

LIBERTY COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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**LIBERTY COUNTY, TEXAS
ANNUAL FINANCIAL REPORT**

SEPTEMBER 30, 2019

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FINANCIAL SECTION

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Start, Garcia & Stanley, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and Members of the Commissioners' Court
Liberty County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Liberty County, Texas (the County), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2019, and the respective changes in financial position, and, where applicable cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, budgetary comparison information, and TCDRS pension and OPEB schedules on pages 3-10, 54-57, and 58-66, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Start, Garcia & Stanley
Start, Garcia & Stanley, LLC

Baytown, Texas
September 28, 2020

LIBERTY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

This section of the annual financial report of Liberty County, Texas (the County) presents our discussion and analysis of the County's financial performance during the fiscal year ended September 30, 2019.

FINANCIAL HIGHLIGHTS

- The County's total combined net position was \$157 thousand at the end of 2019. This compares with a restated surplus net position of \$638 thousand at September 30, 2018. The decrease in net position of \$481 thousand is primarily due to increased revenue from taxes and operating grants compared to prior year.
- Revenues for 2019 were \$53 million compared to \$47.6 million in 2018. The increase of \$5.4 million was attributable to increases in property taxes of \$2.7 million, sales taxes of \$600 thousand, and grant funding of \$1.2 million compared to the prior year.
- During the year ended September 30, 2019, the County's total expenses were \$53.4 million an increase of \$9.2 million from 2018.
- The general fund reported a fund balance of \$16.8 million at September 30, 2019, a \$3.4 million increase from September 30, 2018. Additionally, the road and bridge fund reported a fund balance of \$2.3 million, consistent with 2018.
- At September 30, 2019, unassigned fund balance in the general fund was \$16.6 million, which is approximately 50 percent of general fund expenditure levels in 2019.
- During 2019, the County's debt decreased by \$1.7 million as the County made scheduled payments on the debt, plus defeased its Series 2010A refunding bonds. The County's bonded debt outstanding at September 30, 2019 was \$8.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the County's basic *financial statements*. The County's basic *financial statements* are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements. The basis of presentation and the basis of accounting for the government-wide and fund financial statements is discussed below:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities in the government that operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

LIBERTY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

Government-wide Financial Statements

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

The Statement of Net Position presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources (if any), with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other nonfinancial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered in order to assess the overall health of the County.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation).

The government-wide financial statements of the County consist of *Governmental activities*. All of the County's basic services are included here, such as general government, public safety, public transportation, judicial, legal, health and welfare, financial, and interest on long-term debt. Property taxes, other taxes, and intergovernmental revenues finance most of these activities. The County's internal service fund, the employee health trust fund, is also included in these statements.

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. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more information about the most significant funds – not the County as a whole. The County has three types of funds: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental Funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information to the right of the governmental funds statement, that explain the relationship (or differences) between them. The County's governmental funds include the general fund, a capital projects fund, a debt service fund and 33 special revenue funds. The road and bridge fund is the only major special revenue fund.
- *Proprietary Funds*—The County has an internal service fund included in this category. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary Funds*—The County has eight funds that are agency funds. Because these are held in a trustee or agency capacity, the agency funds are not included in the Government-wide financial statements of the County.

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:

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

LIBERTY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

- *Restricted* – includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Commissioners' Court.
- *Assigned* – includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed.
- *Unassigned* – includes the residual fund balance for amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the general fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements. The notes to the financial statements can be found as noted in the table of contents of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's General Fund budget, pension/OPEB liability and related ratios, and contributions. Required supplementary information can be found as noted in the table of contents of this report.

Other Supplementary Information

The other supplementary information is presented immediately following the required supplementary information.

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 the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$156,538 at the close of the most recent fiscal year.

COMPARATIVE SCHEDULE OF NET POSITION

September 30, 2019 and 2018

	Governmental Activities	
	2019	2018
Current and other assets	\$ 33,874,804	\$ 29,210,208
Capital assets	20,656,012	20,883,098
Total assets	<u>54,530,816</u>	<u>50,093,306</u>
Deferred outflows of resources	<u>12,929,681</u>	<u>3,694,061</u>
Other liabilities	6,135,323	3,553,342
Long-term liabilities	60,690,308	47,811,979
Total liabilities	<u>66,825,631</u>	<u>51,365,321</u>
Deferred inflows of resources	<u>478,328</u>	<u>821,673</u>
Net position:		
Net investment in capital assets	12,348,006	9,241,710
Restricted	4,193,459	8,084,261
Unrestricted	(16,384,927)	(15,725,598)
Total net position	<u>\$ 156,538</u>	<u>\$ 1,600,373</u>

LIBERTY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

The largest portion of the County's net position reflects its investments in capital assets (e.g., land, building, machinery, equipment, infrastructure, etc.), less any debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Governments providing defined pension plans and other post-employment benefits were required to recognize their long-term obligation for pension and OPEB benefits as a liability on their accrual-based, government-wide statement of net position. This provides citizens and other users of these financial reports with a clearer picture of the size and nature of the financial obligations to current and former employees. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

The implementation of these standards clearly depicts the government's financial position. While this information will, in some cases, give the appearance that a government is financially weaker than it was previously, the financial reality of the government's situation will not have changed. Reporting the net pension liability and net OPEB liability on the face of the financial statements will more clearly portray the government's financial status because the pension and OPEB liabilities will be placed on an equal footing with other long-term obligations.

