

FALLS COUNTY, TEXAS
CASH BASIS FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2018

Falls County, Texas
Cash Basis Financial Report
For the Fiscal Year Ended September 30, 2018

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FINANCIAL SECTION

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
Phone: (830) 569-8781 ~ Fax: (830) 569-6776
E-mail: beyerandco@sbcglobal.net

111 North Odem
Sinton, Texas 78387

Please reply to Pleasanton address

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Falls County, Texas, as of and for the year ended September 30, 2018, and the related notes to the cash basis financial statements, which collectively comprise the County's basic cash basis financial statements as listed in the table of contents.

Management's Responsibility for the Cash basis financial statements

Management is responsible for the preparation and fair presentation of these cash basis financial statements in accordance with the cash basis of accounting described in Note A; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the cash basis financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of cash basis 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 cash basis financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the cash basis financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the cash basis financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the cash basis 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 cash basis 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 cash basis financial statements.

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

Basis for Qualified Opinion

The County's Tax Office was totally un-auditable. We were unable to perform our major procedures which included performing "sufficiency of ending cash", "reconciliation of Motor Vehicle and Ad Valorem reports to the bank account(s)", and "performing a proof of cash". The amount by which this departure would affect the cash and results of operations have not been determined.

Qualified Opinion

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the cash basis financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Falls County, Texas, as of September 30, 2018, and the respective changes in cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the cash basis of accounting described in Note A.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the employees' retirement system information on pages 3-9 and 53-56 be presented to supplement the basic cash basis financial statements. Such information, although not a part of the basic cash basis 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 cash basis financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic cash basis financial statements, and other knowledge we obtained during our audit of the basic cash basis 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 cash basis financial statements that collectively comprise Falls County, Texas' basic cash basis financial statements. The combining and individual nonmajor fund cash basis financial statements are presented for purposes of additional analysis and are not a required part of the basic cash basis financial statements.

The combining and individual nonmajor fund cash basis 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 cash basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic cash basis 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 cash basis financial statements or to the basic cash basis 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 cash basis financial statements are fairly stated, in all material respects, in relation to the basic cash basis financial statements as a whole.

Management's Discussion and Analysis

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

Financial Highlights

The assets and equity of Falls County, Texas at the close of the most recent fiscal year was \$2,763,001 (net position). Of this amount, \$1,381,845 or 50% (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$593,402. This increase is mainly attributable to an increase in Charges for Services of \$422,156 and an increase in Maintenance and Operations Taxes of \$215,903.

Falls County, Texas' total restricted net position at September 30, 2018 is \$1,381,156 or 50% of net position. This was a increase of \$38,873 from the previous year. This increase was immaterial.

Falls County, Texas' total debt decreased by \$999,052 (43.65 percent) during the current fiscal year. The key factor in this decrease was the reduction of GASB 68 debt of \$844,841.

Overview of the Financial Statements

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Falls County's finances.

The *statement of net position* presents information of the Falls County's cash and investments and cash basis - net position. The reported change in financial condition is a change in cash position and not a change in the economic condition of Falls County.

The statement of activities presents information showing how the Falls County's net position changed during the most recent fiscal year. All changes in net position are reported as cash receipts are received and disbursements are made. Thus, receipts and disbursements are reported in these statements.

The governmental activities on the government-wide financial statements of Falls County are principally supplied by taxes and intergovernmental receipts. The governmental activities of Falls County include general government, legal, health and welfare, judicial, public safety, culture and recreation, roads and bridges and principal and interest on long-term debt.

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. Falls 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 Falls County can be divided into two categories: governmental 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. Falls County, Texas maintains thirty-three (33) individual governmental funds.

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.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of receipts, disbursements, and changes in cash basis fund balances for the General, Road and Bridge, Farm to Market Lateral Road and the Record Management funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Falls County Commissioners Court adopts an annual appropriated budget for its General, Road and Bridge, and Farm to Market Lateral Road Funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to supplement Falls County's own programs.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents combining fund statements that further support the information in the financial statements. The combining fund statements and schedules for non-major funds are presented immediately following the required supplementary schedule.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Falls County, Texas, cash and net position were \$2,763,001 at the close of the most recent fiscal year.

FALLS COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2018	2017	2018	2017
Current and other Assets	\$2,763,001	\$2,169,599	\$2,763,001	\$2,169,599
Total Assets	2,763,001	2,169,599	2,763,001	2,169,599
Restricted	1,381,156	1,342,283	1,381,156	1,342,283
Unrestricted	1,381,845	827,316	1,381,845	827,316
Total Net position	\$2,763,001	\$2,169,599	\$2,763,001	\$2,169,599

A portion of Falls County, Texas' net position (50 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$1,381,845) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The government's total net position increased by \$593,402. This increase is mainly attributable to an increase in Charges for Services of \$422,156 and an increase in Maintenance and Operations Taxes of \$215,903.

Governmental activities: There were no business-type activities so any analysis regarding governmental activities will be the same as the analysis of the Government-wide Financial Analysis.

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

	Governmental Activities		Total	
	2018	2017	2018	2017
Receipts:				
Program Receipts:				
Charges for Services	\$1,909,512	\$1,487,356	\$1,909,512	\$1,487,356
Operating Grants and Contributions	65,110	798,012	65,110	798,012
Capital Grants and Contributions	272,385		272,385	0
General Receipts:				
Maintenance and Operations Taxes	6,563,945	6,348,042	6,563,945	6,348,042
Sales Taxes	418,368	367,120	418,368	367,120
Other Taxes	3,235	2,855	3,235	2,855
Unrestricted Investment Earnings	9,807	12,666	9,807	12,666
Miscellaneous	480,868	236,673	480,868	236,673
Total Revenue	9,723,231	9,252,724	9,723,231	9,252,724
Disbursements:				
General Administration	\$1,865,547	1,880,276	1,865,547	1,880,276
Legal	233,510	274,601	233,510	274,601
Judicial	530,192	288,772	530,192	288,772
Financial Administration	459,210	448,660	459,210	448,660
Public Facilities	369,306	102,139	369,306	102,139
Public Safety	2,097,753	2,917,616	2,097,753	2,917,616
Public Transportation	2,651,376	2,247,355	2,651,376	2,247,355
Culture and Recreation	20,747	20,301	20,747	20,301
Health and Welfare	361,720	448,075	361,720	448,075
Conservation - Agriculture	79,308	76,840	79,308	76,840
Principal, Interest and Fiscal Charges	461,160	372,323	461,160	372,323
Total Disbursements	9,129,829	9,076,958	9,129,829	9,076,958
Increase in Net Position before transfers and special items	593,402	175,766	593,402	175,766
Transfers	0	0	0	0
Increase in Net Position	593,402	175,766	593,402	175,766
Net Position at 09/30/2017	2,169,599	1,993,833	2,169,599	1,993,833
Net Position at 09/30/2018	\$2,763,001	\$2,169,599	\$2,763,001	\$2,169,599

Functions/Programs	Disbursements	Charges for Services	Program Receipts	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Government activities:				
General Administration	\$1,865,547	\$224,572	\$65,110	\$0
Legal	233,510	7,415		
Judicial	530,192	330,878		
Financial Administration	459,210	278,040		
Public Facilities	369,306			241,739
Public Safety	2,097,753	400,984		
Public Transportation	2,651,376	602,201		30,646
Culture and Recreation	20,747	602,201		
Health and Welfare	361,720			
Conservation - Agriculture	79,308			
Principal, Interest and Fiscal Charges	461,160			
Total government activities	<u>\$9,129,829</u>	<u>\$2,446,291</u>	<u>\$65,110</u>	<u>\$272,385</u>

Receipts by source - Governmental Activities

	<u>Receipts</u>	<u>%</u>
Charges for Services	\$1,909,512	19.64%
Operating Grants and Contributions	65,110	0.67%
Capital Grants and Contributions	272,385	2.80%
Maintenance and Operations Taxes	6,563,945	67.51%
Sales Taxes	418,368	4.30%
Other Taxes	3,235	0.03%
Unrestricted Investment Earnings	9,807	0.10%
Miscellaneous	480,868	4.95%
	<u>\$9,723,231</u>	<u>100.00%</u>

For the most part, the increases and decreases in expenses closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of Falls County's *governmental funds* is to provide information on cash receipts and disbursements.

