASB No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the County will present information for those years for which information is available.

Note 1 – Budgetary Information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County Judge with the assistance of the County Auditor's Office and approved by the Commissioners' Court following a public hearing. The County maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body and as such is a good management control device.

The budget law of the State of Texas provides that "the amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in said funds plus the anticipated revenues for the current year for which the budget is made as estimated by the County Auditor". In addition, the law provides that the Commissioners' Court "may, upon proper application, transfer an existing budget surplus during the year to a budget of like kind and fund but no such transfer shall increase the total budget".

Each year, all departments submit to the County Judge requests for appropriation. These requests are reviewed, compiled and presented to the Commissioners' Court for approval. The Commissioners' Court conducts departmental budget reviews, adjusts budget requests to final form and conducts a public hearing in the Commissioners' Courtroom. One copy of the proposed budget must be filed with the County Clerk and one with the County Auditor. A copy must be available to the public. The Commissioners' Court must provide for the public hearing on the budget on some date within seven calendar days after the filing of the budget and prior to October 1st of the current fiscal year.

The County's legal level of control for appropriations is at the category level (i.e., salaries and fringe benefits, contract services, general operating, etc.) for each department/project within the General Fund. Administrative control is maintained through the establishment of more detailed accounts within each category. Appropriation transfers and budget increases may be made between categories or departments only with the approval of the Commissioners' Court. The original budgets presented in the report are the approved budgets before amendments and transfers. The final budgets presented in this report reflect the budgets as amended for all appropriation transfers and increases processed during the fiscal year.

There were no General Fund expenditures over appropriations at the legal level of control.

Note 2 – Net Pension Liability – Texas County & District Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	12.1 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	4.9%, average, including inflation. Varies by age and service.
Investment rate of return	8.10%, including inflation
Cost-of-living adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic. Therefore, no assumption for cost-of-living adjustments is included in the calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
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 of Benefit Terms

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

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Note 3 – Total OPEB Liability

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of October 1 one year prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	N/A
Inflation	2.30%
Discount rate	4.18%
Salary increases	4.00% including inflation
Investment rate of return	4.18%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at services retirement for recent retirees is 65.
Mortality	RP-2014 Total Dataset Mortality Table projected backward to 2006 with Mortality Improvement Scale MP-2014 and then forward with Mortality Improvement Scale MP-2017 on a generational basis with healthy annuitant rates after benefit commencement. RP-2014 Disabled Retiree Mortality Table projected backward to 2006 with Mortality Improvement Scale MP-2014 and then forward with Mortality Improvement Scale MP-2017 on a generational basis with disabled annuitant rates after benefit commencement.

Changes in Assumption

There were no changes in assumptions.

Changes of Benefit Terms

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

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.



Combining Statements and Budgetary Comparison
Schedules as Supplementary Information
September 30, 2018

Potter County, Texas

Potter County, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit C-1)
September 30, 2018

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Funds
Assets			
Pooled cash and cash equivalents	\$ 4,272,829	\$ 2,448,183	\$ 6,721,012
Investments	826,349		826,349
Accounts receivable			
Taxes	346,638	58,589	405,227
Other	142,468	8,433	150,901
Due from other funds	33,165	-	33,165
	<u>5,621,449</u>	<u>2,515,205</u>	<u>8,136,654</u>
Total assets			
	<u>\$ 5,621,449</u>	<u>\$ 2,515,205</u>	<u>\$ 8,136,654</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable and other current liabilities	\$ 291,518	\$ -	\$ 291,518
Due to other funds	38,412	-	38,412
	<u>329,930</u>	<u>-</u>	<u>329,930</u>
Total liabilities			
	329,930	-	329,930
Deferred Inflows of Resources			
Unavailable revenue - property taxes	-	50,987	50,987
	<u>-</u>	<u>50,987</u>	<u>50,987</u>
Total deferred inflows of resources			
	-	50,987	50,987
Fund balances			
Restricted fund balances			
Restricted for records management	486,467	-	486,467
Restricted for other purposes	1,359,415	-	1,359,415
Restricted for debt service	-	2,464,218	2,464,218
Assigned			
Special revenue funds	3,458,331	-	3,458,331
Unassigned	(12,694)	-	(12,694)
	<u>5,291,519</u>	<u>2,464,218</u>	<u>7,755,737</u>
Total fund balance			
	5,291,519	2,464,218	7,755,737
Total liabilities, deferred inflows of resources and fund balances			
	<u>\$ 5,621,449</u>	<u>\$ 2,515,205</u>	<u>\$ 8,136,654</u>

Potter County, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds (Exhibit C-2)
Year Ended September 30, 2018

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Funds
Revenues			
Taxes	\$ 1,359,952	\$ 3,180,911	\$ 4,540,863
License and fees	689,659		689,659
Intergovernmental	457,792		457,792
Charges for services	14,043		14,043
Investment earnings	67,341	41,868	109,209
Miscellaneous	710,305	-	710,305
Total revenues	<u>3,299,092</u>	<u>3,222,779</u>	<u>6,521,871</u>
Expenditures			
Current			
General administrative	100,127	200	100,327
Facilities maintenance			-
Election administration	21,976		21,976
Judicial	935,515	-	935,515
Public safety	821,034		821,034
Corrections and rehabilitation	77,418		77,418
Road and bridge			-
Debt service			
Principal		2,150,000	2,150,000
Interest and fiscal charges		731,220	731,220
Capital outlay	577,195		577,195
Total expenditures	<u>2,533,265</u>	<u>2,881,420</u>	<u>5,414,685</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	765,827	341,359	1,107,186
Other Financing Sources			
Transfers in	598,100	-	598,100
Transfers out	-	-	-
Total other financing sources (uses)	<u>598,100</u>	<u>-</u>	<u>598,100</u>
Net Change in Fund Balances	1,363,927	341,359	1,705,286
Fund Balances at Beginning of Year	<u>3,927,592</u>	<u>2,122,859</u>	<u>6,050,451</u>
Fund Balances at End of Year	<u>\$ 5,291,519</u>	<u>\$ 2,464,218</u>	<u>\$ 7,755,737</u>

	202 County Assistance District	210 Vehicle Inventory Tax Interest	215 Law Library	220 Courthouse Security	221 Justice Courts Building Security
Assets					
Pooled cash and cash equivalents	\$ 1,018,725	\$ -	\$ 76,320	\$ 24,471	\$ 40,052
Investments	-	168,390	-	-	-
Accounts receivable (net)					
Taxes	346,638				
Other		-	5,495	-	-
Due from other funds	-	-		13,503	304
Total assets	\$ 1,365,363	\$ 168,390	\$ 81,815	\$ 37,974	\$ 40,356
Liabilities and Fund Balances					
Liabilities					
Accounts payable and other current liabilities	46,750	\$ -	\$ 3,882	\$ 9,689	\$ -
Due to other funds	-	-	-	9,689	-
Total liabilities	46,750	-	3,882	19,378	-
Fund balance					
Restricted	1,318,613	-	-	-	11,138
Assigned	-	168,390	77,933	18,596	29,218
Unassigned	-	-	-	-	-
Total fund balance	1,318,613	168,390	77,933	18,596	40,356
Total Liabilities and Fund Balance	\$ 1,365,363	\$ 168,390	\$ 81,815	\$ 37,974	\$ 40,356

Potter County, Texas
 Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
 September 30, 2018

225 Graffiti Eradication	226 Child Abuse Prevention	235 County Clerk Records Management	236 Election	237 Voter Registration	240 Court Records Management	245 District Clerk Records Management
\$ 2,559	\$ 7,522	\$ 385,640	\$ 163,400	\$ 8,365	\$ 61,843	\$ 217,838
-	-	-	-	-	-	-
5	-	7,305	-	-	4,113	3,283
-	188	-	-	-	-	-
<u>\$ 2,564</u>	<u>\$ 7,710</u>	<u>\$ 392,945</u>	<u>\$ 163,400</u>	<u>\$ 8,365</u>	<u>\$ 65,956</u>	<u>\$ 221,121</u>
-	-	19,824	-	-	749	-
-	-	-	-	-	750	-
-	-	19,824	-	-	1,499	-
-	-	373,121	-	-	30,667	82,679
2,564	7,710	-	163,400	8,365	33,790	138,442
-	-	-	-	-	-	-
<u>2,564</u>	<u>7,710</u>	<u>373,121</u>	<u>163,400</u>	<u>8,365</u>	<u>64,457</u>	<u>221,121</u>
<u>\$ 2,564</u>	<u>\$ 7,710</u>	<u>\$ 392,945</u>	<u>\$ 163,400</u>	<u>\$ 8,365</u>	<u>\$ 65,956</u>	<u>\$ 221,121</u>

	250 Justice Court Technology	251 County Clerk / District Clerk Technology	255 County Attorney Hot Check	256 County Attorney Forfeiture	257 County Attorney Federal Forfeiture
Assets					
Pooled cash and cash equivalents	\$ 156,398	\$ 37,553	\$ 76,042	\$ 119,880	\$ 312,800
Investments	-	-	-	-	-
Accounts receivable (net)					
Taxes					
Other	1,235	382	655	1,435	-
Due from other funds	-	-	-	2,764	-
Total assets	\$ 157,633	\$ 37,935	\$ 76,697	\$ 124,079	\$ 312,800
Liabilities and Fund Balances					
Liabilities					
Accounts payable and other current liabilities	\$ 116	\$ -	\$ 380	\$ 2,070	37,518
Due to other funds	165	-	436	2,764	-
Total liabilities	281	-	816	4,834	37,518
Fund balance					
Restricted	-	26,064	-	-	-
Assigned	157,352	11,871	75,881	119,245	275,282
Unassigned	-	-	-	-	-
Total fund balance	157,352	37,935	75,881	119,245	275,282
Total Liabilities and Fund Balance	\$ 157,633	\$ 37,935	\$ 76,697	\$ 124,079	\$ 312,800

Potter County, Texas
Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
September 30, 2018

258 County Attorney Pretrial Diversion Fund	260 District Attorney Hot Check	261 District Attorney Payroll	262 DA Forfeiture Release	265 District Attorney Crime Victim	266 DA Federal Forfeiture	268 Auto Burglary and Theft Prevention
9,051	\$ 120,872	\$ 11,038	\$ 351,940	\$ 40,897	\$ 34,999	\$ -
-	-	-	657,959	-	-	-
-	-	-	-	-	-	100,938
-	-	387	2,242	-	-	4,996
<u>\$ 9,051</u>	<u>\$ 120,872</u>	<u>\$ 11,425</u>	<u>\$ 1,012,141</u>	<u>\$ 40,897</u>	<u>\$ 34,999</u>	<u>\$ 105,934</u>
\$ -	\$ 270	\$ 387	\$ 5,338	\$ -	\$ -	\$ 108,686
-	200	8,023	2,242	-	-	4,996
-	470	8,410	7,580	-	-	113,682
-	-	-	-	-	-	-
9,051	120,402	3,015	1,004,561	40,897	34,999	-
-	-	-	-	-	-	(7,748)
<u>9,051</u>	<u>120,402</u>	<u>3,015</u>	<u>1,004,561</u>	<u>40,897</u>	<u>34,999</u>	<u>(7,748)</u>
<u>\$ 9,051</u>	<u>\$ 120,872</u>	<u>\$ 11,425</u>	<u>\$ 1,012,141</u>	<u>\$ 40,897</u>	<u>\$ 34,999</u>	<u>\$ 105,934</u>

Potter County, Texas
Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
September 30, 2018

	271 Sheriff Federal Forfeiture	272 Law Enforcement Grants	273 Sheriff Office Forfeiture	274 Sheriff Office Commissary	279 Drug Court	Total Nonmajor Special Revenue Funds
Assets						
Pooled cash and cash equivalents	\$ 298,344	\$ 3,600	\$ 109,762	\$ 582,918		\$ 4,272,829
Investments	-	-	-			826,349
Accounts receivable (net)						
Taxes						346,638
Other	-	-	-		17,622	142,468
Due from other funds	8,781	-	-			33,165
Total assets	\$ 307,125	\$ 3,600	\$ 109,762	\$ 582,918	\$ 17,622	\$ 5,621,449
Liabilities and Fund Balances						
Liabilities						
Accounts payable and other current liabilities	2,332	\$ -	30,959	\$ -	22,568	\$ 291,518
Due to other funds	5,647	-	3,500			38,412
Total liabilities	7,979	-	34,459	-	22,568	329,930
Fund balance						
Restricted	-	3,600	-			1,845,882
Assigned	299,146	-	75,303	582,918		3,458,331
Unassigned	-	-	-		(4,946)	(12,694)
Total fund balance	299,146	3,600	75,303	582,918	(4,946)	5,291,519
Total Liabilities and Fund Balance	\$ 307,125	\$ 3,600	\$ 109,762	\$ 582,918	\$ 17,622	\$ 5,621,449