At the end of fiscal year 2018, Falls County's *governmental funds* reported combined ending cash basis fund balances of \$2,763,001, an increase of \$593,402 in comparison with the prior year.

The General Fund is the chief operating fund of Falls County. At the end of fiscal year 2018, the General Fund had an ending cash basis fund balance of \$1,407,161. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance (\$1,407,161) to total fund expenditures. Unassigned cash basis fund balance represents 25.63% of total General Fund disbursements.

The fund balance of Falls County's General Fund increased by \$315,405 during 2018. This increase is primarily due to an increase in Prisoner Housing of \$264,934.

The Road and Bridge Fund had an ending fund balance of \$483,433, an increase of \$117,919, and the Farm-to-Market Lateral Road Fund ending fund balance was \$406,790, a decrease of \$139,505. The increase in the Road and Bridge Fund was due to an increase in Ad Valorem Taxes of \$328,090 and the decrease in the Farm-to-Market Lateral Road Fund was due to an increase in disbursements of \$313,092. The unassigned cash basis fund balance represents 30.42% of total Road and Bridge Fund disbursements and 35.14% of total Farm-to-Market Lateral Road Fund disbursements.

There is no analysis of the Records Management Fund because it is custodial in nature. The ending cash basis fund balance was \$283,943.

Budgetary Highlights:

The difference between the original budget and the final amended budget in the general fund was a decrease of \$21,376. This decrease is immaterial.

There was no change between the original budget and the final amended budget in the road and bridge fund.

The difference between the original budget and the final amended budget in the Farm-to-Market Lateral Road Fund was an increase of \$229,591. This increase was the result of an increase in transportation disbursements.

Debt Administration

Long-term debt:

At the end of fiscal year 2018, Falls County had no bonded debt outstanding.

Economic Factors

None

Requests for Information

This financial report is designed to provide our citizen's taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If questions are encountered regarding this report; contact the Falls County Auditor's Office, 1910 Industrial Park Road, Marlin, TX. 76661.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FALLS COUNTY, TEXAS
STATEMENT OF NET POSITION - CASH BASIS
SEPTEMBER 30, 2018

	Primary Government	
	Governmental	
	Activities	Total
<i>ASSETS</i>		
Cash and Cash Equivalents	\$2,763,001	\$2,763,001
Total Assets	<u>\$2,763,001</u>	<u>\$2,763,001</u>
 NET POSITION - CASH BASIS		
Restricted		
Administration	38,838	38,838
Culture and Recreation	2,600	2,600
Debt Service	2,867	2,867
Elections	32,452	32,452
Judicial	365,952	365,952
Legal	8,380	8,380
Public Safety	39,844	39,844
Public Transportation	890,223	890,223
Unrestricted	1,381,845	1,381,845
Total Net Position - Cash Basis	<u>\$2,763,001</u>	<u>\$2,763,001</u>

The accompanying notes are an integral part of this statement.

FALLS COUNTY, TEXAS
STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2018

Functions/Programs	Disbursements	Program Receipts Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Governmental Activities	Net (Expense) Revenue and Changes in Total
Primary government						
Government activities:						
General Administration	\$1,865,547	\$224,572	\$65,110	\$0	(\$1,575,865)	(\$1,575,865)
Legal	233,510	7,415			(226,095)	(226,095)
Judicial	530,192	330,878			(199,314)	(199,314)
Financial Administration	459,210	278,040			(181,170)	(181,170)
Public Facilities	369,306			241,739	(127,567)	(127,567)
Public Safety	2,097,753	400,984			(1,696,769)	(1,696,769)
Public Transportation	2,651,376	602,201		30,646	(2,018,529)	(2,018,529)
Culture and Recreation	20,747				(20,747)	(20,747)
Health and Welfare	361,720				(361,720)	(361,720)
Conservation - Agriculture	79,308	65,422			(13,886)	(13,886)
Debt Service						
Principal Retirement	431,740				(431,740)	(431,740)
Interest and Fiscal Charges	29,420				(29,420)	(29,420)
Total government activities	9,129,829	1,909,512	65,110	272,385	(6,882,821)	(6,882,821)
Total Primary Government	\$9,129,829	\$1,909,512	\$65,110	\$272,385	(6,882,821)	(6,882,821)
General Receipts						
Property Taxes, Levies for General Purposes					6,563,945	6,563,945
Sales Taxes					418,368	418,368
Other Taxes					3,235	3,235
Unrestricted Investment Earnings					9,807	9,807
Miscellaneous					480,868	480,868
Total General Receipts and Transfers					7,476,224	7,476,224
Change in Net Position - Cash Basis					593,402	593,402
Net Position - Cash Basis - Beginning					2,169,599	2,169,599
Net Position - Cash Basis - Ending					\$2,763,001	\$2,763,001

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

FALLS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS - CASH BASIS
SEPTEMBER 30, 2018

	General Fund	Road and Bridge	F.M. Lateral Road Fund	Records Management	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$1,407,161	\$483,433	\$406,790	\$283,943	\$181,674	\$2,763,001
Total Assets	<u>\$1,407,161</u>	<u>\$483,433</u>	<u>\$406,790</u>	<u>\$283,943</u>	<u>\$181,674</u>	<u>\$2,763,001</u>
FUND BALANCES:						
Fund Balances:						
Restricted						
Administration					38,838	38,838
Culture and Recreation					2,600	2,600
Debt Service					2,867	2,867
Elections					32,452	32,452
Judicial				283,943	82,009	365,952
Legal					8,380	8,380
Public Safety					39,844	39,844
Public Transportation		483,433	406,790			890,223
Committed						
Cemetery					975	975
Equipment Replacement					72,310	72,310
Other					13,524	13,524
Unassigned	1,407,161				(112,125)	1,295,036
Total Fund Balance	<u>1,407,161</u>	<u>483,433</u>	<u>406,790</u>	<u>283,943</u>	<u>181,674</u>	<u>2,763,001</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$1,407,161</u>	<u>\$483,433</u>	<u>\$406,790</u>	<u>\$283,943</u>	<u>\$181,674</u>	<u>\$2,763,001</u>

The accompanying notes are an integral part of this statement.

FALLS COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION - CASH BASIS
 SEPTEMBER 30, 2018

Total Fund Balances - governmental funds balance sheet	\$2,763,001
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Amounts reported for governmental activities in the statement of Net Position - Cash Basis ("SNA") are different because:	None
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Net Position - Cash Basis of governmental activities - statement of Net Position - Cash Basis	<u>\$2,763,001</u>
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The accompanying notes are an integral part of this statement.

FALLS COUNTY, TEXAS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Road and Bridge	Farm to Market Lateral Fund	Records Management	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Taxes						
Property	\$4,165,611	\$1,082,333	\$978,024		\$337,977	\$6,563,945
Sales	\$418,368					\$418,368
Other	\$3,235					\$3,235
Intergovernmental	30,562				306,933	337,495
Licenses and Permits		594,701	7,500			602,201
Charges for Services	839,241			43,348	151,104	1,033,693
Fines and Forfeitures	273,618					273,618
Interest	3,619		4,401		1,787	9,807
Miscellaneous	68,322	30,165	28,356		354,025	480,868
Total Receipts	5,802,576	1,707,199	1,018,281	43,348	1,151,827	9,723,231
DISBURSEMENTS						
Current:						
General Administration	1,583,820				281,727	1,865,547
Legal	233,510					233,510
Judicial	491,346			948	37,898	530,192
Financial Administration	459,210					459,210
Public Facilities	112,813				256,493	369,306
Public Safety	2,064,227				33,526	2,097,753
Public Transportation		1,493,590	1,157,786			2,651,376
Culture and Recreation	20,747					20,747
Health and Welfare	361,720					361,720
Conservation - Agriculture	79,308					79,308
Debt Service						
Principal Retirement	73,800	87,940			270,000	431,740
Interest and Fiscal Charges	10,195	7,750			11,475	29,420
Total Disbursements	5,490,696	1,589,280	1,157,786	948	891,119	9,129,829
Excess (Deficiency) of Receipts Over (Under) Disbursements	311,880	117,919	(139,505)	42,400	260,708	593,402
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	3,525	0	0	0		3,525
Operating Transfers Out	0				(3,525)	(3,525)
Total Other Financing Sources (Uses)	3,525	0	0	0	(3,525)	0
Net Changes in Fund Balances	315,405	117,919	(139,505)	42,400	257,183	593,402
Fund Balances - Beginning	1,091,756	365,514	546,295	241,543	(75,509)	2,169,599
Fund Balances - Ending	\$1,407,161	\$483,433	\$406,790	\$283,943	\$181,674	\$2,763,001

The accompanying notes are an integral part of this statement.

FALLS COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - CASH BASIS
 SEPTEMBER 30, 2018

Net Changes in Fund Balances - total governmental funds	\$593,402
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Amounts reported for governmental activities in the statement of Net Position - Cash Basis ("SNA") are different because:	None
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Change in Net Position - Cash Basis of governmental activities - statement of activities	<u>\$593,402</u>
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The accompanying notes are an integral part of this statement.

FALLS COUNTY, TEXAS
GENERAL FUND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
RECEIPTS				
Taxes				
Property	\$5,258,302	\$4,376,996	\$4,165,611	(\$211,385)
Sales	\$350,000	\$350,000	\$418,368	\$68,368
Other	\$1,000	\$900	\$3,235	\$2,335
Intergovernmental	21,500	21,500	30,562	9,062
Charges for Services	698,451	698,451	839,241	140,790
Fines and Forfeitures	226,000	226,000	273,618	47,618
Interest	0	0	3,619	3,619
Miscellaneous	25,000	25,000	68,322	43,322
Total Receipts	6,580,253	5,698,847	5,802,576	103,729
DISBURSEMENTS				
Current:				
General Administration				
County Judge	128,007	128,007	126,348	1,659
Court Reporter	95,028	95,028	90,434	4,594
Elections Administration	100,341	100,341	94,553	5,788
Secretary	43,321	43,321	42,699	622
Non-Departmental	1,410,900	1,380,591	1,229,786	150,805
Legal				
County/District Attorney	263,973	264,901	233,510	31,391
Judicial				
County and District Clerk	309,912	309,912	305,171	4,741
Justice's of the Peace	192,508	194,597	186,175	8,422
Financial Administration				
County Treasurer	98,704	98,704	81,237	17,467
County Auditor	181,098	181,098	178,381	2,717
Tax Assessor-Collector	205,792	205,792	199,592	6,200
Public Facilities				
Building and Yards	101,139	106,315	106,315	0
Comm. Towers	10,100	10,100	6,498	3,602
Public Safety				
Emergency Management	38,914	38,914	35,804	3,110
Constables	223,114	223,854	219,438	4,416
Jail	974,586	1,052,432	1,087,838	(35,406)
Sheriff	798,993	721,147	721,147	0
(continued)				

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Brazos Park	\$22,200	\$22,200	\$20,747	\$1,453
Health and Welfare				
Indigent Health	438,959	438,959	361,720	77,239
Conservation - Agriculture				
Agriculture Extension Service	81,595	81,595	79,308	2,287
Debt Service				
Principal Retirement	73,800	73,800	73,800	0
Interest and Fiscal Charges	10,195	10,195	10,195	0
Total Disbursements	5,803,179	5,781,803	5,490,696	291,107
Excess (Deficiency) of Receipts Over (Under)				
Disbursements	777,074	(82,956)	311,880	394,836
OTHER FINANCING SOURCES (USES):				
Operating Transfers In			3,525	3,525
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	3,525	3,525
Net Changes in Fund Balances	777,074	(82,956)	315,405	398,361
Fund Balances - Beginning	1,091,756	1,091,756	1,091,756	
Fund Balances - Ending	\$1,868,830	\$1,008,800	\$1,407,161	\$398,361

The accompanying notes are an integral part of this statement.

FALLS COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

ON THE PERIOD ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes				
Property	\$0	\$818,325	\$1,082,333	\$264,008
Licenses and Permits	560,000	560,000	594,701	34,701
Miscellaneous	25,000	25,000	30,165	5,165
Total Receipts	585,000	1,403,325	1,707,199	303,874
DISBURSEMENTS				
Current				
Public Transportation				
Road and Bridge	1,507,635	1,507,635	1,493,590	14,045
Debt Service				
Principal Retirement	87,940	87,940	87,940	0
Interest and Fiscal Charges	7,750	7,750	7,750	0
Total Disbursements	1,603,325	1,603,325	1,589,280	14,045
Excess (Deficiency) of Receipts Over (Under) Disbursements	(1,018,325)	(200,000)	117,919	317,919
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(1,018,325)	(200,000)	117,919	317,919
Fund Balances - Beginning	365,514	365,514	365,514	
Fund Balances - Ending	(\$652,811)	\$165,514	\$483,433	\$317,919

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

FALLS COUNTY, TEXAS
FARM TO MARKET LATERAL FUND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
RECEIPTS				
Taxes				
Property	\$923,843	\$923,843	\$978,024	\$54,181
Licenses and Permits	300	300	7,500	7,200
Interest	1,500	1,500	4,401	2,901
Miscellaneous	28,350	28,350	28,356	6
Total Receipts	953,993	953,993	1,018,281	64,288
DISBURSEMENTS				
Current				
Public Transportation				
Road and Bridge	953,993	1,183,584	1,157,786	25,798
Total Disbursements	953,993	1,183,584	1,157,786	25,798
Excess (Deficiency) of Receipts Over (Under) Disbursements	0	(229,591)	(139,505)	90,086
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	(229,591)	(139,505)	90,086
Fund Balances - Beginning	546,295	546,295	546,295	
Fund Balances - Ending	\$546,295	\$316,704	\$406,790	\$90,086

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

FALLS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$5,482,394
Total Assets	<u>\$5,482,394</u>
DUE TO OTHERS	
Due to Others	5,482,394
Total Net Position - Cash Basis	<u>\$5,482,394</u>

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

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

I. Summary of Significant Accounting Policies

The financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because receipts (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and disbursements or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

A. Reporting Entity

The financial statements of Falls County, Texas are intended to present the financial position - cash basis and the changes in financial position - cash basis of only the portion of governmental activities, each major fund and the aggregate remaining fund information of the County. They do not purport to, and do not, present fairly the financial position of Falls County, Texas, as of September 30, 2018, and the changes in its financial position - cash basis for the year ended in conformity with accounting principles generally accepted in the United States.

B. Government-wide Fund Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts, and other non-exchange receipts.

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts and disbursements/expenses. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

Total assets, liabilities, receipts, or disbursements of the individual governmental fund are at least 5% of the corresponding total for all governmental funds combined.

The County reports the following major governmental funds:

The **General Fund** is the primary operating fund of Falls County and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

The **Road and Bridge Fund** is a Special Revenue Fund used to account for revenue derived from ad valorem taxes, vehicle registration fees and rebates from the State of Texas. Disbursements are for maintenance and construction of County roads and bridges.