	202 County Assistance District	210 Vehicle Inventory Tax Interest	215 Law Library	220 Courthouse Security	221 Justice Court Building Security
Revenues					
Taxes	\$1,359,952	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	70,028	46,070	3,080
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	5,411	8,312	554	632	298
Miscellaneous	-	-	-	-	-
Total revenues	1,365,363	8,312	70,582	46,702	3,378
Expenditures					
Current					
General administrative	46,750	-	-	-	-
Election administration	-	-	-	-	-
Judicial	-	-	48,005	573,971	-
Public safety	-	-	-	-	-
Corrections	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	46,750	-	48,005	573,971	-
Excess (Deficit) of Revenues over Expenditures	1,318,613	8,312	22,577	(527,269)	3,378
Other Financing Sources (Uses) Transfers in	-	-	-	550,000	-
Total other financing sources (uses)	-	-	-	550,000	-
Net Change in Fund Balance	1,318,613	8,312	22,577	22,731	3,378
Fund Balances at Beginning of Year	-	160,078	55,356	(4,135)	36,978
Fund Balances at End of Year	1,318,613	168,390	77,933	18,596	40,356

Potter County, Texas
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue
 Funds (Exhibit C-4)
 September 30, 2018

225 Graffiti Eradication	226 Child Abuse Prevention	235 County Clerk Records Management	236 Election	237 Voter Registration	240 Court Records Management	245 District Clerk Records Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	1,366	100,843	5,284	-	42,041	34,324
-	-	-	-	-	-	-
18	55	5,994	2,736	448	485	3,616
-	-	18,422	57,064	-	-	-
46	1,421	125,259	65,084	448	42,526	37,940
-	-	-	-	-	53,377	-
-	-	-	21,482	494	-	-
-	-	93,410	-	-	-	15,721
-	-	-	-	-	-	-
-	-	-	97,000	22,041	-	57,463
-	-	93,410	118,482	22,535	53,377	73,184
46	1,421	31,849	(53,398)	(22,087)	(10,851)	(35,244)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
46	1,421	31,849	(53,398)	(22,087)	(10,851)	(35,244)
2,518	6,289	341,272	216,798	30,452	75,308	256,365
2,564	7,710	373,121	163,400	8,365	64,457	221,121

	250 Justice Court Technology	251 County Clerk / District Clerk Technology	255 County Attorney Hot Check	256 County Attorney Forfeiture	257 County Attorney Federal Forfeiture
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	13,314	-	14,545	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	5,043	-	-	-
Investment earnings	1,263	278	-	942	6,230
Miscellaneous	-	-	-	129,199	-
Total revenues	<u>14,577</u>	<u>5,321</u>	<u>14,545</u>	<u>130,141</u>	<u>6,230</u>
Expenditures					
Current					
General administrative	-	-	-	-	-
Election administration	-	-	-	-	-
Judicial	5,190	7,542	21,704	46,000	12,801
Public safety	-	-	-	-	-
Corrections	-	-	-	-	-
Capital outlay	16,942	-	-	-	129,695
Total expenditures	<u>22,132</u>	<u>7,542</u>	<u>21,704</u>	<u>46,000</u>	<u>142,496</u>
Excess (Deficit) of Revenues over Expenditures	<u>(7,555)</u>	<u>(2,221)</u>	<u>(7,159)</u>	<u>84,141</u>	<u>(136,266)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(7,555)	(2,221)	(7,159)	84,141	(136,266)
Fund Balances at Beginning of Year	<u>164,907</u>	<u>40,156</u>	<u>83,040</u>	<u>35,104</u>	<u>411,548</u>
Fund Balances at End of Year	<u><u>157,352</u></u>	<u><u>37,935</u></u>	<u><u>75,881</u></u>	<u><u>119,245</u></u>	<u><u>275,282</u></u>

Potter County, Texas
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue
 Funds (Exhibit C-4)
 September 30, 2018

258 County Attorney Pretrial Diversion Fund	260 District Attorney Hot Check	261 District Attorney Payroll	262 DA Forfeiture Release	265 District Attorney Crime Victim	266 DA Federal Forfeiture	268 Auto Burglary and Theft Prevention
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	150	-	-	-	-	-
-	-	22,500	-	-	-	353,743
9,000	-	-	-	-	-	-
51	-	-	14,219	662	508	-
-	-	-	200,685	1,993	29,793	14,000
9,051	150	22,500	214,904	2,655	30,301	367,743
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,083	23,398	76,504	-	8,186	-
-	-	-	-	-	-	410,014
-	-	-	-	-	-	-
-	-	-	118	-	-	-
-	3,083	23,398	76,622	-	8,186	410,014
9,051	(2,933)	(898)	138,282	2,655	22,115	(42,271)
-	-	-	-	-	-	48,100
-	-	-	-	-	-	48,100
9,051	(2,933)	(898)	138,282	2,655	22,115	5,829
-	123,335	3,913	866,279	38,242	12,884	(13,577)
9,051	120,402	3,015	1,004,561	40,897	34,999	(7,748)

Potter County, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue
Funds (Exhibit C-4)
September 30, 2018

	271 Sheriff Federal Forfeiture	272 Law Enforcement Grants	273 Sheriff Office Forfeiture	274 Sheriff Office Commissary	279 Drug Court	Nonmajor Special Revenue Funds
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	1,359,952
Licenses and fees	-	-	-	358,586	-	689,659
Intergovernmental	2,691	-	-	-	78,858	457,792
Charges for services	-	-	-	-	-	14,043
Investment earnings	4,261	60	1,114	9,194	-	67,341
Miscellaneous	163,144	-	95,577	428	-	710,305
Total revenues	<u>170,096</u>	<u>60</u>	<u>96,691</u>	<u>368,208</u>	<u>78,858</u>	<u>3,299,092</u>
Expenditures						
Current						
General administrative	-	-	-	-	-	100,127
Election administration	-	-	-	-	-	21,976
Judicial	-	-	-	-	-	935,515
Public safety	18,208	-	32,221	360,591	-	821,034
Corrections	-	-	-	-	77,418	77,418
Capital outlay	214,758	-	39,178	-	-	577,195
Total expenditures	<u>232,966</u>	<u>-</u>	<u>71,399</u>	<u>360,591</u>	<u>77,418</u>	<u>2,533,265</u>
Excess (Deficit) of Revenues over Expenditures	<u>(62,870)</u>	<u>60</u>	<u>25,292</u>	<u>7,617</u>	<u>1,440</u>	<u>765,827</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	598,100
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>598,100</u>
Net Change in Fund Balance	<u>(62,870)</u>	<u>60</u>	<u>25,292</u>	<u>7,617</u>	<u>1,440</u>	<u>1,363,927</u>
Fund Balances at Beginning of Year	<u>362,016</u>	<u>3,540</u>	<u>50,011</u>	<u>575,301</u>	<u>(6,386)</u>	<u>3,927,592</u>
Fund Balances at End of Year	<u><u>299,146</u></u>	<u><u>3,600</u></u>	<u><u>75,303</u></u>	<u><u>582,918</u></u>	<u><u>(4,946)</u></u>	<u><u>5,291,519</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – Vehicle Inventory Tax Interest Fund (Exhibit C-5)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Investment earnings	\$ 2,000	\$ 2,000	\$ 8,312	\$ 6,312
Total revenues	2,000	2,000	8,312	6,312
Expenditures				
Current				
General administrative				
General operations	5,000	5,000	-	5,000
Total expenditures	5,000	5,000	-	5,000
Excess (Deficiency) of Revenues over (Under) Expenditures	(3,000)	(3,000)	8,312	11,312
Fund Balance at Beginning of Year	160,078	160,078	160,078	-
Fund Balance at End of Year	\$ 157,078	\$ 157,078	\$ 168,390	\$ 11,312

Potter County, Texas
 Budgetary Comparison Schedule – Law Library Fund (Exhibit C-6)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Licenses and fees	\$ 72,000	\$ 72,000	\$ 70,028	\$ (1,972)
Investment earnings	-	-	554	554
Total revenues	<u>72,000</u>	<u>72,000</u>	<u>70,582</u>	<u>(1,418)</u>
Expenditures				
Current				
Judicial				
General operations	70,000	70,000	48,005	21,995
Total expenditures	<u>70,000</u>	<u>70,000</u>	<u>48,005</u>	<u>21,995</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	2,000	2,000	22,577	20,577
Fund Balance at Beginning of Year	<u>55,356</u>	<u>55,356</u>	<u>55,356</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 57,356</u></u>	<u><u>\$ 57,356</u></u>	<u><u>\$ 77,933</u></u>	<u><u>\$ 20,577</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – Courthouse Security Fund (Exhibit C-7)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Licenses and fees	\$ 53,000	\$ 53,000	\$ 46,070	\$ (6,930)
Investment earnings	100	100	632	532
Total revenue	53,100	53,100	46,702	(6,398)
Expenditures				
Current				
Judicial				
Salaries and fringe benefits	587,973	587,973	568,212	19,761
General operations	5,360	7,818	5,759	2,059
Building repairs and maintenance	2,000	2,000	-	2,000
Total expenditures	601,333	601,333	573,971	27,362
Excess (Deficiency) of Revenues over (Under) Expenditures	(548,233)	(548,233)	(527,269)	20,964
Other Financing Sources				
Transfers in	-	-	550,000	550,000
Total other financing sources	-	-	550,000	550,000
Net Change in Fund Balance	(548,233)	(548,233)	22,731	570,964
Fund Balance at Beginning of Year	(4,135)	(4,135)	(4,135)	-
Fund Balance at End of Year	\$ (552,368)	\$ (552,368)	\$ 18,596	\$ 570,964

Potter County, Texas
 Budgetary Comparison Schedule – Justice Court Building Security Fund (Exhibit C-8)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Licenses and fees	\$ 550	\$ 550	\$ 3,080	\$ 2,530
Investment earnings	-	-	298	298
Total revenues	550	550	3,378	2,828
Expenditures				
Current				
Judicial				
General operations	5,000	5,000	-	5,000
Building repairs and maintenance	5,000	5,000	-	5,000
Total expenditures	10,000	10,000	-	10,000
Excess (Deficiency) of Revenues over (Under) Expenditures	(9,450)	(9,450)	3,378	12,828
Fund Balance at Beginning of Year	36,978	36,978	36,978	-
Fund Balance at End of Year	\$ 27,528	\$ 27,528	\$ 40,356	\$ 12,828

Potter County, Texas
 Budgetary Comparison Schedule – Graffiti Eradication Fund (Exhibit C-9)
 Year Ended September 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Graffiti eradication fee	\$ 125	\$ 125	\$ 28	\$ (97)
Investment earnings	-	-	18	18
Total revenues	<u>125</u>	<u>125</u>	<u>46</u>	<u>(79)</u>
Expenditures				
Current				
General administrative				
General operations	500	500	-	500
Total expenditures	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(375)</u>	<u>(375)</u>	<u>46</u>	<u>421</u>
Fund Balance at Beginning of Year	<u>2,518</u>	<u>2,518</u>	<u>2,518</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 2,143</u></u>	<u><u>\$ 2,143</u></u>	<u><u>\$ 2,564</u></u>	<u><u>\$ 421</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – Child Abuse Prevention Fund (Exhibit C-10)
 Year Ended September 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Child abuse prevention fee	\$ 2,000	\$ 2,000	\$ 1,366	\$ (634)
Investment earnings	-	-	55	55
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>1,421</u>	<u>(579)</u>
Expenditures				
Current				
Public Safety				
General operations	2,000	2,000	-	2,000
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>1,421</u>	<u>1,421</u>
Fund Balance at Beginning of Year	<u>6,289</u>	<u>6,289</u>	<u>6,289</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 6,289</u></u>	<u><u>\$ 6,289</u></u>	<u><u>\$ 7,710</u></u>	<u><u>\$ 1,421</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – County Clerk Records Management Fund (Exhibit C-11)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Licenses and fees	\$ 110,000	\$ 110,000	\$ 100,843	\$ (9,157)
Investment earnings	1,500	1,500	5,994	4,494
Miscellaneous	22,000	22,000	18,422	(3,578)
Total revenues	<u>133,500</u>	<u>133,500</u>	<u>125,259</u>	<u>(8,241)</u>
Expenditures				
Current				
Judicial				
Travel	2,500	2,500	2,500	-
Contract services	108,000	108,000	83,339	24,661
General operations	10,000	10,000	7,571	2,429
Equipment/vehicle maintenance	3,500	3,500	-	3,500
Total expenditures	<u>124,000</u>	<u>124,000</u>	<u>93,410</u>	<u>30,590</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>9,500</u>	<u>9,500</u>	<u>31,849</u>	<u>22,349</u>
Fund Balance at Beginning of Year	<u>341,272</u>	<u>341,272</u>	<u>341,272</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 350,772</u></u>	<u><u>\$ 350,772</u></u>	<u><u>\$ 373,121</u></u>	<u><u>\$ 22,349</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – Election Fund (Exhibit C-12)
 Year Ended September 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Licenses and fees	\$ 7,500	\$ 7,500	\$ 5,284	\$ (2,216)
Investment earnings	2,500	2,500	2,736	236
Miscellaneous	75,000	75,000	57,064	(17,936)
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>65,084</u>	<u>(19,916)</u>
Expenditures				
Current				
Election administration				
Salaries and fringe benefits	62,500	62,500	19,141	43,359
Travel and education	1,630	1,630	-	1,630
General operations	133,450	36,450	2,341	34,109
Equipment/vehicle maintenance	2,100	2,100	-	2,100
Capital outlay	-	97,000	97,000	-
Total expenditures	<u>199,680</u>	<u>199,680</u>	<u>118,482</u>	<u>81,198</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(114,680)</u>	<u>(114,680)</u>	<u>(53,398)</u>	<u>61,282</u>
Fund Balance at Beginning of Year	<u>216,798</u>	<u>216,798</u>	<u>216,798</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 102,118</u></u>	<u><u>\$ 102,118</u></u>	<u><u>\$ 163,400</u></u>	<u><u>\$ 61,282</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – Voter Registration Fund (Exhibit C-13)
 Year Ended September 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Investment earnings	100	100	448	348
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>448</u>	<u>(652)</u>
Expenditures				
Current				
Election administration				
Travel	2,500	2,500	-	2,500
General operations	17,500	17,500	494	17,006
Capital outlay	25,000	25,000	22,041	2,959
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>22,535</u>	<u>22,465</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(43,900)</u>	<u>(43,900)</u>	<u>(22,087)</u>	<u>21,813</u>
Fund Balance at Beginning of Year	<u>30,452</u>	<u>30,452</u>	<u>30,452</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ (13,448)</u></u>	<u><u>\$ (13,448)</u></u>	<u><u>\$ 8,365</u></u>	<u><u>\$ 21,813</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – Court Records Management Fund (Exhibit C-14)
 Year Ended September 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
License and fees	\$ 50,000	\$ 50,000	\$ 42,041	\$ (7,959)
Investment earnings	-	-	485	485
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>42,526</u>	<u>(7,474)</u>
Expenditures				
Current:				
General administrative				
Salaries and fringe benefits	49,670	49,670	49,417	253
Travel	2,000	2,000	-	2,000
General obligations	-	3,960	3,960	-
Total expenditures	<u>51,670</u>	<u>55,630</u>	<u>53,377</u>	<u>2,253</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(1,670)</u>	<u>(5,630)</u>	<u>(10,851)</u>	<u>-</u> <u>(5,221)</u>
Fund Balance at Beginning of Year	<u>75,308</u>	<u>75,308</u>	<u>75,308</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 73,638</u>	<u>\$ 69,678</u>	<u>\$ 64,457</u>	<u>\$ (5,221)</u>