The **Farm-to-Market Lateral Road Fund** is a Special Revenue Fund used to account for revenue derived from ad valorem taxes. Disbursements are for maintenance and construction of County farm-to-market roads.

The **Records Management Fund** is a Special Revenue Fund used to account for revenue derived from record management fees. Disbursements are for record management purposes.

Additionally, Falls County report the following fund types:

Agency Funds are used to account for assets held by Falls County as an agent for individuals and other governments. Agency Funds are custodial in nature and do not include measurements of results of operations.

The government-wide and fund financial statements are presented under the cash basis of accounting. The cash basis of accounting involves the measurement of cash and investments and changes in cash and investments resulting from cash receipt and disbursement transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets and their related receipts (such as capital assets, accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as long-term debt, accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If Falls County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government- wide financial statements.

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

C. Assets, Liabilities, and Net Assets or Equity

1. **Deposits and Investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value. For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

2. **Property Taxes**

Property taxes are levied by October 1st, 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 July 1st of the year in which imposed. On January 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

The County bills and collects property taxes for itself and for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, and Debt Service Funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value, and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

3. **Net Position**

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

Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - net position that does not meet the definition of "restricted."

It is Falls County's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

4. **Fund Balance**

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

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by resolution of the Commissioners ' Court, the County's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Commissioners ' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

Fund Balances:

Restricted	
Administration	\$38,838
Culture and Recreation	2,600
Debt Service	2,867
Elections	32,452
Judicial	365,952
Legal	8,380
Public Safety	39,844
Public Transportation	890,223
Committed	
Cemetery	975
Equipment Replacement	72,310
Other	13,524
Unassigned	<u>1,295,036</u>
Total Fund Balance	<u>\$2,763,001</u>

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

The final amended budget is used in this report. The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioner's Court, the County Auditor prepares an estimate of receipts and a compilation of requested departmental disbursements and submits this data to the Commissioner's Court.

The Commissioner's Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioner's Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of receipts and available cash. The final budget can be legally amended by the Commissioner's Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of receipts and available cash.

When the Budget has been adopted by the Commissioner's Court, the County Auditor is responsible for monitoring the disbursements of the various departments of the County to prevent disbursements from exceeding budgeted appropriations and for keeping the members of the Commissioner's Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund.

Budgets for the 2018 fiscal year were adopted for the General Fund, the Road and Bridge Fund, and the Farm-to-Market Lateral Road Fund.

B. Excess of Disbursements over Appropriations

For the year ended September 30, 2018, disbursements did not exceed appropriations in any funds.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2018 except for the 911 Fund (\$4,455), the D.A. State Fund (\$5,960), Grant Funds (\$48,585), The Law Library Fund (\$28,791), and the Office of AG-VCLG (\$24,334).

III. Detailed Notes on All Funds

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

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

Policies Governing Deposits and Investments

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

As of September 30, 2018, the government had the following investments: None

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2018, the government's bank balance of \$8,288,148 with the Bancorp Bank was not was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent. The book balance of the cash at September 30, 2018 is \$8,203,257.

IV. Detailed Notes on All Funds (continued)

B. Interfund Receivables, Payables, and Transfers

	TRANSFER IN	
	<u>GENERAL</u>	
TRANSFER OUT	FUND	TOTAL
D.A. - STATE FUND	\$3,525	\$3,525
TOTALS	<u>\$3,525</u>	<u>\$3,525</u>

The above transfer was to provide operating capital. The transfer was non-recurring. There were no interfund receivables or payables at year's end.

C. Leases

Operating Leases

The government leases equipment under noncancelable operating leases. Total costs for such leases were \$9,144 for the year ended September 30, 2018. The future minimum lease payments for these leases are as follows:

Year Ending Sep. 30	<u>Amount</u>
2019	\$ 8,700
2020	2,256
2021	2,256
2022	<u>1,013</u>
Total	<u>\$ 14,225</u>

Rent disbursements were \$6,000 for the year ended September 30, 2018. Sublease rental income was \$0 for the year ended September 30, 2018. Rental income was \$0 for the year ended September 30, 2018.

D. Long-Term Debt

Capital Leases: The government has entered into several capital lease agreements as lessee for financing the acquisition of several items of equipment. These lease agreements qualify as capital leases. The security for these leases is the equipment purchased.

Assets acquired through capital leases are as follows:

PUBLIC TRANSPORTATION										
STALKER-										
	GRADALL	ASPHALT	DISPATCH	ANTENNA	SHERIFF	SHERIFF	SHERIFF	SHERIFF	SHERIFF	
Asset:	EXCAVATOR	ZIPPER/ TRAILER	CENTER PROJECT	RADAR SYSTEM	VEHICLE 2403C	VEHICLE 2404C	VEHICLE 2405C	VEHICLE 2406C	VEHICLE 2418C	TOTAL
Cost	\$156,229	\$185,880	\$100,098	\$19,673	\$46,728	\$37,130	\$37,829	\$37,130	\$38,941	\$659,638

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

STALKER-										
	GRADALL	ASPHALT	DISPATCH	ANTENNA	SHERIFF	SHERIFF	SHERIFF	SHERIFF	SHERIFF	
Year Ending Sep. 30	EXCAVATOR	ZIPPER/ TRAILER	CENTER PROJECT	RADAR SYSTEM	VEHICLE 2403C	VEHICLE 2404C	VEHICLE 2405C	VEHICLE 2406C	VEHICLE 2418C	TOTAL
2019	\$54,520	\$41,170	\$22,328	\$6,961	\$13,691	\$10,281	\$10,529	\$10,281	\$10,924	\$180,685
2020		41,170	22,328	6,961	13,691	10,281	10,529	10,281	10,924	126,165
2021		41,170	22,328		13,691	10,281	10,529	10,281	10,924	119,204
2022			22,328							22,328
Total	54,520	123,510	89,312	13,922	41,073	30,843	31,587	30,843	32,772	448,382
Less: Amount Representing Interest	958	8,172	7,788	610	6,420	2,709	2,978	2,710	3,408	35,753
Present Value of Minimum Lease Payments	\$53,562	\$115,338	\$81,524	\$13,312	\$34,653	\$28,134	\$28,609	\$28,133	\$29,364	\$412,629

The above debt is to be serviced by the General Fund and the Road and Bridge Fund.

The changes in long-term liabilities are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Summary	
					Noncurrent Liabilities	
					Due Within One Year	Due in More Than One Year
<u>Governmental Activities:</u>						
Bonds Payable	\$270,000	\$0	\$270,000	\$0	\$0	\$0
Capital Lease Payable	256,840	317,529	161,740	412,629	167,675	244,954
Net Pension Liability	1,761,957		884,841	877,116		877,116
	<u>2,288,797</u>	<u>317,529</u>	<u>1,316,581</u>	<u>1,289,745</u>	<u>167,675</u>	<u>1,122,070</u>
Grand Total	<u>\$2,288,797</u>	<u>\$317,529</u>	<u>\$1,316,581</u>	<u>\$1,289,745</u>	<u>\$167,675</u>	<u>\$1,122,070</u>

The amount due within one year is \$167,675. The above debt is serviced by both the general fund and the road and bridge fund.

The total amount of interest expensed in 2017-2018 is \$29,420.

V. Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no instances where settlements exceeded insurance coverage in any of the three previous years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

1. General Liability Insurance

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

The County has joined together with other governments in the Texas Association of Counties Risk Management Pool. The County pays an annual premium to Risk Management for auto vehicle insurance coverage. The agreement with Risk Management provides that Risk Management will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 to \$300,000 for each insurance event. The County anticipates no contingent losses.

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

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

2. Property and Casualty Insurance

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

3. Workers' Compensation Insurance

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

4. Group Health and Life Insurance

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

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Association of Counties.