Potter County, Texas

Budgetary Comparison Schedule – District Court Records Management Fund (Exhibit C-15)
Year Ended September 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
License and fees	\$ 36,000	\$ 36,000	\$ 34,324	\$ (1,676)
Investment earnings	800	800	3,616	2,816
Total revenues	<u>36,800</u>	<u>36,800</u>	<u>37,940</u>	<u>1,140</u>
Expenditures				
Current:				
Judicial				
Travel	3,000	3,000	3,000	-
Contract services	30,000	30,000	12,721	17,279
General operations	5,000	5,000	-	5,000
Capital outlay	-	57,463	57,463	-
Total expenditures	<u>38,000</u>	<u>95,463</u>	<u>73,184</u>	<u>22,279</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(1,200)</u>	<u>(58,663)</u>	<u>(35,244)</u>	<u>23,419</u>
Fund Balance at Beginning of Year	<u>256,365</u>	<u>256,365</u>	<u>256,365</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 255,165</u></u>	<u><u>\$ 197,702</u></u>	<u><u>\$ 221,121</u></u>	<u><u>\$ 23,419</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – Justice Court Technology Fund (Exhibit C-16)
 Year Ended September 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Licenses and fees	\$ 15,000	\$ 15,000	\$ 13,314	\$ (1,686)
Investment earnings	-	-	1,263	1,263
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>14,577</u>	<u>(423)</u>
Expenditures				
Current:				
Judicial				
Travel	12,000	12,000	1,418	10,582
Contract services	30,000	13,000	-	13,000
General operations	14,500	14,500	3,772	10,728
Capital outlay	-	17,000	16,942	58
Total expenditures	<u>56,500</u>	<u>56,500</u>	<u>22,132</u>	<u>34,368</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(41,500)</u>	<u>(41,500)</u>	<u>(7,555)</u>	<u>33,945</u>
Fund Balance at Beginning of Year	<u>164,907</u>	<u>164,907</u>	<u>164,907</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 123,407</u>	<u>\$ 123,407</u>	<u>\$ 157,352</u>	<u>\$ 33,945</u>

Potter County, Texas

Budgetary Comparison Schedule – County Clerk/District Clerk Technology Fund (Exhibit C-17)
Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 5,500	\$ 5,500	\$ 5,043	\$ (457)
Investment earnings	-	-	278	278
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>5,321</u>	<u>(179)</u>
Expenditures				
Current				
Judicial				
Contract services	-	10,000	7,542	2,458
Total expenditures	<u>-</u>	<u>10,000</u>	<u>7,542</u>	<u>2,458</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>5,500</u>	<u>(4,500)</u>	<u>(2,221)</u>	<u>2,279</u>
Fund Balance at Beginning of Year	<u>40,156</u>	<u>40,156</u>	<u>40,156</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 45,656</u>	<u>\$ 35,656</u>	<u>\$ 37,935</u>	<u>\$ 2,279</u>

Potter County, Texas
 Budgetary Comparison Schedule – County Attorney Hot Check Fund (Exhibit C-18)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Licenses and fees	45,000	45,000	14,545	(30,455)
Total revenues	45,000	45,000	14,545	(30,455)
Expenditures				
Current				
Judicial				
Salaries and fringe benefits	63,136	63,136	21,223	41,913
General operations	10,000	10,000	481	9,519
Equipment/vehicle maintenance	10,000	10,000	-	10,000
Total expenditures	83,136	83,136	21,704	61,432
Excess (Deficiency) of Revenues over (Under) Expenditures	(38,136)	(38,136)	(7,159)	30,977
Fund Balance at Beginning of Year	83,040	83,040	83,040	-
Fund Balance at End of Year	44,904	44,904	75,881	30,977

Potter County, Texas
 Budgetary Comparison Schedule – County Attorney Forfeiture Fund (Exhibit C-19)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Investment earnings	\$ -	\$ -	\$ 942	\$ 942
Miscellaneous	60,000	60,000	129,199	69,199
Total revenues	60,000	60,000	130,141	70,141
Expenditures				
Current:				
Judicial				
Salaries and fringe benefits	-	24,350	24,223	127
Travel expenses	4,500	4,500	3,795	705
General operations	15,390	7,040	6,942	98
Equipment/vehicle maintenance	13,000	11,100	11,040	60
Total expenditures	32,890	46,990	46,000	990
Excess (Deficiency) of Revenues over (Under) Expenditures	27,110	13,010	84,141	71,131
Fund Balance at Beginning of Year	35,104	35,104	35,104	-
Fund Balance at End of Year	\$ 62,214	\$ 48,114	\$ 119,245	\$ 71,131

Potter County, Texas
 Budgetary Comparison Schedule – County Attorney Federal Forfeiture Fund (Exhibit C-20)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Investment earnings	\$ 1,500	\$ 1,500	\$ 6,230	\$ 4,730
Miscellaneous	100,000	100,000	-	(100,000)
Total revenues	<u>101,500</u>	<u>101,500</u>	<u>6,230</u>	<u>(95,270)</u>
Expenditures				
Current				
Judicial				
Travel expenses	15,000	15,000	-	15,000
General operations	20,000	20,000	12,801	7,199
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>129,695</u>	<u>70,305</u>
Total expenditures	<u>235,000</u>	<u>235,000</u>	<u>142,496</u>	<u>92,504</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(133,500)</u>	<u>(133,500)</u>	<u>(136,266)</u>	<u>(2,766)</u>
Net Change in Fund Balance	(133,500)	(133,500)	(136,266)	(2,766)
Fund Balance at Beginning of Year	<u>411,548</u>	<u>411,548</u>	<u>411,548</u>	<u>-</u>
Fund Balance at End of Year	<u><u>278,048</u></u>	<u><u>278,048</u></u>	<u><u>275,282</u></u>	<u><u>(2,766)</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – District Attorney Hot Check Fund (Exhibit C-21)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Licenses and fees	1,000	1,000	150	(850)
Total revenues	1,000	1,000	150	(850)
Expenditures				
Current				
Judicial				
Travel expenses	800	715	-	715
General operations	3,000	3,085	3,083	2
Total expenditures	3,800	3,800	3,083	717
Excess (Deficiency) of Revenues over (Under) Expenditures	(2,800)	(2,800)	(2,933)	(133)
Fund Balance at Beginning of Year	123,335	123,335	123,335	-
Fund Balance at End of Year	120,535	120,535	120,402	(133)

Potter County, Texas
 Budgetary Comparison Schedule – District Attorney Payroll Fund (Exhibit C-22)
 Year Ended September 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ -	\$ 22,500	\$ 22,500	\$ -
Total revenues	-	22,500	22,500	-
Expenditures				
Current				
Judicial				
Salaries and fringe benefits	-	22,500	23,398	(898)
Total expenditures	-	22,500	23,398	(898)
Excess (Deficiency) of Revenues over (Under) Expenditures	-	-	(898)	(898)
Fund Balance at Beginning of Year	3,913	3,913	3,913	-
Fund Balance at End of Year	<u>\$ 3,913</u>	<u>\$ 3,913</u>	<u>\$ 3,015</u>	<u>\$ (898)</u>

Potter County, Texas
 Budgetary Comparison Schedule – District Attorney Forfeiture Release Fund (Exhibit C-23)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Investment earnings	\$ 2,000	\$ 2,000	\$ 14,219	\$ 12,219
Miscellaneous	27,500	27,500	200,685	173,185
Total revenues	<u>29,500</u>	<u>29,500</u>	<u>214,904</u>	<u>185,404</u>
	-			
Expenditures				
Current				
Judicial				
Salaries and fringe benefits	49,372	53,872	53,710	162
Travel and uniforms	8,000	8,000	6,675	1,325
Contract services	10,000	5,500	-	5,500
General operations	62,000	62,000	4,119	57,881
Equipment/vehicle maintenance	5,000	5,000	-	5,000
Miscellaneous	50,000	50,000	12,000	38,000
Capital outlay	30,000	30,000	118	29,882
Total expenditures	<u>214,372</u>	<u>214,372</u>	<u>76,622</u>	<u>137,750</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(184,872)</u>	<u>(184,872)</u>	<u>138,282</u>	<u>323,154</u>
Fund Balance at Beginning of Year	<u>866,279</u>	<u>866,279</u>	<u>866,279</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 681,407</u></u>	<u><u>\$ 681,407</u></u>	<u><u>\$ 1,004,561</u></u>	<u><u>\$ 323,154</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – District Attorney Federal Forfeiture Fund (Exhibit C-24)
 Year Ended September 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	-	-	-	-
Investment earnings	100	100	508	408
Miscellaneous	3,000	9,200	29,793	20,593
Total revenues	<u>3,100</u>	<u>9,300</u>	<u>30,301</u>	<u>21,001</u>
	-			
Expenditures				
Current				
Judicial				
Travel	4,000	4,000	-	4,000
Contract services	-	6,200	6,186	14
General operations	6,500	6,500	2,000	4,500
Equipment/vehicle maintenance	4,000	4,000	-	4,000
Total expenditures	<u>14,500</u>	<u>20,700</u>	<u>8,186</u>	<u>12,514</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(11,400)</u>	<u>(11,400)</u>	<u>22,115</u>	<u>33,515</u>
Net Change in Fund Balance	(11,400)	(11,400)	22,115	33,515
Fund Balance at Beginning of Year	<u>12,884</u>	<u>12,884</u>	<u>12,884</u>	<u>-</u>
Fund Balance at End of Year	<u><u>1,484</u></u>	<u><u>1,484</u></u>	<u><u>34,999</u></u>	<u><u>33,515</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – Auto Burglary and Theft Prevention Authority Grants Fund
 (Exhibit C-25)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$ 361,705	\$ 361,705	\$ 353,743	\$ (7,962)
Miscellaneous	12,000	12,000	14,000	2,000
Total revenues	<u>373,705</u>	<u>373,705</u>	<u>367,743</u>	<u>(5,962)</u>
Expenditures				
Current				
Public safety				
Salaries and fringe benefits	293,776	293,776	278,958	14,818
Travel	11,822	11,822	11,048	774
Contract services	90,784	90,784	88,837	1,947
General operations	13,323	13,323	18,457	(5,134)
Equipment/vehicle maintenance	12,000	12,000	12,714	(714)
Total expenditures	<u>421,705</u>	<u>421,705</u>	<u>410,014</u>	<u>11,691</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(48,000)</u>	<u>(48,000)</u>	<u>(42,271)</u>	<u>5,729</u>
Other Financing Sources				
Transfers in	-	-	48,100	48,100
Total other financing sources	<u>-</u>	<u>-</u>	<u>48,100</u>	<u>48,100</u>
Net Change in Fund Balance	(48,000)	(48,000)	5,829	53,829
Fund Balance at Beginning of Year	<u>(13,577)</u>	<u>(13,577)</u>	<u>(13,577)</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ (61,577)</u></u>	<u><u>\$ (61,577)</u></u>	<u><u>\$ (7,748)</u></u>	<u><u>\$ 53,829</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – Sheriff Federal Forfeiture Fund (Exhibit C-26)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 2,691	\$ 2,691
Investment earnings	1,500	1,500	4,261	2,761
Miscellaneous	75,000	78,200	163,144	84,944
Total revenues	<u>76,500</u>	<u>79,700</u>	<u>170,096</u>	<u>90,396</u>
Expenditures				
Current				
Public safety				
Salaries and fringe benefits	-	3,200.00	3,186	14
Travel	15,000	15,000	6,356	8,644
General operations	55,000	55,000	4,720	50,280
Equipment/vehicle maintenance	20,000	20,000	3,946	16,054
Capital outlay	215,000	215,000	214,758	242
Total expenditures	<u>305,000</u>	<u>308,200</u>	<u>232,966</u>	<u>75,234</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(228,500)</u>	<u>(228,500)</u>	<u>(62,870)</u>	<u>165,630</u>
Fund Balance at Beginning of Year	<u>362,016</u>	<u>362,016</u>	<u>362,016</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 133,516</u>	<u>\$ 133,516</u>	<u>\$ 299,146</u>	<u>\$ 165,630</u>

Potter County, Texas
 Budgetary Comparison Schedule – Law Enforcement Grants Fund (Exhibit C-27)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental	\$ 50,000	\$ 100,000	\$ -	\$ (100,000)
Investment earnings	100	200	60	(140)
Total revenues	<u>50,100</u>	<u>100,200</u>	<u>60</u>	<u>(100,140)</u>
Expenditures				
Current:				
Public safety				
Salaries and fringe benefits	-	10,000	-	10,000
Equipment/vehicle maintenance	-	15,000	-	15,000
Capital outlay	-	25,000	-	25,000
Total expenditures	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>50,100</u>	<u>50,200</u>	<u>60</u>	<u>(50,140)</u>
Net Change in Fund Balance	50,100	50,200	60	(50,140)
Fund Balance at Beginning of Year	<u>3,540</u>	<u>3,540</u>	<u>3,540</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 53,640</u>	<u>\$ 53,740</u>	<u>\$ 3,600</u>	<u>\$ (50,140)</u>

Potter County, Texas
 Budgetary Comparison Schedule – Sheriff Office Forfeiture Fund (Exhibit C-28)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Interest on investments	-	-	1,114	1,114
Miscellaneous	2,000	47,000	95,577	48,577
Total revenues	2,000	47,000	96,691	49,691
Expenditures				
Current				
Public safety				
Travel and education	1,000	1,000	-	1,000
Contract services	2,000	2,000	-	2,000
General operations	10,000	41,800	32,221	9,579
Equipment/vehicle maintenance	1,000	1,000	-	1,000
Capital outlay	1,000	39,200	39,178	22
Total expenditures	15,000	85,000	71,399	13,601
Excess (Deficiency) of Revenues over (Under) Expenditures	(13,000)	(38,000)	25,292	63,292
Net Change in Fund Balance	(13,000)	(38,000)	25,292	63,292
Fund Balance at Beginning of Year	50,011	50,011	50,011	-
Fund Balance at End of Year	37,011	12,011	75,303	63,292

Potter County, Texas
 Budgetary Comparison Schedule – Drug Court Fund (Exhibit C-29)
 Year Ended September 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 106,936	\$ 106,936	\$ 78,858	\$ (28,078)
Total revenues	<u>106,936</u>	<u>106,936</u>	<u>78,858</u>	<u>(28,078)</u>
Expenditures				
Current				
Corrections				
Salaries and fringe benefits	66,369	66,369	68,465	(2,096)
Contract services	29,260	29,260	6,766	22,494
General operations	11,307	11,307	2,187	9,120
Total expenditures	<u>106,936</u>	<u>106,936</u>	<u>77,418</u>	<u>29,518</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>1,440</u>	<u>1,440</u>
Fund Balance at Beginning of Year	<u>(6,386)</u>	<u>(6,386)</u>	<u>(6,386)</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (6,386)</u>	<u>\$ (6,386)</u>	<u>\$ (4,946)</u>	<u>\$ 1,440</u>

Potter County, Texas
Combining Balance Sheet – Nonmajor Debt Service Fund (Exhibit C-30)
September 30, 2018

	345 Series 2012 Refunding Bond	350 Series 2016 Certificate of Obligation	351 Series 2017 Tax Notes	Total Nonmajor Debt Service Funds
Assets				
Pooled cash and cash equivalents	\$ 2,082,424	\$ 311,256	54,503	\$ 2,448,183
Receivables (net)				
Taxes	21,151	30,824	6,614	58,589
Other	-	6,195	2,238	8,433
Total assets	\$ 2,103,575	\$ 348,275	\$ 63,355	\$ 2,515,205
Deferred Inflows of Resources and Fund Balance				
Unavailable revenue				
Property Taxes	\$ 18,407	\$ 26,824	5,756	\$ 50,987
Total deferred inflows of resources	18,407	26,824	5,756	50,987
Fund Balances				
Restricted				
Restricted for debt service	2,085,168	321,451	57,599	2,464,218
Total fund balance	2,085,168	321,451	57,599	2,464,218
Total deferred inflows of resources and fund balance	\$ 2,103,575	\$ 348,275	\$ 63,355	\$ 2,515,205

Potter County, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Fund
(Exhibit C-31)
Year Ended September 30, 2018

	345 Series 2012 Refunding Bond	350 Series 2016 Certificate of Obligation	351 Series 2017 Tax Notes	Total Nonmajor Debt Service Funds
Revenues				
Taxes	\$ 1,135,199	\$ 1,681,168	\$ 364,544	\$ 3,180,911
Investment earnings	41,868	-	-	41,868
Total revenues	<u>1,177,067</u>	<u>1,681,168</u>	<u>364,544</u>	<u>3,222,779</u>
Expenditures				
General administrative				
General operations	-	200	-	200
Debt service:				
Principal	1,075,000	900,000	175,000	2,150,000
Interest and fiscal charges	10,750	588,525	131,945	731,220
Total expenditures	<u>1,085,750</u>	<u>1,488,725</u>	<u>306,945</u>	<u>2,881,420</u>
Excess (Deficit) of Revenues over Expenditures	<u>91,317</u>	<u>192,443</u>	<u>57,599</u>	<u>341,359</u>
Net Change in Fund Balance	91,317	192,443	57,599	341,359
Fund Balances at Beginning of Year	<u>1,993,851</u>	<u>129,008</u>	<u>-</u>	<u>2,122,859</u>
Fund Balances at End of Year	<u>\$ 2,085,168</u>	<u>\$ 321,451</u>	<u>\$ 57,599</u>	<u>\$ 2,464,218</u>

Potter County, Texas
 Budgetary Comparison Schedule – Series 2012 Refunding Bond (Exhibit C-32)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,081,750	\$ 1,081,750	\$ 1,135,199	\$ 53,449
Investment earnings	5,000	5,000	41,868	36,868
Total revenues	<u>1,086,750</u>	<u>1,086,750</u>	<u>1,177,067</u>	<u>90,317</u>
Expenditures				
General administrative				
General operations	1,000	1,000	-	1,000
Debt service:				
Principal	1,075,000	1,075,000	1,075,000	-
Interest and fiscal charges	10,750	10,750	10,750	-
Total expenditures	<u>1,086,750</u>	<u>1,086,750</u>	<u>1,085,750</u>	<u>1,000</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>91,317</u>	<u>91,317</u>
Net Change in Fund Balance	-	-	91,317	91,317
Fund Balance at Beginning of Year	<u>1,993,851</u>	<u>1,993,851</u>	<u>1,993,851</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1,993,851</u></u>	<u><u>\$ 1,993,851</u></u>	<u><u>\$ 2,085,168</u></u>	<u><u>\$ 91,317</u></u>

Potter County, Texas
 Budgetary Comparison Schedule – Series 2016 Certificate of Obligation (Exhibit C-33)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,488,325	\$ 1,488,325	\$ 1,681,168	\$ 192,843
Investment earnings	1,000	1,000	-	(1,000)
Total revenues	1,489,325	1,489,325	1,681,168	191,843
Expenditures				
General administrative				
General operations	800	800	200	600
Debt service:				
Principal	900,000	900,000	900,000	
Interest and fiscal charges	588,525	588,525	588,525	-
Total expenditures	1,489,325	1,489,325	1,488,725	600
Excess (Deficiency) of Revenues over (Under) Expenditures	-	-	192,443	192,443
Net Change in Fund Balance	-	-	192,443	192,443
Fund Balance at Beginning of Year	129,008	129,008	129,008	-
Fund Balance at End of Year	\$ 129,008	\$ 129,008	\$ 321,451	\$ 192,443

Potter County, Texas
 Budgetary Comparison Schedule – Series 2017 Tax Notes (Exhibit C-34)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 307,529	\$ 307,529	\$ 364,544	\$ 57,015
Investment earnings	500	500	-	(500)
Total revenues	308,029	308,029	364,544	56,515
Expenditures				
General administrative				
General operations	1,000	1,000	-	1,000
Debt service:				
Principal	175,000	175,000	175,000	-
Interest and fiscal charges	132,029	132,029	131,945	84
Total expenditures	308,029	308,029	306,945	1,084
Excess (Deficiency) of Revenues over (Under) Expenditures	-	-	57,599	57,599
Net Change in Fund Balance	-	-	57,599	57,599
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ 57,599	\$ 57,599

Potter County, Texas
 Budgetary Comparison Schedule – Capital Projects Fund (Exhibit C-35)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 30,000	\$ 30,000	\$ 180,000	\$ 150,000
Total revenues	30,000	30,000	180,000	150,000
Expenditures				
Current				
Building repairs and maintenance	500,000	500,000	-	500,000
Capital outlay	1,180,000	3,474,324	2,326,974	1,147,350
Total expenditures	1,680,000	3,974,324	2,326,974	1,647,350
Excess (Deficiency of Revenues over (Under) Expenditures	(1,650,000)	(3,944,324)	(2,146,974)	1,797,350
Other Financing Sources (Uses)				
Transfers in	-	-	1,541,268	1,541,268
Total other financing sources	-	-	1,541,268	1,541,268
Net Change in Fund Balance	(1,650,000)	(3,944,324)	(605,706)	3,338,618
Fund Balance at Beginning of Year	9,706,705	9,706,705	9,706,705	-
Fund Balance at End of Year	<u>\$ 8,056,705</u>	<u>\$ 5,762,381</u>	<u>\$ 9,100,999</u>	<u>\$ 3,338,618</u>

Potter County, Texas
 Budgetary Comparison Schedule – Sheriff Admin Construction Fund (Exhibit C-36)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 75,000	\$ 75,000	\$ 83,570	\$ 8,570
Total revenues	75,000	75,000	83,570	8,570
Expenditures				
Public safety				
Contract services	214,000	624,000	603,902	20,098
General operations	-	-	3,930	(3,930)
Equipment/vehicle maintenance	300,000	585,000	579,054	5,946
Capital outlay	7,825,000	7,130,000	5,425,370	1,704,630
Total expenditures	8,339,000	8,339,000	6,612,256	1,726,744
Excess (Deficiency of Revenues over (Under) Expenditures	(8,264,000)	(8,264,000)	(6,528,686)	1,735,314
Net Change in Fund Balance	(8,264,000)	(8,264,000)	(6,528,686)	1,735,314
Fund Balance at Beginning of Year	8,946,955	8,946,955	8,946,955	-
Fund Balance at End of Year	\$ 682,955	\$ 682,955	\$ 2,418,269	\$ 1,735,314

	700 State and County Collections	701 Tax Collector	704 Bail Security Fund	710 State Court Costs	716 District Registry Fund	717 County Registry Fund
Assets						
Pooled cash and cash equivalents	\$ 405,858	\$ 2,026,926	\$ 32,500	\$ 151,223	\$ 2,767,626	\$ 248,496
Accounts receivable						
Other	8,611	225		76,683		
Total assets	<u>\$ 414,469</u>	<u>\$ 2,027,151</u>	<u>\$ 32,500</u>	<u>\$ 227,906</u>	<u>\$ 2,767,626</u>	<u>\$ 248,496</u>
Liabilities						
Accounts payable and other current liabilities	\$ 91,224		\$ 32,500	\$ 207,836		
Due to other governments	323,245	2,027,151		20,070		
Due to trust beneficiaries					2,767,626	248,496
Due to other entities						
Total liabilities	<u>\$ 414,469</u>	<u>\$ 2,027,151</u>	<u>\$ 32,500</u>	<u>\$ 227,906</u>	<u>\$ 2,767,626</u>	<u>\$ 248,496</u>

Potter County, Texas
 Combining Statement of Fiduciary Assets and Liabilities – Agency Funds (Exhibit C-37)
 September 30, 2018

730 Retainage Fund	740 County Attorney Restitution	750 District Attorney Restitution	760 District Attorney Seizure	771 Detention Center Trust Fund	772 Detention Center Bond Fund	200 Unclaimed Property	Total Agency Funds
\$ 62,079	\$ 55,121	\$ 13,291	\$ 139,897	\$ 76,681	\$ 48,500	214,115	\$6,242,313
	820	-				361	86,700
<u>\$ 62,079</u>	<u>\$ 55,941</u>	<u>\$ 13,291</u>	<u>\$ 139,897</u>	<u>\$ 76,681</u>	<u>\$ 48,500</u>	<u>\$ 214,476</u>	<u>\$6,329,013</u>
62,079	55,941	13,291	\$ 139,897	\$ 76,681	\$ 48,500		\$ 596,638
							2,432,545
							3,085,354
						214,476	214,476
<u>\$ 62,079</u>	<u>\$ 55,941</u>	<u>\$ 13,291</u>	<u>\$ 139,897</u>	<u>\$ 76,681</u>	<u>\$ 48,500</u>	<u>\$ 214,476</u>	<u>\$6,329,013</u>