B. Related Party Transaction

The Sheriff, Ricky Scaman, uses Autos Unlimited for wrecker services which is owned by his cousin Richard Johnson. The County paid \$16,740.56 for towing services for FYE 2018.

The District Clerk Christy Wideman's husband, Cole Wideman, provides astray services for the Sheriff.

The Sheriff Ricky Scaman's cousin, Edd Nehring, works as a jail administrator. Edd Nehrig is also married to Kayci Nehrig, who is the Tax Assessor/Collector.

The Commissioner, Milton Albright and the Treasurer Sheryl Pringle are cousins.

The Justice of the Peace #4, Sharon Maxey, is married to James Maxey who is the Constable of Precinct #4.

The Justice of the Peace #3, Preble Polk's daughter, Kristy Pruitt works as the chief deputy for the tax collector and her son Chuck Pruitt works for the road and bridge department.

The County Clerk, Linda Watkin's husband, Thomas Watkins works as the emergency management coordinator and her daughter Lisa Watkins works as a secretary for the elections administrator's office.

C. Subsequent Events

On April 22, 2019, the Court accepted a Grant for the cleanup and unstopping of the Dam at the Elm Creek Reservoir in the amount of \$31,250.00.

On May 28, 2019, the Court approved the purchase of a used Roller and Distribution truck from an auction in the amount of \$33,000.00.

On June 24, 2019 the court approved to have Digitalization Services scan 10 more years and have them uploaded onto Texaslandrecords.com website for the cost of \$47,355.00; for the County Clerk's Office.

D. Contingent Liabilities

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

The County was a party to the following:

Shirley Lynn Boger v. Falls County and Ricky Scaman Sheriff of Falls Co. – The claim states that former jailer and dispatcher Shirley Boger, had an altercation with her supervisor and left her shift early as a result. The Chief Deputy terminated Ms. Boger as a result. The case is in litigation.

E. Tax Abatements

An agreement with Marlin 2 Solar, LLC, on the 25th day of January, 2016, to provide a 90% tax abatement for Land and on or before December 31, 2016, erect, construct, install and add to the Land the Project resulting in the Property having a minimum level of investment by Owner of \$7,000,000 as of the Start Date and shall remain in place and operational, to the extent commercially reasonable until at least ten (10) years after the date the Certificate for such Improvements is provided by the Company. The incentive period began in the year ended September 30, 2016 and is for a period of six (6) years. The abatement amounted to \$xxx,xxx for the fiscal year ended September 30, 2018.

F. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)	Net Pension Liability / (Asset)	
	December 31, 2016	December 31, 2017
Total pension liability	\$16,700,354	\$17,604,778
Fiduciary net position	14,938,397	16,727,662
Net pension liability/(asset)	1,761,956	877,116
Fiduciary net position as a % of total pension liability	89.45%	95.02%
Pensionable covered payroll	\$3,711,658	\$3,972,607
Net Pension liability as a % of covered payroll	47.47%	22.08%

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

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

Discount Rate

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

Other Key Actuarial Assumptions

All actuarial assumptions that determined the total pension liability as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

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

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

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

Long-Term Expected Rate of Return

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 2018 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. See Miiliman's TCDRS Investigation of Experience report for the period January 1, 2013 — December 31, 2016 for more details.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.55%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	16.00%	7.55%
Global Equities	MSCI World (net) Index	1.50%	4.85%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	11.00%	4.55%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	8.00%	5.55%
Investment-Grade Bonds	Bloomberg Barclays 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	2.00%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 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 ^(S) Hedge Fund Research, Inc. (HFRI) Fund of Funds	6.00%	6.25%
Hedge Funds	Composite Index	18.00%	4.10%

Depletion of Plan Assets / GASB Discount Rate

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's 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 periods.
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 COLA 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 of the employer 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 for GASB 68 purposes. 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 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

As additional documentation for auditing purposes, we have shown the projection of the Fiduciary Net Position in the following exhibit ("Projection of Fiduciary Net Position").

Projection of Fiduciary Net Position

Calendar Year Ending	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
2018	\$16,727,662	\$697,055	\$1,349,668	\$16,728	\$1,328,360	\$17,386,682
2019	17,386,682	659,071	1,161,678	17,387	1,387,672	18,254,360
2020	18,254,360	633,410	1,210,409	18,254	1,454,965	19,114,072
2021	19,114,072	611,832	1,269,302	19,114	1,521,372	19,958,859
2022	19,958,859	591,441	1,319,807	19,959	1,586,950	20,797,485
2023	20,797,485	574,491	1,365,516	20,797	1,652,358	21,638,020
2024	21,638,020	563,422	1,417,643	21,638	1,717,898	22,480,058
2025	22,480,058	552,452	1,469,654	22,480	1,783,569	23,323,945
2026	23,323,945	541,460	1,537,395	23,324	1,848,763	24,153,450
2027	24,153,450	532,734	1,597,220	24,153	1,913,198	24,978,008
2037	29,305,082	146,290	2,239,565	29,305	2,289,421	29,471,923
2047	28,833,234	51,012	2,530,153	28,833	2,235,897	28,561,156
2057	26,177,868	10,015	2,134,356	26,178	2,035,007	26,062,357
2067	28,654,491	851	1,352,040	28,654	2,266,218	29,540,866
2077	45,979,602	0	623,967	45,980	3,697,743	49,007,399
2087	92,801,935	0	180,255	92,802	7,506,113	100,034,991
2097	198,749,018	0	22,596	198,749	16,089,881	214,617,554

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2016	\$16,700,654	\$14,938,397	\$1,761,956
Changes of the year:			
Service cost	472,194		472,194
Interest on total pension liability	1,348,806		1,348,806
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	78,695		78,695
Effect of assumptions changes or inputs	66,660		66,660
Refund of contributions	(61,152)	(61,152)	0
Benefit payments	(1,000,777)	(1,000,777)	0
Administrative expenses		(11,124)	11,124
Member contributions		278,083	(278,083)
Net investment income		2,174,548	(2,174,548)
Employer contributions		414,740	(414,740)
Other	0	(5,051)	5,051
Balances as of December 31, 2017	\$17,604,778	\$16,727,662	\$877,116

Sensitive Analysis

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$19,680,997	\$17,604,778	\$15,839,085
Fiduciary net position	16,727,662	16,727,662	16,727,662
Net pension liability/(asset)	\$2,953,335	\$877,116	(\$888,577)

Pension Expense / (Income)

Pension Expense / (Income)	January 1, 2017 to December 31, 2017
Service cost	\$472,194
Interest on total pension liability	1,348,806
Effect of plan changes	0
Administrative expenses	11,124
Member contributions	(278,083)
Expected investment return net of investment expenses	(1,194,710)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(156,716)
Recognition of assumption changes or inputs	75,582
Recognition of investment gains or losses	82,854
Other	5,051
Pension expense	\$366,102

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

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$129,687	\$59,021
Changes of assumptions	0	49,995
Net difference between projected and actual earnings	246,060	0
Contributions made subsequent to measurement date	N/A	Employer determined

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

Year ending December 31:

2018	(\$10,494)
2019	83,177
2020	(143,446)
2021	(195,968)
2022	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2017	
Original Amount	Date Established	Original Recognition Period	Amount Recognized for 2017	Inflows	Outflows
(a)	(b)	(c)	(a) / (c)		
Investment (gains) or losses					
(\$979,838)	12/31/2017	5.0	(\$195,968)	\$783,870	\$0
80,915	12/31/2016	5.0	16,183	0	48,549
1,133,116	12/31/2015	5.0	226,623	0	453,247
180,076	12/31/2014	5.0	36,015	0	36,015
Economic/demographic (gains) or losses					
78,695	12/31/2017	4.0	19,674	0	0
(389,060)	12/31/2016	3.0	(129,687)	129,687	0
(140,110)	12/31/2015	3.0	(46,703)	0	0
(56,040)	12/31/2014	3.0	0	0	0
Assumption changes or inputs					
66,660	12/31/2017	4.0	16,665	0	49,995
0	12/31/2016	3.0	0	0	0
176,750	12/31/2015	3.0	58,917	0	0
0	12/31/2014	3.0	0	0	0