Potter County, Texas
Combining Statement of Changes in Assets and Liabilities – Agency Funds (Exhibit C-38)
Year Ended September 30, 2018

	Balance 10/1/2017	Additions	Deductions	Balance 9/30/2018
State & County Collections				
Assets				
Cash and cash equivalents	\$ 421,255	\$ 4,315,014	\$ 4,330,411	\$ 405,858
Accounts receivable	7,697	6,608	5,694	8,611
Total assets	<u>\$ 428,952</u>	<u>\$ 4,321,622</u>	<u>\$ 4,336,105</u>	<u>\$ 414,469</u>
Liabilities				
Accounts payable	\$ 96,574	\$ 276,103	\$ 281,453	\$ 91,224
Due to other governments	332,378	329,686	338,819	323,245
Total liabilities	<u>\$ 428,952</u>	<u>\$ 605,789</u>	<u>\$ 620,272</u>	<u>\$ 414,469</u>
Tax Assessor/Collector				
Assets				
Cash and cash equivalents	\$ 1,828,903	\$ 218,265,634	\$ 218,067,611	\$ 2,026,926
Accounts receivable	225	-	-	225
Total assets	<u>\$ 1,829,128</u>	<u>\$ 218,265,634</u>	<u>\$ 218,067,611</u>	<u>\$ 2,027,151</u>
Liabilities				
Due to other governments	\$ 1,829,128	\$ 218,265,634	\$ 218,067,611	\$ 2,027,151
Total liabilities	<u>\$ 1,829,128</u>	<u>\$ 218,265,634</u>	<u>\$ 218,067,611</u>	<u>\$ 2,027,151</u>
Bail Security Fund				
Assets				
Cash and cash equivalents	\$ 32,500	\$ -	\$ -	\$ 32,500
Total assets	<u>\$ 32,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,500</u>
Liabilities				
Accounts payable	\$ 32,500	\$ -	\$ -	\$ 32,500
Total liabilities	<u>\$ 32,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,500</u>

Potter County, Texas
Combining Statement of Changes in Assets and Liabilities – Agency Funds (Exhibit C-38)
Year Ended September 30, 2018

	Balance 10/1/2017	Additions	Deductions	Balance 9/30/2018
State Court Costs				
Assets				
Cash and cash equivalents	\$ 154,582	\$ 921,263	\$ 924,622	\$ 151,223
Accounts receivable	73,258	76,683	73,258	76,683
Total assets	<u>\$ 227,840</u>	<u>\$ 997,946</u>	<u>\$ 997,880</u>	<u>\$ 227,906</u>
Liabilities				
Accounts payable	\$ 208,866	\$ 841,535	\$ 842,565	\$ 207,836
Due to other governments	18,974	20,070	18,974	20,070
Total liabilities	<u>\$ 227,840</u>	<u>\$ 861,605</u>	<u>\$ 861,539</u>	<u>\$ 227,906</u>
District Clerk Registry Fund				
Assets				
Cash and cash equivalents	\$ 2,765,274	\$ 1,717,002	\$ 1,714,650	\$ 2,767,626
Total assets	<u>\$ 2,765,274</u>	<u>\$ 1,717,002</u>	<u>\$ 1,714,650</u>	<u>\$ 2,767,626</u>
Liabilities				
Due to trust beneficiaries	\$ 2,765,274	\$ 1,717,002	\$ 1,714,650	\$ 2,767,626
Total liabilities	<u>\$ 2,765,274</u>	<u>\$ 1,717,002</u>	<u>\$ 1,714,650</u>	<u>\$ 2,767,626</u>
County Clerk Registry Fund				
Assets				
Cash and cash equivalents	\$ 264,885	\$ 149,425	\$ 165,814	\$ 248,496
Total assets	<u>\$ 264,885</u>	<u>\$ 149,425</u>	<u>\$ 165,814</u>	<u>\$ 248,496</u>
Liabilities				
Due to trust beneficiaries	\$ 264,885	\$ 149,425	\$ 165,814	\$ 248,496
Total liabilities	<u>\$ 264,885</u>	<u>\$ 149,425</u>	<u>\$ 165,814</u>	<u>\$ 248,496</u>
Retainage Fund				
Assets				
Cash and cash equivalents	\$ 893,614	\$ 540,430	\$ 1,371,965	\$ 62,079
Total assets	<u>\$ 893,614</u>	<u>\$ 540,430</u>	<u>\$ 1,371,965</u>	<u>\$ 62,079</u>
Liabilities				
Due to other governments	\$ 893,614	\$ 548,882	\$ 1,380,417	\$ 62,079
Total liabilities	<u>\$ 893,614</u>	<u>\$ 548,882</u>	<u>\$ 1,380,417</u>	<u>\$ 62,079</u>

Potter County, Texas
Combining Statement of Changes in Assets and Liabilities – Agency Funds (Exhibit C-38)
Year Ended September 30, 2018

	Balance 10/1/2017	Additions	Deductions	Balance 9/30/2018
County Attorney Restitution				
Assets				
Cash and cash equivalents	\$ 71,287	\$ 153,920	\$ 170,086	\$ 55,121
Accounts receivable	1,636	820	1,636	820
Total assets	<u>\$ 72,923</u>	<u>\$ 154,740</u>	<u>\$ 171,722</u>	<u>\$ 55,941</u>
Liabilities				
Due to trust beneficiaries	\$ 72,923	\$ 161,141	\$ 178,123	\$ 55,941
Total liabilities	<u>\$ 72,923</u>	<u>\$ 161,141</u>	<u>\$ 178,123</u>	<u>\$ 55,941</u>
District Attorney Restitution				
Assets				
Cash and cash equivalents	\$ 2,421	\$ 21,730	\$ 10,860	\$ 13,291
Total assets	<u>\$ 2,421</u>	<u>\$ 21,730</u>	<u>\$ 10,860</u>	<u>\$ 13,291</u>
Liabilities				
Due to beneficiaries	\$ 2,421	\$ 31,398	\$ 20,528	\$ 13,291
Total liabilities	<u>\$ 2,421</u>	<u>\$ 31,398</u>	<u>\$ 20,528</u>	<u>\$ 13,291</u>
District Attorney Seizure				
Assets				
Cash and cash equivalents	\$ 103,120	\$ 512,362	\$ 475,585	\$ 139,897
Total assets	<u>\$ 103,120</u>	<u>\$ 512,362</u>	<u>\$ 475,585</u>	<u>\$ 139,897</u>
Liabilities				
Accounts payable	\$ 103,120	\$ 989,157	\$ 952,380	\$ 139,897
Total liabilities	<u>\$ 103,120</u>	<u>\$ 989,157</u>	<u>\$ 952,380</u>	<u>\$ 139,897</u>
Detention Center Inmate Trust Fund				
Assets				
Cash and cash equivalents	\$ 88,120	\$ 914,181	\$ 925,620	\$ 76,681
Total assets	<u>\$ 88,120</u>	<u>\$ 914,181</u>	<u>\$ 925,620</u>	<u>\$ 76,681</u>
Liabilities				
Accounts payable	\$ 88,120	\$ 914,181	\$ 925,620	\$ 76,681
Total liabilities	<u>\$ 88,120</u>	<u>\$ 914,181</u>	<u>\$ 925,620</u>	<u>\$ 76,681</u>

Potter County, Texas
Combining Statement of Changes in Assets and Liabilities – Agency Funds (Exhibit C-38)
Year Ended September 30, 2018

	Balance 10/1/2017	Additions	Deductions	Balance 9/30/2018
Detention Center Bond Fund				
Assets				
Cash and cash equivalents	\$ 40,000	\$ 72,161	\$ 63,661	\$ 48,500
Total assets	<u>\$ 40,000</u>	<u>\$ 72,161</u>	<u>\$ 63,661</u>	<u>\$ 48,500</u>
Liabilities				
Accounts payable	\$ 40,000	\$ 72,161	\$ 63,661	\$ 48,500
Total liabilities	<u>\$ 40,000</u>	<u>\$ 72,161</u>	<u>\$ 63,661</u>	<u>\$ 48,500</u>
Unclaimed Property				
Assets				
Cash and cash equivalents	\$ 213,032	\$ 1,276	\$ 193	\$ 214,115
Accounts receivable	-	361	-	361
Total assets	<u>\$ 213,032</u>	<u>\$ 1,637</u>	<u>\$ 193</u>	<u>\$ 214,476</u>
Liabilities				
Due to other entities	\$ 213,032	\$ 1,830	\$ 386	\$ 214,476
Total liabilities	<u>\$ 213,032</u>	<u>\$ 1,830</u>	<u>\$ 386</u>	<u>\$ 214,476</u>
Total Agency Funds				
Assets				
Cash and cash equivalents	\$ 6,878,993	\$ 227,584,398	\$ 228,221,078	\$ 6,242,313
Accounts receivable	82,816	84,472	80,588	86,700
Total assets	<u>\$ 6,961,809</u>	<u>\$ 227,668,870</u>	<u>\$ 228,301,666</u>	<u>\$ 6,329,013</u>
Liabilities				
Accounts payable	\$ 569,180	\$ 3,093,137	\$ 3,065,679	\$ 596,638
Due to other governments	3,074,094	219,164,272	219,805,821	2,432,545
Due to trust beneficiaries	3,105,503	2,058,966	2,079,115	3,085,354
Due to other entities	213,032	1,830	386	214,476
Total liabilities	<u>\$ 6,961,809</u>	<u>\$ 224,318,205</u>	<u>\$ 224,951,001</u>	<u>\$ 6,329,013</u>



Statistical Section
September 30, 2018

Potter County, Texas

	2009	2010	2011	2012
Governmental activities				
Net invested in capital assets	\$43,565,161	\$49,746,604	\$56,126,465	\$63,177,320
Restricted	1,447,462	2,049,256	2,439,212	2,178,182
Unrestricted	29,552,344	28,372,058	24,775,385	22,079,761
Total governmental activities net position	<u>\$74,564,967</u>	<u>\$80,167,918</u>	<u>\$83,341,062</u>	<u>\$87,435,263</u>
Primary government				
Net invested in capital assets	\$43,565,161	\$49,746,604	\$56,126,465	\$63,177,320
Restricted	1,447,462	2,049,256	2,439,212	2,178,182
Unrestricted	29,552,344	28,372,058	24,775,385	22,079,761
Total primary government net position	<u>\$74,564,967</u>	<u>\$80,167,918</u>	<u>\$83,341,062</u>	<u>\$87,435,263</u>

Source: County financial statements

Potter County, Texas
 Net Position by Component (Table 1)
 September 30, 2018

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 61,999,277	\$ 65,492,484	\$ 66,473,229	\$ 68,306,983	\$ 67,558,894	\$ 64,693,433
2,758,943	3,226,294	4,038,120	3,915,418	3,906,123	5,738,804
25,100,759	27,408,567	19,228,367	19,493,902	20,179,553	19,790,799
<u>\$ 89,858,979</u>	<u>\$ 96,127,345</u>	<u>\$ 89,739,716</u>	<u>\$ 91,716,303</u>	<u>\$ 91,644,570</u>	<u>\$ 90,223,036</u>
\$ 61,999,277	\$ 65,492,484	\$ 66,473,229	\$ 68,306,983	\$ 67,558,894	\$ 64,693,433
2,758,943	3,226,294	4,038,120	3,915,418	3,906,123	5,738,804
25,100,759	27,408,567	19,228,367	19,493,902	20,179,553	19,790,799
<u>\$ 89,858,979</u>	<u>\$ 96,127,345</u>	<u>\$ 89,739,716</u>	<u>\$ 91,716,303</u>	<u>\$ 91,644,570</u>	<u>\$ 90,223,036</u>

	2009	2010	2011	2012
Expenses				
Governmental activities				
General administrative	\$ 4,878,648	\$ 4,894,116	\$ 5,327,965	\$ 6,237,219
Facilities maintenance	2,880,638	3,049,154	3,227,551	3,106,581
Election administration	252,589	311,674	335,654	333,261
Judicial	12,088,428	12,505,640	12,958,440	13,705,026
Public safety	7,531,800	7,904,306	7,846,797	7,804,487
Corrections and rehabilitation	11,463,293	11,504,942	12,136,464	12,918,829
Health and human services	595,105	602,072	659,153	751,915
Road and bridge	2,810,403	2,898,176	3,289,488	3,790,135
Interest and fiscal charges	543,890	500,346	445,151	563,688
Total governmental activities expenses	<u>43,044,794</u>	<u>44,170,426</u>	<u>46,226,663</u>	<u>49,211,141</u>
Program Revenues				
Governmental activities				
Charges for services				
General administrative	979,641	1,121,886	779,092	855,609
Election administration	-	-	-	203
Judicial	3,276,434	3,579,564	3,632,345	3,578,840
Public safety	748,658	763,450	738,341	891,934
Corrections and rehabilitation	56,579	53,917	37,384	37,536
Health and human services	8,167	8,280	8,614	9,650
Road and bridge	1,986,477	1,757,544	1,823,296	1,915,038
Operating grants and contributions	1,509,675	1,597,284	1,637,501	1,679,624
Capital grants and contributions	191,617	2,177,997	1,886,767	3,266,348
Total governmental activities program revenues	<u>8,757,248</u>	<u>11,059,922</u>	<u>10,543,340</u>	<u>12,234,782</u>
Net (expense) revenue				
Governmental activities	(34,287,546)	(33,110,504)	(35,683,323)	(36,976,359)
Total primary government net expense	<u><u>\$(34,287,546)</u></u>	<u><u>\$(33,110,504)</u></u>	<u><u>\$(35,683,323)</u></u>	<u><u>\$(36,976,359)</u></u>

Potter County, Texas
Changes in Net Position (Table 2)
Year Ended September 30, 2018

2013	2014	2015	2016	2017	2018
\$ 5,843,096	\$ 6,966,432	\$ 6,665,962	\$ 7,264,224	\$ 7,884,841	\$ 7,343,911
3,891,407	3,940,745	3,743,189	4,579,935	4,298,440	4,086,104
343,204	399,450	445,008	485,788	684,434	823,471
13,432,209	14,145,048	14,606,765	15,209,074	16,951,402	16,512,328
8,674,589	9,129,698	8,805,956	11,527,462	10,816,396	16,499,800
12,970,815	13,994,064	13,764,889	15,061,379	15,739,324	15,692,873
745,435	799,112	757,696	636,165	660,817	734,689
3,413,410	3,876,443	3,302,840	2,570,451	2,530,923	2,753,192
138,799	86,454	58,330	569,840	469,663	651,527
<u>49,452,964</u>	<u>53,337,446</u>	<u>52,150,635</u>	<u>57,904,318</u>	<u>60,036,240</u>	<u>65,097,896</u>
1,013,504	1,676,695	1,028,289	2,091,454	1,518,500	898,839
233	689	660	318	704	529
3,734,494	3,784,998	3,622,668	3,585,073	3,255,174	3,165,013
813,947	792,836	810,363	721,002	726,530	926,178
74,628	109,480	431,524	355,587	255,596	403,005
18,301	14,496	20,914	21,364	20,773	56,795
1,990,123	2,094,405	2,110,225	2,110,719	2,049,816	2,034,870
1,457,688	1,847,566	1,661,597	3,093,621	2,307,331	3,140,940
581,456	5,538,985	10,000	231,116	62,480	-
<u>9,684,374</u>	<u>15,860,150</u>	<u>9,696,240</u>	<u>12,210,254</u>	<u>10,196,904</u>	<u>10,626,169</u>
(39,768,590)	(37,477,296)	(42,454,395)	(45,694,064)	(49,839,336)	(54,471,727)
<u>\$(39,768,590)</u>	<u>\$(37,477,296)</u>	<u>\$(42,454,395)</u>	<u>\$(45,694,064)</u>	<u>\$(49,839,336)</u>	<u>\$(54,471,727)</u>

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	\$ 34,717,944	\$ 34,927,427	\$ 35,437,310	\$ 38,071,717
Property taxes, levied for debt purposes	2,269,041	2,316,528	2,331,124	2,308,480
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Mixed drink tax	406,726	404,397	428,519	387,758
Vehicle inventory tax	7,925	10,920	11,047	2,852
Bingo tax proceeds	206,297	208,384	207,010	210,328
Investment income	379,686	218,336	71,349	89,425
Gain (loss) on sale of capital assets	53,110	(3,759)	-	-
Miscellaneous	127,146	631,222	370,108	-
	<u>38,167,875</u>	<u>38,713,455</u>	<u>38,856,467</u>	<u>41,070,560</u>
Total governmental activities	<u>38,167,875</u>	<u>38,713,455</u>	<u>38,856,467</u>	<u>41,070,560</u>
Total primary government	<u><u>\$ 38,167,875</u></u>	<u><u>\$ 38,713,455</u></u>	<u><u>\$ 38,856,467</u></u>	<u><u>\$ 41,070,560</u></u>
Changes in Net Position				
Governmental activities	<u>\$ 3,880,329</u>	<u>\$ 5,602,951</u>	<u>\$ 3,173,144</u>	<u>\$ 4,094,201</u>
Total primary government	<u><u>\$ 3,880,329</u></u>	<u><u>\$ 5,602,951</u></u>	<u><u>\$ 3,173,144</u></u>	<u><u>\$ 4,094,201</u></u>

Source: Statement of Activities from County CAFRs

Potter County, Texas
Changes in Net Position (Table 2)
Year Ended September 30, 2018

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 38,770,264	\$ 40,523,681	\$ 41,867,636	\$ 44,377,950	\$ 45,341,155	\$ 46,489,497
2,198,926	2,090,642	2,165,610	2,162,817	2,905,570	4,542,237
-	-	-	-	-	-
-	-	-	-	-	-
435,541	556,096	593,951	611,365	598,081	655,717
28,997	19,738	15,587	14,651	47,609	11,686
211,210	216,162	212,810	221,210	222,251	172,453
88,932	75,942	90,894	282,658	652,937	1,046,123
90,150	28,256	-	-	-	-
368,286	235,145	60,069	-	-	-
<u>42,192,306</u>	<u>43,745,662</u>	<u>45,006,557</u>	<u>47,670,651</u>	<u>49,767,603</u>	<u>52,917,713</u>
<u>\$ 42,192,306</u>	<u>\$ 43,745,662</u>	<u>\$ 45,006,557</u>	<u>\$ 47,670,651</u>	<u>\$ 49,767,603</u>	<u>\$ 52,917,713</u>
<u>\$ 2,423,716</u>	<u>\$ 6,268,366</u>	<u>\$ 2,552,162</u>	<u>\$ 1,976,587</u>	<u>\$ (71,733)</u>	<u>\$ (1,554,014)</u>
<u>\$ 2,423,716</u>	<u>\$ 6,268,366</u>	<u>\$ 2,552,162</u>	<u>\$ 1,976,587</u>	<u>\$ (71,733)</u>	<u>\$ (1,554,014)</u>

	<u>20019</u>	<u>20020</u>	<u>2011 (1)</u>	<u>2012</u>
General Fund				
Reserved	\$ 131,550	\$ 425,469	\$ -	\$ -
Nonspendable	-	-	62,109	52,004
Restricted	-	-	297,123	308,426
Committed	-	-	3,000,000	2,000,000
Assigned	-	-	-	-
Unreserved/Unassigned	<u>16,918,011</u>	<u>16,817,279</u>	<u>12,607,617</u>	<u>14,021,844</u>
Total general fund	<u>\$17,049,561</u>	<u>\$17,242,748</u>	<u>\$15,966,849</u>	<u>\$16,382,274</u>
All Other Governmental Funds				
Reserved				
Debt service funds	\$ 732,268	\$ 989,366	\$ -	\$ -
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Encumbrances	395,122	479,476	-	-
Restricted				
Debt service funds	-	-	1,260,106	1,031,222
Special revenue funds	-	-	20,216	20,339
Capital projects funds	-	-	-	-
Assigned				
Capital projects funds	-	-	5,129,931	3,097,475
Special revenue funds	-	-	3,351,928	3,218,732
Unreserved, reported in:				
Special revenue funds	2,721,110	2,952,805	-	-
Capital projects funds	<u>8,860,744</u>	<u>7,228,505</u>	-	-
Total all other governmental funds	<u>\$12,709,244</u>	<u>\$11,650,152</u>	<u>\$ 9,762,181</u>	<u>\$ 7,367,768</u>

Source: County financial statements.

(1) 2011 was the first year of GASB 54 implementation.

Potter County, Texas
Fund Balances – Governmental Funds (Table 3)
Year Ended September 30, 2018

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53,134	23,245	17,110	520,165	1,030,202	1,014,300
353,110	655,805	864,229	813,272	577,726	1,335,233
2,700,000	3,000,000	3,000,000	2,098,100	2,098,100	1,548,100
-	-	-	-	-	-
14,495,590	14,102,331	13,236,882	16,397,160	17,999,060	20,830,357
<u>\$17,601,834</u>	<u>\$17,781,381</u>	<u>\$17,118,221</u>	<u>\$19,828,697</u>	<u>\$21,705,088</u>	<u>\$24,727,990</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,283,520	1,517,693	1,753,489	2,013,955	2,122,859	2,464,218
206,381	382,433	518,177	415,079	542,567	1,845,882
-	-	-	19,543,532	9,757,295	2,418,269
5,059,469	7,679,758	9,223,342	7,853,738	9,544,378	9,100,999
3,351,666	3,522,336	3,350,640	3,735,040	3,409,123	3,458,331
(2,522)	-	(34,503)	(206,643)	(24,098)	(12,694)
-	-	-	-	-	-
<u>\$ 9,898,514</u>	<u>\$13,102,220</u>	<u>\$14,811,145</u>	<u>\$33,354,701</u>	<u>\$25,352,124</u>	<u>\$19,275,005</u>

	2009	2010	2011	2012
Revenue				
Taxes	\$37,220,666	\$37,617,375	\$38,143,874	\$40,803,354
Licenses and fees	4,744,096	4,724,465	4,824,188	4,921,922
Intergovernmental	1,701,292	3,983,665	3,636,198	3,314,546
Fines and forfeitures	1,386,758	1,410,844	1,414,392	1,215,965
Charges for services	946,385	887,002	817,292	882,704
Investment earnings	374,434	216,028	68,799	87,376
Miscellaneous	329,658	844,620	355,451	403,384
Total revenues	<u>46,703,289</u>	<u>49,683,999</u>	<u>49,260,194</u>	<u>51,629,251</u>
Expenditures				
General administrative	4,769,440	4,845,930	5,083,324	5,266,137
Facilities maintenance	2,142,823	2,385,538	2,549,165	2,062,923
Tax and recording offices				
Election administration	252,124	312,223	334,758	326,743
Judicial	12,022,407	12,480,138	12,887,673	13,368,693
Public safety and correctional	7,186,687	7,546,648	7,280,056	7,501,439
Corrections and rehabilitation	11,267,983	11,322,711	11,895,403	12,479,813
Health and human services	593,662	603,442	657,032	735,533
Road and bridge	1,843,461	1,904,364	1,851,470	1,905,658
Debt service				
Principal	1,559,400	1,540,000	1,595,000	1,650,000
Interest and fiscal charges	572,206	517,817	462,955	392,210
Capital outlay	1,470,595	7,091,093	7,827,228	7,397,913
Total expenditures	<u>43,680,788</u>	<u>50,549,904</u>	<u>52,424,064</u>	<u>53,087,062</u>
Excess of Revenues over (Under)				
Expenditures	<u>3,022,501</u>	<u>(865,905)</u>	<u>(3,163,870)</u>	<u>(1,457,811)</u>
Other financing sources (uses)				
Refunding bonds issued	-	-	-	7,220,000
Issuance of bonds	-	-	-	-
Issuance of tax notes	-	-	-	-
Premium on bonds	-	-	-	306,365
Issuance costs on bonds	-	-	-	-
Payment to refunded bond				
escrow agent	-	-	-	(8,047,542)
Transfers in	2,316,262	3,285,291	3,785,747	3,627,173
Transfers out	(2,316,262)	(3,285,291)	(3,785,747)	(3,627,173)
Capital leases	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(521,177)</u>
Net change in fund balances	<u>\$ 3,022,501</u>	<u>\$ (865,905)</u>	<u>\$ (3,163,870)</u>	<u>\$ (1,978,988)</u>
Debt service as a percentage				
of noncapital expenditures	5.13%	4.80%	4.60%	4.46%

Source: Statement of Activities from County CAFRs

Potter County, Texas
Changes in Fund Balances – Governmental Funds (Table 4)
Year Ended September 30, 2018