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service cost	\$472,194	\$477,186	\$438,483	\$420,709	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,348,806	1,298,751	1,238,987	1,174,477	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	0	(59,488)	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	66,660	0	176,750	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	78,695	(389,060)	(140,110)	(56,040)	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(1,061,929)</u>	<u>(954,498)</u>	<u>(804,972)</u>	<u>(812,723)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in total pension liability	904,425	432,379	849,649	726,423	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>16,700,354</u>	<u>16,267,974</u>	<u>15,418,325</u>	<u>14,691,902</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$17,604,778</u>	<u>\$16,700,354</u>	<u>\$16,267,974</u>	<u>\$15,418,325</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary Net Position										
Employer contributions	\$414,740	\$402,344	\$402,368	\$375,988	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	278,083	259,816	252,381	239,048	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	2,174,548	1,063,411	42,906	934,859	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,061,929)	(954,498)	(804,972)	(812,723)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(11,124)	(11,553)	(10,363)	(10,853)	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(5,051)</u>	<u>(191,458)</u>	<u>36,151</u>	<u>(14,410)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in fiduciary net position	1,789,265	568,062	(81,529)	711,910	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>14,938,397</u>	<u>14,370,335</u>	<u>14,451,864</u>	<u>13,739,954</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$16,727,662</u>	<u>\$14,938,397</u>	<u>\$14,370,335</u>	<u>\$14,451,864</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$877,116</u>	<u>\$1,761,956</u>	<u>\$1,897,639</u>	<u>\$966,461</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	95.02%	89.45%	88.34%	93.73%	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$3,972,607	\$3,711,658	\$3,605,446	\$3,414,968	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	22.08%	47.47%	52.63%	28.30%	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2008	\$255,365	\$255,365	0	\$2,859,636	8.9%
2009	264,395	264,395	0	2,957,438	8.9%
2010	294,713	294,713	0	3,025,796	9.7%
2011	323,359	323,359	0	3,306,333	9.8%
2012	334,486	334,486	0	3,228,628	10.4%
2013	343,143	343,143	0	3,299,454	10.4%
2014	375,988	375,988	0	3,414,968	11.0%
2015	402,368	402,368	0	3,605,446	11.2%
2016	402,344	402,344	0	3,711,658	10.8%
2017	414,740	414,740	0	3,972,607	10.4%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	12.1 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

Appendix A— GASB 68 Plan Description for Falls County

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

- a. Falls County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 150%) and is then converted to an annuity.
 - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Falls County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2017 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

Members	Dec. 31, 2016	Dec. 31, 2017
Number of inactive employees entitled to but not yet receiving benefits:	99	104
Number of active employees:	105	121
Average monthly salary:	\$2,870	\$2,733
Average age:	47.33	47.05
Average length of service in years:	9.11	9.23

Inactive Employees (or their Beneficiaries) Receiving Benefits

Number of benefit recipients:	91	90
Average monthly benefit:	\$917	\$933

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

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

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

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

Appendix C—Actuarial Methods and Assumptions Used for Funding Valuation

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

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

Economic Assumptions

TCDRS system-wide economic assumptions:

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

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

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

Employer-specific economic assumptions:

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

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

Table 1
Merit Salary Increase

Years of Service	Entry Age			
	Before 30	Ages 30- 39	Ages 40- 49	50 and later
0	5.00%	4.50%	4.00%	3.50%
1	4.25	3.75	3.25	2.75
2	3.85	3.35	2.85	2.35
3	3.50	3.00	2.50	2.00
4	3.15	2.65	2.25	1.85
5	2.90	2.55	2.15	1.70
6	2.65	2.30	1.95	1.55
7	2.45	2.10	1.75	1.40
8	2.30	1.95	1.60	1.25
9	2.15	1.80	1.45	1.10
10	2.00	1.70	1.40	1.05
11	1.90	1.50	1.25	1.00
12	1.80	1.50	1.15	0.95
13	1.70	1.40	1.05	0.90
14	1.60	1.30	0.95	0.85
15	1.50	1.23	0.90	0.80
16	1.40	1.15	0.85	0.75
17	1.30	1.05	0.80	0.70
18	1.23	0.97	0.75	0.65
19	1.15	0.90	0.70	0.60
20	1.10	0.85	0.65	0.55
21	1.05	0.80	0.60	0.50
22	1.00	0.75	0.55	0.50
23	0.95	0.70	0.50	0.50
24	0.90	0.65	0.50	0.50
25	0.85	0.60	0.50	0.50
26	0.80	0.60	0.50	0.50
27	0.75	0.60	0.50	0.50
28	0.70	0.60	0.50	0.50
29	0.65	0.60	0.50	0.50
30 & up	0.60	0.60	0.50	0.50

Demographic Assumptions

TCDRS system-wide demographic assumptions:

Replacement of Terminated Members — New employees are assumed to replace any terminated members and have similar entry ages.

Disability — The rates of disability used in this valuation are illustrated in Table 2. Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a custom table based on TCDRS experience.

Table 2
Annual Rates of Disability

Age	Work Related Male and Female	All Other Causes Male and Female	Age	Work Related Male and Female	All Other Causes Male and Female
less than			43	0.004%	0.058%
25	0.000%	0.000%	44	0.004	0.063
25	0.000	0.000	45	0.004	0.069
26	0.000	0.000	46	0.005	0.076
27	0.000	0.000	47	0.006	0.084
28	0.000	0.008	48	0.007	0.095
29	0.000	0.008	49	0.009	0.109
30	0.000	0.009	50	0.010	0.125
31	0.000	0.010	51	0.012	0.142
32	0.000	0.010	52	0.013	0.162
33	0.000	0.011	53	0.015	0.183
34	0.000	0.014	54	0.018	0.203
35	0.001	0.018	55	0.018	0.222
36	0.001	0.022	56	0.018	0.238
37	0.002	0.028	57	0.018	0.250
38	0.002	0.033	58	0.018	0.259
39	0.002	0.038	59	0.018	0.270
40	0.002	0.042	60 & Above	0.018	0.000
41	0.003	0.047			
42	0.003	0.053			

* The probability of disablement from all other causes is applicable for members who are vested but not eligible for service retirement. Before a member is vested, only the work-related disability provisions are applicable.

Mortality

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

Family Composition — For current retirees, beneficiary information is supplied by TCDRS. For purposes of calculating the Survivor Benefit for current depositing and non-depositing members, male members are assumed to have a female beneficiary who is three years younger. Female members are assumed to have a male beneficiary who is three years older.

Service Retirement — Members eligible for service retirement are assumed to retire at the rates shown in Table 3.

Table 3
Annual Rates of Service Retirement

Age	Male	Female
40-44	4.5%	4.5%
45-49	9.0	9.0
50	10.0	10.0
51	9.0	9.0
52	9.0	9.0
53	9.0	9.0
54	10.0	10.0
55	10.0	10.0
56	10.0	10.0
57	10.0	10.0
58	12.0	12.0
59	12.0	12.0
60	12.0	12.0
61	12.0	12.0

Age	Male	Female
62	20.0%	20.0%
63	15.0	15.0
64	15.0	15.0
65	25.0	25.0
66	25.0	25.0
67	22.0	22.0
68	20.0	20.0
69	20.0	20.0
70	22.0	22.0
71	22.0	22.0
72	22.0	22.0
73	22.0	22.0
74**	22.0	22.0

Employer-specific demographic assumptions:

Other Terminations of Employment — The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement are illustrated in Table 4. The rates vary by length of service, entry-age group (age at hire) and gender. No termination after eligibility for retirement is assumed.