2013	2014	2015	2016	2017	2018
\$41,539,743	\$43,249,022	\$44,666,123	\$47,172,428	\$48,854,088	\$53,043,238
5,145,257	5,278,496	5,349,635	5,093,948	4,772,903	5,079,612
2,291,646	2,116,903	2,022,231	3,314,831	2,751,834	3,350,078
1,232,042	1,216,979	1,210,983	1,141,708	1,004,843	1,007,895
1,011,174	1,689,100	807,248	1,971,122	1,180,378	690,875
86,616	73,550	88,345	277,312	642,631	1,029,191
613,037	496,001	591,810	877,121	723,343	796,578
<u>51,919,515</u>	<u>54,120,051</u>	<u>54,736,375</u>	<u>59,848,470</u>	<u>59,930,020</u>	<u>64,997,467</u>
5,470,342	6,468,387	6,224,416	6,575,305	6,555,513	6,552,659
2,592,756	2,387,130	2,463,133	3,240,600	2,722,393	2,609,067
342,414	388,101	448,712	474,215	544,206	492,039
13,306,483	13,881,739	14,556,061	14,645,248	15,696,432	15,888,339
8,005,241	8,317,540	8,364,568	10,364,770	9,531,031	11,735,997
12,734,733	13,627,840	13,678,450	14,620,355	14,670,757	15,251,903
743,590	788,055	765,410	620,897	614,499	674,758
1,966,392	1,973,601	1,967,957	2,019,637	1,989,732	2,215,544
1,710,000	1,705,000	1,820,000	1,860,000	1,900,000	2,150,000
244,883	161,525	114,901	78,101	969,577	731,220
1,052,375	1,037,880	3,252,499	5,595,310	16,487,066	8,852,145
<u>48,169,209</u>	<u>50,736,798</u>	<u>53,656,107</u>	<u>60,094,438</u>	<u>71,681,206</u>	<u>67,153,671</u>
<u>3,750,306</u>	<u>3,383,253</u>	<u>1,080,268</u>	<u>(245,968)</u>	<u>(11,751,186)</u>	<u>(2,156,204)</u>
-	-	-	-	-	-
-	-	-	21,470,000	-	-
-	-	-	-	5,625,000	-
-	-	-	405,189	-	-
-	-	-	(375,189)	-	-
-	-	-	-	-	-
2,456,304	5,250,556	3,600,000	2,494,002	2,098,100	2,139,368
(2,456,304)	(5,250,556)	(3,600,000)	(2,494,002)	(2,098,100)	(2,389,368)
-	-	-	-	-	-
-	-	-	21,500,000	5,625,000	(250,000)
<u>\$ 3,750,306</u>	<u>\$ 3,383,253</u>	<u>\$ 1,080,268</u>	<u>\$21,254,032</u>	<u>\$ (6,126,186)</u>	<u>\$ (2,406,204)</u>
4.15%	3.76%	3.86%	3.57%	5.18%	4.74%

Potter County, Texas
 General Governmental Tax Revenues by Source (Table 5)
 Year Ended September 30, 2018

Fiscal Year	Property Taxes	Mixed Drink Tax	Vehicle Inventory Tax	Bingo Tax	Total
2009	\$ 36,986,985	\$ 406,726	\$ 7,925	\$ 206,297	\$ 37,607,933
2010	37,243,955	404,397	10,920	208,384	37,867,656
2011	37,768,434	428,519	11,047	207,010	38,415,010
2012	40,380,197	387,758	2,852	210,328	40,981,135
2013	40,969,190	435,541	28,997	211,210	41,644,938
2014	42,673,188	556,096	19,738	216,162	43,465,184
2015	44,033,246	593,951	15,587	212,810	44,855,594
2016	46,540,767	611,365	14,651	221,210	47,387,993
2017	48,246,725	598,081	47,609	222,251	49,114,666
2018	51,031,734	655,717	11,686	172,453	51,871,590

Source: County financial statements.

Potter County, Texas
Assessed and Estimated Actual Value of Property (Table 6)
Year Ended September 30, 2018

Fiscal Year	Real Property		Personal Property		Total		Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual value	
2009	\$5,481,032	\$5,675,043	\$2,223,926	\$2,224,201	\$7,704,958	\$7,899,244	0.60
2010	6,144,595	6,186,664	1,467,480	1,600,943	7,612,075	7,787,607	0.60
2011	6,257,274	6,506,527	1,469,795	1,469,829	7,727,069	7,976,356	0.60
2012	6,499,571	6,754,319	1,626,148	1,625,163	8,125,719	8,379,482	0.63
2013	6,647,265	6,893,284	1,687,907	1,687,907	8,335,172	8,581,191	0.63
2014	6,690,462	6,935,556	1,631,586	1,631,586	8,322,048	8,567,142	0.63
2015	6,921,060	7,172,364	1,727,791	1,727,791	8,648,851	8,900,155	0.63
2016	7,107,807	7,357,630	1,752,791	1,752,791	8,860,082	9,109,905	0.66
2017	7,192,330	7,449,131	1,848,664	1,848,664	9,040,994	9,297,795	0.66
2018	7,564,639	7,841,179	1,917,145	1,917,145	9,481,784	9,758,324	0.67

(1) Stated in Thousands

Source: Potter-Randall Appraisal District

<u>Fiscal Year</u>	<u>Potter County</u>	<u>City of Amarillo</u>	<u>Amarillo ISD</u>	<u>Amarillo College District</u>	<u>River Road ISD</u>
<u>Tax Rates / \$100 Assessed Valuation</u>					
2009	0.596740	0.310090	1.170000	0.183950	1.323000
2010	0.596270	0.310090	1.170000	0.184130	1.317000
2011	0.599110	0.310090	1.170000	0.189960	1.360000
2012	0.633500	0.320090	1.170000	0.189380	1.350000
2013	0.627070	0.320090	1.170000	0.189380	1.350000
2014	0.634020	0.345090	1.189000	0.199500	1.350000
2015	0.634020	0.345090	1.189000	0.207500	1.350000
2016	0.664020	0.350720	1.189000	0.207500	1.350000
2017	0.664020	0.350720	1.189000	0.207500	1.350000
2018	0.670000	0.363640	1.189000	0.207500	1.350000

Potter County, Texas
Property Tax Rates and Levies (Table 7)
Year Ended September 30, 2018

Underground Water Conservation District	Bushland ISD	Highland Park ISD	Bishop Hills	Total
Tax Rates / \$100 Assessed Valuation				
0.016840	1.183000	1.190810	0.080000	6.05443
0.016840	1.249500	1.185440	0.080000	6.10927
0.016910	1.268620	1.182520	0.080000	6.17721
0.016410	1.269600	1.172890	0.080000	6.20187
0.016410	1.269600	1.167440	0.080000	6.18999
0.016040	1.294400	1.167500	0.080000	6.27555
0.016040	1.268040	1.161900	0.080000	6.25159
0.015926	1.268040	1.161900	0.080000	6.28711
0.016520	1.254330	1.161900	0.080000	6.27399
0.015950	1.237770	1.161900	0.080000	6.27576

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2017 Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Southwestern Public Service (Xcel)	Electric Utility	\$ 372,252,804	1	4.92%
Linde Gas North America	Helium	127,496,595	2	1.69%
BSA Hospital LLC	Healthcare	121,154,317	3	1.60%
BNSF Railway Company	Railroad	107,456,024	4	1.42%
Northwest Texas Healthcare	Healthcare	101,560,455	5	1.34%
Tyson Fresh Meats Inc.	Food Distribution	85,748,919	6	1.13%
Asarco Inc.	Copper Refinery	67,268,723	7	0.89%
Bell Helicopter Textron	Osprey Production	65,543,072	8	0.87%
Amarillo Mall, LLC	Shopping Mall	61,197,403	9	0.81%
Wal Mart Real Estate	Retailer	<u>58,940,163</u>	10	0.78%
		<u>\$ 1,168,618,475</u>		<u>15.44%</u>
Pioneer Natural Resources (USA)	Natural Gas Utility			
Amarillo Partners, LLP	Real Estate			
Pioneer Natural Resources (GPC)	Natural Gas Utility			
Ben E. Keith Company	Food Distribution			

Potter County, Texas
Principal Taxpayers (Table 8)
Year Ended September 30, 2018

<u>2008 Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$ 214,790,486	1	3.70%
-		
64,745,295	6	1.12%
-		
-		
81,378,093	5	1.40%
95,076,431	4	1.64%
-		
60,855,750	7	1.05%
99,007,940	3	1.71%
117,185,262	2	2.02%
47,937,471	8	0.83%
37,072,060	9	0.64%
<u>34,512,647</u>	10	<u>0.59%</u>
<u>\$ 852,561,435</u>		<u>14.70%</u>

Potter County, Texas
Property Tax Levies and Collections (Table 9)
Year Ended September 30, 2018

Fiscal Year	Total Tax Levy	Collected within the Fiscal year of Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2009	\$ 36,435,657	\$ 35,668,444	97.89%	\$ 691,723	\$ 36,360,167	99.79%
2010	36,838,767	35,810,722	97.21%	944,069	36,754,791	99.77%
2011	37,151,855	36,511,897	98.28%	549,485	37,061,382	99.76%
2012	39,788,918	39,101,638	98.27%	594,228	39,695,866	99.77%
2013	40,409,642	39,698,578	98.24%	594,531	40,293,109	99.71%
2014	42,066,200	41,545,818	98.76%	374,943	41,920,761	99.65%
2015	43,446,569	42,961,582	98.88%	301,704	43,263,286	99.58%
2016	46,009,549	45,445,342	98.77%	284,197	45,729,539	99.39%
2017	47,820,877	47,232,286	98.77%	-	47,232,286	98.77%
2018	50,535,016	49,853,963	98.65%	-	49,853,961	98.65%

Source: Potter County Tax Office

Potter County, Texas
 Ratios of Outstanding Debt by Type (Table 10)
 Year Ended September 30, 2018

Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2009	\$ 15,555,546	-	\$ 15,555,546	0.42%	130
2010	13,985,909	-	13,985,909	0.37%	115
2011	12,361,272	-	12,361,272	0.30%	101
2012	10,407,628	-	10,407,628	0.24%	85
2013	8,616,985	-	8,616,985	0.20%	71
2014	6,845,324	-	6,845,324	0.14%	56
2015	4,970,254	-	4,970,254	0.10%	41
2016	24,918,003	-	24,918,003	0.47%	206
2017	28,567,623	-	28,567,623	0.55%	216
2018	26,372,350	-	26,372,350	0.52%	219

Source: Potter County records and the Schedule of Demographic and Economic Statistics

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Potter County, Texas
Ratios of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per
Capita (Table 11)
Year Ended September 30, 2018

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Percentage of Estimated Assessed Actual Taxable Value of Property (1)	Net Bonded Debt Per Capita (2)
2009	\$ 15,405,000	\$ 732,268	\$14,672,732	0.19%	122
2010	13,985,909	989,366	12,996,543	0.16%	107
2011	12,361,272	1,260,106	11,101,166	0.14%	91
2012	10,407,628	1,031,222	9,376,406	0.12%	77
2013	8,616,985	1,283,520	7,333,465	0.09%	60
2014	6,655,000	1,517,693	5,137,307	0.06%	42
2015	4,835,000	1,753,489	3,081,511	0.03%	25
2016	24,445,000	2,013,955	22,431,045	0.25%	184
2017	28,170,000	2,028,346	26,141,654	0.29%	217
2018	26,020,000	2,464,218	23,555,782	0.25%	196

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 131 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 140.

Source: Potter County financial records

Potter County, Texas
 Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds (Table 12)
 Year Ended September 30, 2018

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable To Government (1)	Government's Share of Overlapping Debt
Debt repaid with property taxes			
Amarillo Independent School District	\$ 247,656,148	54.59%	\$ 135,195,491
Amarillo College District	55,735,000	49.80%	27,756,030
River Road Independent School District	9,843,919	100.00%	9,843,919
Highland Park Independent School District	20,555,000	100.00%	20,555,000
Bushland Independent School District	20,000,603	90.57%	18,114,546
City of Amarillo	63,802,573	49.51%	<u>31,588,654</u>
Subtotal, overlapping debt			243,053,639
Potter County, Texas	26,372,350	100.00%	<u>26,372,350</u>
Total direct and overlapping debt			<u><u>\$ 269,425,989</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Potter County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the government's taxable assessed value that is within the government's boundaries and dividing it by the government's total taxable assessed value.

Sources include the finance offices of the various entities and Potter-Randall Appraisal District

Potter County, Texas
 Computation of Legal Debt Margin (Table 13)
 Year Ended September 30, 2018

Total assessed value less exemptions - 2016 roll	\$7,646,124,701
Legal debt margin	
Debt limitation - 5% of total assessed value	\$ 382,306,235
Debt applicable to limitation	
Total bonded debt	26,020,000
Less debt service funds	<u>(2,407,277)</u>
Total debt applicable to limitation	<u>23,612,723</u>
Legal debt margin	<u><u>\$ 358,693,512</u></u>

	2009	2010	2011	2012	2013
Debt limit	\$306,952,196	\$306,060,172	\$310,385,535	\$316,787,646	\$ 316,787,646
Total net debt applicable to limit	<u>14,672,732</u>	<u>12,875,634</u>	<u>11,009,894</u>	<u>9,038,778</u>	<u>9,038,778</u>
Legal debt margin	<u><u>\$292,279,464</u></u>	<u><u>\$293,184,538</u></u>	<u><u>\$299,375,641</u></u>	<u><u>\$307,748,868</u></u>	<u><u>\$ 307,748,868</u></u>
Total net debt applicable to the limit as a percentage of debt limit	4.78%	4.21%	3.55%	2.85%	2.85%
	2014	2015	2016	2017	2018
Debt limit	\$334,013,008	\$344,960,488	\$350,204,733	\$364,014,949	\$ 382,306,235
Total net debt applicable to limit	<u>5,152,339</u>	<u>3,081,511</u>	<u>22,431,045</u>	<u>26,141,654</u>	<u>23,612,723</u>
Legal debt margin	<u><u>\$328,860,669</u></u>	<u><u>\$341,878,977</u></u>	<u><u>\$327,773,688</u></u>	<u><u>\$337,873,295</u></u>	<u><u>\$ 358,693,512</u></u>
Total net debt applicable to the limit as a percentage of debt limit	1.54%	0.89%	6.41%	7.18%	6.18%

Note: Under state finance law, Potter County's outstanding general obligation debt should not exceed 5% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set general obligation bonds.