Table 4
Annual Rates of Termination

Years of Service	Entry Age 20		Entry Age 30		Entry Age 40		Entry Age 50	
	Male	Female	Male	Female	Male	Female	Male	Female
0	36.7%	39.8%	30.6%	33.2%	26.1%	28.2%	24.5%	26.5%
1	25.1	27.3	21.1	22.9	17.9	19.5	16.9	18.3
2	18.7	20.2	15.8	17.2	13.4	14.6	12.7	13.8
3	14.9	16.1	12.7	13.8	10.8	11.7	10.1	11.0
4	12.2	13.3	10.6	11.4	9.0	9.7	8.5	9.1
5	10.9	11.9	9.5	10.3	8.0	8.8	7.6	8.3
6	9.7	10.5	8.5	9.1	7.2	7.8	6.7	7.4
7	8.6	9.4	7.6	8.3	6.5	7.0	6.1	6.6
8	7.2	7.7	6.4	6.8	5.4	5.8	5.1	5.5
9	6.8	7.4	6.2	6.6	5.2	5.6	5.0	5.3
10	6.1	6.5	5.5	5.9	4.6	5.1	4.4	4.7
11	5.3	5.7	4.8	5.3	4.2	4.5	3.9	4.2
12	4.8	5.2	4.4	4.8	3.7	4.1	3.5	3.9
13	4.3	4.6	4.0	4.4	3.4	3.7	3.2	3.5
14	3.9	4.1	3.6	3.9	3.1	3.3	2.9	3.1
15	3.3	3.6	3.2	3.4	2.6	3.0	2.5	2.8
16	2.9	3.1	2.8	3.0	2.3	2.5	2.2	2.4
17	2.5	2.8	2.4	2.6	2.1	2.2	2.0	2.1
18	2.2	2.3	2.1	2.3	1.8	2.0	1.7	1.9
19	1.9	2.1	1.9	2.1	1.7	1.8	1.5	1.7
20	1.7	2.0	1.7	2.0	1.5	1.6	1.4	1.5
21	1.6	1.8	1.6	1.8	1.4	1.5	1.3	1.4
22	1.4	1.7	1.4	1.7	1.2	1.3	1.2	1.3
23	1.4	1.5	1.4	1.5	1.1	1.3	1.1	1.2
24	1.3	1.4	1.3	1.4	1.1	1.2	1.1	1.1
25	1.2	1.3	1.2	1.3	1.0	1.1	1.0	1.1
26	1.2	1.2	1.2	1.2	1.0	1.1	1.0	1.0
27	1.1	1.1	1.1	1.1	0.9	1.0	0.9	0.9
28	1.0	1.0	1.0	1.0	0.8	0.9	0.8	0.8
29	1.0	0.9	1.0	0.9	0.8	0.9	0.8	0.7
30 & Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Withdrawals — Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to your plan are shown in Table 5. For non-depositing members who are not vested, 100% are assumed to elect a withdrawal.

Table 5
Probability of Withdrawal

Years of Service	Probability	Years of Service	Probability
0	100%	15	40
1	100	16	38
2	100	17	36
3	100	18	33
4	100	19	30
5	100	20	28
6	100	21	26
7	100	22	24
8	47	23	22
9	46	24	20
10	45	25	18
11	44	26	16
12	43	27	14
13	42	28	12
14	41	29*	10

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

Total Pension Liability	Year Ended December 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Service cost	\$472,194	\$477,186	\$438,483	\$420,709	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,348,806	1,298,751	1,238,987	1,174,477	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	0	(59,488)	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	66,660	0	176,750	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	78,695	(389,060)	(140,110)	(56,040)	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(1,061,929)</u>	<u>(954,498)</u>	<u>(804,972)</u>	<u>(812,723)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in total pension liability	904,425	432,379	849,649	723,423	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>16,700,354</u>	<u>16,267,974</u>	<u>15,418,325</u>	<u>14,691,902</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$17,604,778</u>	<u>\$16,700,354</u>	<u>\$16,267,974</u>	<u>\$15,418,325</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary Net Position										
Employer contributions	\$414,740	\$402,344	\$402,368	\$375,988	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	278,083	259,816	252,381	239,048	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	2,174,548	1,063,411	42,906	934,859	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,061,929)	(954,498)	(804,972)	(812,723)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(11,124)	(11,553)	(10,363)	(10,853)	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(5,051)</u>	<u>(191,458)</u>	<u>36,151</u>	<u>(14,410)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in fiduciary net position	1,789,265	568,062	(81,529)	711,910	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>14,938,397</u>	<u>14,370,335</u>	<u>14,451,864</u>	<u>13,739,954</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$16,727,662</u>	<u>\$14,938,397</u>	<u>\$14,370,335</u>	<u>\$14,451,864</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability/ (asset), ending = (a) - (b)	<u>\$877,116</u>	<u>\$1,761,956</u>	<u>\$1,897,639</u>	<u>\$966,461</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	95.02%	89.45%	88.34%	93.73%	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$3,972,607	\$3,711,658	\$3,605,446	\$3,414,968	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	22.08%	47.47%	52.63%	28.30%	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2008	\$255,365	\$255,365	0	\$2,859,636	8.9%
2009	264,395	264,395	0	2,957,438	8.9%
2010	294,713	294,713	0	3,025,796	9.7%
2011	323,359	323,359	0	3,306,333	9.8%
2012	334,486	334,486	0	3,228,628	10.4%
2013	343,143	343,143	0	3,299,454	10.4%
2014	375,988	375,988	0	3,414,968	11.0%
2015	402,368	402,368	0	3,605,446	11.2%
2016	402,344	402,344	0	3,711,658	10.8%
2017	414,740	414,740	0	3,972,607	10.4%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	12.1 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

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

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

FALLS COUNTY, TEXAS
 COMBINING BALANCE SHEET - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018

	911 FUND	CHAPTER 19 FUND	CHILD SAFETY FUND	CHILTON WATER/SEWER PROJECT	COURT REPORTER	COURTHOUSE SECURITY	COST EQUIP
ASSETS							
Cash and Cash Equivalents	(\$4,455)	\$1,689	\$38,838		\$8,380	\$25,713	\$72,310
Total Assets	(\$4,455)	\$1,689	\$38,838	\$0	\$8,380	\$25,713	\$72,310
FUND BALANCES - CASH BASIS							
Fund Balance - Cash Basis							
Restricted							
Administration			38,838				
Culture and Recreation							
Debt Service							
Elections		1,689					
Judicial						25,713	
Legal					8,380		
Public Safety							
Other							
Committed							
Cemetery							
Equipment Replacement							72,310
Unassigned	(4,455)						
Total Fund Balance - Cash Basis	(4,455)	1,689	38,838	0	8,380	25,713	72,310
TOTAL LIABILITIES AND FUND BALANCES - CASH BASIS	(\$4,455)	\$1,689	\$38,838	\$0	\$8,380	\$25,713	\$72,310

(continued)

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

CO & DIST	D.A. - DEPT	DISTRICT			ELECTION		FAMILY	FEMA	GASSAWAY		
COURT	HUMAN	ATTORNEY	D.A. -	D.A. - STATE	SERVICE	ESTRAY	PROTECTION	GRANT	CEMETERY	GRANT	JURY
TECH	SERVICES	HOT CHECK	FORFEITURE	FUND	FUND	FUND	FUND	FUNDS	TRUST	FUNDS	FUND
\$10,322	\$85	\$3,915	\$11,980	(\$5,960)	\$18,783	\$3,514	\$8,075	\$0	\$975	(\$48,585)	\$6,715
\$10,322	\$85	\$3,915	\$11,980	(\$5,960)	\$18,783	\$3,514	\$8,075	\$0	\$975	(\$48,585)	\$6,715