Potter County, Texas
Demographic and Economic Statistics (Table 14)
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal income	Unemployment Rate
2009	120,118	3,680,610,000	30,642	6.00%
2010	121,448	3,831,073,000	31,563	6.30%
2011	122,285	4,071,704,000	33,358	5.90%
2012	122,335	4,248,586,000	34,707	5.30%
2013	122,146	4,344,796,000	35,712	5.00%
2014	121,627	4,950,948,662	40,706	4.10%
2015	121,857	4,950,948,662	42,334	3.20%
2016	122,082	5,341,958,164	43,749	3.19%
2017	120,436 *	5,220,202,900 *	43,249 *	2.90%
2018	119,971 *	5,054,490,500 *	42,109 *	2.70%

Source: Texas Workforce Commission Tracer

*Estimates for 2016 are based on the average growth of the previous 9 years.

Potter County, Texas
Principal Employers (Table 15)
Last Ten Fiscal Years

Employer	2018		
	Employees	Rank	Percentage of Total County Employment
Amarillo ISD	\$ 4,391	1	3.67%
Tyson Foods	2,280	2	1.90%
CNS Pantex	3,203	3	2.67%
Baptist St. Anthony's Health Care System	3,200	4	2.67%
City of Amarillo	1,860	5	1.55%
Northwest Texas Healthcare System	1,748	6	1.46%
Xcel Energy/Southwester Public Service	1,400	7	1.17%
Texas Department of Criminal Justice	1,359	8	1.13%
Bell Helicopter Textron, Inc.	1,303	9	1.09%
Affiliated Foods	1,000	10	0.83%
Total	<u>\$ 21,744</u>		<u>18.16%</u>

Employer	2009		
	Employees	Rank	Percentage of Total County Employment
Amarillo ISD	\$ 7,282	1	3.40%
Tyson Foods	3,700	2	2.77%
BWXT Pantex	3,200	3	2.56%
Baptist St. Anthony's Health Care System	2,900	4	2.22%
Wal-Mart	1,973	5	1.57%
City of Amarillo	1,360	6	1.46%
Northwest Texas Healthcare System	1,359	7	1.38%
Texas Department of Criminal Justice	1,359	8	1.03%
Affiliated Foods	1,110	9	0.85%
AIF-American General Annuity Insurance	1,068	10	0.75%
Total	<u>\$ 25,311</u>		<u>17.99%</u>

Source: Amarillo Chamber of Commerce

Potter County, Texas
Full-Time Equivalent County Employees by Function (Table 16)
Last Ten Fiscal Years⁽¹⁾

	Budgeted Full-time Equivalent Employees as of September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
County Judge	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
County Commissioners	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Human Resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Information Technology	7.00	7.00	8.00	8.00	8.00	8.00	10.00	9.00	11.00	10.00
Information and Records Mgmt	6.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00
County Auditor	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
County Treasurer	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Purchasing Agent	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Collections	3.00	3.00	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75
Tax Assessor/Collector	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Facilities Maintenance	26.00	26.00	26.00	26.00	27.00	27.00	28.00	28.00	28.00	29.00
Elections Administrator	-	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
County Clerk	21.50	18.00	17.50	17.50	17.50	17.00	17.00	17.00	15.00	15.00
District Clerk	21.50	21.50	21.50	21.50	21.50	21.00	21.50	22.50	22.50	21.50
Court of Appeals	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
47th District Court	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
108th District Court	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
181st District Court	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
251st District Court	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
320th District Court	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Specialty Court	-	-	-	-	-	-	-	1.00	1.00	1.00
County Court at Law #1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
County Court at Law #2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Justice of the Peace, #1	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Justice of the Peace, #2	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Justice of the Peace, #3	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Justice of the Peace, #4	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Jury and Jury Related	3.50	3.50	3.50	4.00	3.50	3.50	3.00	3.00	3.00	3.00
County Attorney	28.50	29.50	27.00	27.00	27.00	26.50	29.00	28.00	28.00	28.00
Family Crime Unit	2.00	2.00	2.00	1.00	1.00	2.00	2.00	2.00	2.00	4.00
District Attorney	32.00	32.00	32.00	32.00	32.00	32.00	32.50	32.00	32.00	36.00
Indigent Defense	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Constables	4.00	4.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Sheriff	81.00	80.00	80.00	80.00	79.00	81.00	81.00	81.00	81.00	92.00
Fire/Rescue Department	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Detention Center	122.20	123.00	123.00	123.00	126.00	129.00	131.00	130.00	130.00	138.00
County Extension Services	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Welfare	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Victim Assistance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Road and Bridge	19.00	19.00	19.00	19.00	19.00	19.00	19.00	27.00	26.00	26.00
Total general fund	485.70	488.00	486.00	485.50	489.75	494.25	502.25	507.75	506.75	530.75

Source: Potter County employee records

Potter County, Texas
Full-Time Equivalent County Employees by Function (Table 16)
Last Ten Fiscal Years⁽¹⁾

	Budgeted Full-time Equivalent Employees as of September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Governmental Funds										
County Clerk Record Mgmt	1.50	1.50	1.50	1.00	1.00	-	-	-	-	-
District Clerk Record Management	-	-	-	-	-	-	-	1.00	-	-
Court Records Management	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
County Attorney Check	3.50	3.50	2.00	2.50	2.50	2.50	2.00	0.50	2.00	2.00
County Attorney Forfeiture Release	-	-	3.00	3.00	3.00	3.00	3.00	3.00	-	-
District Attorney State Payroll	-	-	-	-	-	-	-	0.25	0.50	0.50
District Attorney Forfeiture Release	-	2.00	2.00	2.50	2.50	0.50	0.50	1.25	0.50	0.50
District Attorney Welfare Fraud	0.50	0.50	-	-	-	-	-	-	-	-
Law Library	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-	-	-
Courthouse Security	2.00	4.00	5.00	5.00	5.00	6.00	6.00	7.00	7.00	-
Panhandle Auto Burglary and Theft	-	-	-	-	-	-	3.00	3.00	3.00	3.00
Sheriff Commissary	1.25	1.00	-	-	-	-	-	-	1.50	1.50
Juvenile Probation	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Total other governmental funds	33.25	36.00	37.00	37.50	37.50	35.50	38.00	39.00	37.50	30.50
Total governmental funds	518.95	524.00	523.00	523.00	527.25	529.75	540.25	546.75	544.25	561.25

Source: Potter County employee records

Function	2009	2010	2011	2012	2013	2014
General Government						
Tax Office						
Auto titles issued ⁽¹⁾	30,168	30,180	31,083	30,820	32,260	31,956
Auto registrations ⁽²⁾	99,845	104,539	101,487	101,571	102,890	104,225
County Clerk ⁽³⁾						
Marriage license applications	1,458	1,431	1,424	1,606	1,476	1,529
Real property documents filed	23,734	21,537	19,393	20,315	21,359	19,822
Registered voters	56,451	49,053	-	-	-	-
Elections Administration						
Registered voters			49,689	48,265	51,003	52,666
Administration of Justice ⁽⁴⁾						
District Court Level						
Civil cases filed	3,031	3,441	3,548	3,412	3,426	3,472
Civil case dispositions	2,995	2,730	3,851	3,578	3,259	3,477
Criminal cases filed	2,475	2,043	2,474	2,111	2,202	2,385
Criminal case dispositions	2,533	2,136	2,450	2,371	2,151	2,449
County Court Level						
Civil cases filed	1,052	1,047	1,109	1,070	922	1,065
Civil case dispositions	962	962	1,133	1,134	876	1,080
Criminal cases filed	2,930	3,206	3,103	3,319	3,011	2,342
Criminal case dispositions	2,557	2,943	3,151	3,339	3,200	3,189
Justice of the Peace Court Level						
Civil cases filed	2,293	2,281	1,819	2,045	2,117	2,032
Civil case dispositions	2,096	2,356	4,249	2,324	2,058	1,962
Criminal cases filed	10,298	8,753	7,420	8,316	8,038	9,209
Criminal case dispositions	9,561	10,078	9,176	8,508	8,374	7,680
Public Safety and Correctional						
Sheriff ⁽⁵⁾						
Average daily jail population	488	522	529	471	491	501
Average daily prisoner cost	\$ 46.42	\$ 45.05	\$ 45.86	\$ 52.72	\$ 52.55	\$ 57.05
Human Services						
County Extension						
Number of programs	305	350	508	390	375	453
Number of contacts at programs	22,038	7,198	12,997	10,290	8,017	19,617
Number of individual, newsletter, and volunteer contacts	31,595	45,562	55,590	28,775	10,786	98,564

(1) Source: TxDOT Registration & Title Bulletins - based on fiscal year ending August 31.

(2) Source: TxDOT Registration & Title Bulletins - based on calendar year

(3) Source: Potter County Clerk

(4) Source: Office of Court Administration

(5) Source: Potter County Sheriff

Potter County, Texas
 Operating Indicators by Function (Table 17)
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

2015	2016	2017	2018
31,122	31,307	29,818	29,912
108,774	102,417	105,128	105,106
1,540	1,501	1,429	1,273
18,617	19,517	22,300	19,092
-	-	-	-
54,120	54,999	54,024	55,640
3,981	3,212	3,953	3,825
3,229	3,420	2,971	4,154
2,019	2,165	2,243	1,808
2,212	1,987	2,161	1,996
977	805	834	981
870	776	722	875
2,816	2,556	2,231	2,201
2,597	2,793	1,991	2,069
2,291	2,517	2,386	2,526
2,063	1,842	2,045	2,341
6,954	5,716	4,588	5,379
9,617	5,249	7,244	4,874
477	495	527	555
\$ 60.32	\$ 60.15	\$ 57.69	\$ 58.56
769	-	-	-
37,695	-	-	-
75,885	-	-	-

Potter County, Texas
Capital Assets by Function (Table 18)
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Office buildings / courthouses	7	7	7	7	7	7	7	7	7	7
Public safety and correctional										
Constables										
Patrol vehicles	3	3	2	2	4	4	4	4	4	4
Sheriff										
Enforcement vehicles	29	29	29	41	43	43	46	46	46	48
Corrections vehicles	11	11	11	11	10	10	8	8	8	8
Fire / Rescue										
Fire stations	7	7	7	7	7	7	7	7	7	7
Transportation										
County roads (miles)	299	300.8	301.1	282.6	287.9	291.6	291.6	291.4	291.4	291.4
Bridges	2	2	2	2	2	2	2	2	2	2

Source: Various County departments and County fixed asset reports.



Governmental Reporting Section
September 30, 2018

Potter County, Texas



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Judge and Members of the Commissioners Court
Potter County, Texas
Amarillo, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Potter County, Texas, (the County) 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, and have issued our report thereon dated April 29, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as Finding 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

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

Potter County, Texas's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eide Sully LLP".

Abilene, Texas
April 29, 2019

Section I - Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified that are not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Section II – Financial Statement Findings

Finding 2018-001:	Preparation of Financial Statements and Material Audit Adjustments in the Financial Statements
Type of Finding:	Material weakness
Criteria or Specific Requirement:	Management of the County is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.
Statement of Condition:	The County does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited. In conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements. Additionally, we recorded four audit adjustments to the County's recorded account balances, two of which restated the beginning fund balance, which if not recorded would have resulted in material misstatements of the County's financial statements, as well as two uncorrected adjustments related to the property tax allowance and self-insurance claims payable, which were not deemed material to the financial statements.
Cause:	The County does not prepare and has not developed an internal control system to provide for the preparation of the financial statements and related disclosures in a timely manner.

Effect:	Although this circumstance is not unusual for an organization of your size, the preparation of financial statements and adjusting journal entries as a part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by County personnel.
Recommendations:	Auditing standards require that auditors communicate this deficiency; however, the County prepares budgetary and other financial reports for Commissioners review on a routine basis, similar to many smaller governmental entities. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.
View of Responsible Officials:	Management agrees with the finding. Refer to Corrective Action Plan.

County of Potter
State of Texas
900 S. Polk, Suite 716
Amarillo, Texas 79101-3412



Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings and
Corrective Action Plan
September 30, 2018

Prepared by Management of
Potter County, Texas

Summary Schedule of Prior Audit Findings

GASB (Yellow Book)

Finding 2017-A:

Initial Fiscal Year Finding Occurred: 2017

Finding Summary: Eide Bailly LLP prepared our draft financial statements and accompanying notes to the financial statements. They also proposed material audit adjustments that might not would have been identified as a result of our existing controls and, therefore, could have resulted in a material misstatement of our financial statements.

Status: Ongoing. Due to cost considerations.

GASB (Yellow Book)

Finding 2018-001

Finding Summary:

The County requested that Eide Bailly LLP prepare the draft financial statements and accompanying notes to the financial statements. Eide Bailly LLP proposed audit adjustments that would not have been identified as a result of our existing controls and, therefore, could have resulted in a material misstatement of our financial statements as well as uncorrected entries that would not have a material effect on our financial statements.

Responsible Individuals:

Kerry Hood

Corrective Action Plan:

The adjusting entries have been made.

Anticipated Completion Date:

The entries was made in fiscal year 2018.