CO & DIST	D.A. - DEPT	DISTRICT			ELECTION		FAMILY	FEMA	GASSAWAY		
COURT	HUMAN	ATTORNEY	D.A. -	D.A. - STATE	SERVICE	ESTRAY	PROTECTION	GRANT	CEMETERY	GRANT	JURY
TECH	SERVICES	HOT CHECK	FORFEITURE	FUND	FUND	FUND	FUND	FUNDS	TRUST	FUNDS	FUND
\$10,322	\$85	\$3,915	\$11,980	(\$5,960)	\$18,783	\$3,514	\$8,075	\$0	\$975	(\$48,585)	\$6,715
\$10,322	\$85	\$3,915	\$11,980	(\$5,960)	\$18,783	\$3,514	\$8,075	\$0	\$975	(\$48,585)	\$6,715

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

	JUSTICE COURT TECH	JUSTICE COURT SECURITY	KEEP FALLS CO BEAUTIFUL	LAW LIBRARY FUND	LAW ENFORCEMENT EDUCATION	OFFICE OF AG-VCLG	PERM IMPROV- MENT
ASSETS							
Cash and Cash Equivalents	\$14,045	\$21,214	\$2,600	(\$28,791)	\$18,027	(\$24,334)	\$13,524
Total Assets	\$14,045	\$21,214	\$2,600	(\$28,791)	\$18,027	(\$24,334)	\$13,524
FUND BALANCES - CASH BASIS							
Fund Balance - Cash Basis							
Restricted							
Administration							
Culture and Recreation			2,600				
Debt Service							
Elections							
Judicial	14,045	21,214					
Legal							
Public Safety					18,027		
Other							13,524
Committed							
Cemetery							
Equipment Replacement							
Unassigned				(28,791)		(24,334)	
Total Fund Balance - Cash Basis	14,045	21,214	2,600	(28,791)	18,027	(24,334)	13,524
TOTAL LIABILITIES AND FUND BALANCES - CASH BASIS	\$14,045	\$21,214	\$2,600	(\$28,791)	\$18,027	(\$24,334)	\$13,524

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

SHERIFF	TX DOT CO		
FORFEITURE	INFRAST-	I&S 2010	
FUND	RUCTURE	FUND	TOTAL
\$10,170	\$58	\$2,867	\$181,674
\$10,170	\$58	\$2,867	\$181,674

			38,838
			2,600
		2,867	2,867
			32,452
			82,009
			8,380
10,170	58		39,844
			13,524
			975
			72,310
			(112,125)
10,170	58	2,867	181,674

\$10,170	\$58	\$2,867	\$181,674
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FALLS COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	911 FUND	CHAPTER 19 FUND	CHILD SAFETY FUND	CHILTON WATER/SEWER PROJECT	COURT REPORTER	COURTHOUSE SECURITY	COST EQUIP
<i>RECEIPTS</i>							
Taxes							
Property							
Intergovernmental				\$241,739			
Charges for Services			15,851		3,255	5,925	
Interest							
Miscellaneous	10,276			14,754			26,310
Total Receipts	10,276	0	15,851	256,493	3,255	5,925	26,310
<i>Disbursements</i>							
Current:							
General Administration			409				11,893
Judicial					1,170	1,897	
Public Facilities				256,493			
Public Safety	20,565						
Debt Service							
Principal Retirement							
Interest and Fiscal Charges							
Total Disbursements	20,565	0	409	256,493	1,170	1,897	11,893
Excess (Deficiency) of Receipts Over (Under) Disbursements	(10,289)	0	15,442	0	2,085	4,028	14,417
OTHER FINANCING SOURCES (USES):							
Operating Transfers In/Out							
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0
Net Changes in Fund Balance - Cash Basis	(10,289)	0	15,442	0	2,085	4,028	14,417
Fund Balance - Cash Basis - Beginning	5,834	1,689	23,396	0	6,295	21,685	57,893
Fund Balance - Cash Basis - Ending	(\$4,455)	\$1,689	\$38,838	\$0	\$8,380	\$25,713	\$72,310

(continued)

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

SPECIAL REVENUE

CO & DIST	D.A. - DEPT	DISTRICT			ELECTION		FAMILY	FEMA	GASSAWAY		
COURT	HUMAN	ATTORNEY	D.A. - STATE	D.A. - STATE	SERVICE	ESTRAY	PROTECTION	GRANT	CEMETERY	GRANT	JURY
TECH	SERVICES	HOT CHECK	FUND	FUND	FUND	FUND	FUND	FUNDS	TRUST	FUNDS	FUND
											3,186
								\$30,646		\$34,548	
1,743		1,200	11,000	22,121	304	3,070	705				1,356
									1		73
8,579			5,712		10,279			228,903			5,066
10,322	0	1,200	16,712	22,121	10,583	3,070	705	259,549	1	34,548	9,682
			1,207	28,081	7,535					85,080	
		362									9,080
						4,554					
0	0	362	1,207	28,081	7,535	4,554	0	0	0	85,080	9,080
10,322	0	838	15,505	(5,960)	3,048	(1,484)	705	259,549	1	(50,532)	602
			(3,525)								
0	0	0	(3,525)	0	0	0	0	0	0	0	0
10,322	0	838	11,980	(5,960)	3,048	(1,484)	705	259,549	1	(50,532)	602
0	85	3,077	0	0	15,735	4,998	7,370	(259,549)	974	1,947	6,113
\$10,322	\$85	\$3,915	\$11,980	(\$5,960)	\$18,783	\$3,514	\$8,075	\$0	\$975	(\$48,585)	\$6,715

FALLS COUNTY, TEXAS
 COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018
 (continued)

	JUSTICE COURT TECH	JUSTICE COURT SECURITY	KEEP FALLS CO BEAUTIFUL	LAW LIBRARY FUND	LAW ENFORCEMENT EDUCATION	OFFICE OF AG-VCLG	PERM IMPROV- MENT
<i>RECEIPTS</i>							
Taxes							
Property							67,646
Intergovernmental							
Charges for Services	4,896	1,273		7,415	5,568	65,422	
Interest							
Miscellaneous							42,369
Total Receipts	4,896	1,273	0	7,415	5,568	65,422	110,015
<i>Disbursements</i>							
Current:							
General Administration						51,031	96,491
Judicial	4,409	966		20,014			
Public Facilities							
Public Safety					4,862		
Debt Service							
Principal Retirement							
Interest and Fiscal Charges							
Total Disbursements	4,409	966	0	20,014	4,862	51,031	96,491
Excess (Deficiency) of Receipts Over (Under)							
Disbursements	487	307	0	(12,599)	706	14,391	13,524
OTHER FINANCING SOURCES (USES):							
Operating Transfers In/Out							
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0
Net Changes in Fund Balance - Cash Basis	487	307	0	(12,599)	706	14,391	13,524
Fund Balance - Cash Basis - Beginning	13,558	20,907	2,600	(16,192)	17,321	(38,725)	0
Fund Balance - Cash Basis - Ending	\$14,045	\$21,214	\$2,600	(\$28,791)	\$18,027	(\$24,334)	\$13,524

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

SHERIFF FORFEITURE FUND	TX DOT CO INFRAST- RUCTURE	I&S 2010 FUND	TOTAL
		267,145	337,977
			306,933
			151,104
		1,713	1,787
1,777			354,025
1,777	0	268,858	1,151,827

			281,727
			37,898
			256,493
627	2,918		33,526
		270,000	270,000
		11,475	11,475
627	2,918	281,475	891,119

1,150	(2,918)	(12,617)	260,708
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			(3,525)
0	0	0	(3,525)
1,150	(2,918)	(12,617)	257,183
9,020	2,976	15,484	(75,509)
\$10,170	\$58	\$2,867	\$181,674