As of September 30, 2019, the County's overall net position was \$157 thousand. The County had invested \$12.3 million in capital assets, net of related debt. Approximately \$4.2 million of the County's net position is restricted for specific purposes including debt service, construction projects, community development, public safety, records management and judicial and legal purposes. The remaining unrestricted net position is a deficit of \$16.4 million, which rose from 2018 by \$659 thousand.

LIBERTY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

Changes in Net Position

COMPARATIVE SCHEDULE OF CHANGES IN NET POSITION

For the Years Ended September 30, 2019 and 2018

	Governmental Activities	
	2019	2018
Revenues		
Program revenues:		
Charges for services	\$ 7,132,095	\$ 6,671,744
Operating grants & contributions	4,727,537	3,183,106
Capital grants & contributions	-	213,418
General revenues:		
Property taxes	35,029,036	32,248,132
Other taxes	4,706,494	4,110,259
Other	1,507,228	1,164,898
Total revenues	53,102,390	47,591,557
Expenses:		
General government	6,626,673	4,638,371
Judicial	6,009,917	5,484,745
Legal	3,394,973	2,535,602
Financial	3,603,616	3,276,912
Public safety	17,166,925	15,336,391
Health and welfare	1,162,276	1,139,214
Public transportation	10,544,779	9,653,058
Community development	3,125,916	788,453
Other	1,601,746	1,152,179
Debt Service: Interest and fiscal agent fees	346,834	381,366
Total expenses	53,583,655	44,386,291
Increase (decrease) in net position before transfers and capital contributions	(481,265)	3,205,266
Transfers in (out)	-	-
Change in net position	(481,265)	3,205,266
Net position, beginning	1,600,373	(1,470,844)
Prior period adjustment	(962,570)	(134,049)
Net position, ending	\$ 156,538	\$ 1,600,373

The County's total revenues for 2019 were \$53.1 million compared to \$47.6 million in 2018. A significant portion, 66 percent, of the County's revenue comes from property taxes. Other revenue sources include charges for services (13 percent), sales and other taxes (9 percent), and operating grants (9 percent). The total cost of all programs and services was \$53.6 million which is a \$9.2 million increased from 2018.

In 2018, the County adopted new accounting guidance for OPEB liabilities which is reflected as a prior period adjustment. In 2019, another prior period adjustment is reflected to include another OPEB liability (Group Term Life Program) not reported at the time of adoption last year. This caused a restatement of net position of approximately \$963 thousand.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's governmental funds are discussed as follows:

LIBERTY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

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

Revenues from governmental fund types totaled \$53 million, an increase of \$5.8 million over 2018. The increase in revenues was primarily attributable to an increase in property taxes and sales taxes compared to prior year. Expenditures for the governmental funds were higher than 2018 by \$8.9 million (20%). Capital expenditures in 2019 were \$1.6 million compared to \$2.9 million in 2018.

The General Fund revenues increased \$3.4 million over 2018 to \$37.9 million, primarily due to an increase in property taxes (\$2.5 million) and sales taxes (\$600 thousand). The expenditures of the General Fund increased \$2.1 million over 2018 primarily due to a \$1 million increase in public safety expenditures and \$700 thousand increase in financial expenditures.

Proprietary Funds – The County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Road and Bridge Special Revenue Fund revenues increased \$600 thousand from 2018 to \$8.9 million. The increase was primarily due to higher property taxes (\$400 thousand). Expenditures for road and bridge operations increased \$800 thousand, primarily due to an increase in capital expenditures of \$800 thousand over the prior year. The Road and Bridge Special Revenue Fund had capital lease financing that provided other financing sources of \$900 thousand. As a result, the fund balance remained consistent with 2018.

General Fund Budgetary Highlights

During the year, there were no increases or decreases in appropriations between the original and final amended budget for revenues and expenditures of the General Fund

	BUDGET	
	Original	Final
Total revenues	\$ 35,276,006	\$ 35,525,720
Total expenditures & transfers	35,276,006	35,525,720
Net change in fund balance	\$ -	\$ -

The County adopted a balanced budget in for the General Fund; however, fund balance resulted in a increase of \$3.4 million for the fiscal year. This favorable variance resulted from the following:

	Final		
	Budget	Actual	Variance
Total revenues	\$ 35,525,720	\$ 37,859,675	\$ 2,333,955
Total expenditures	34,252,651	33,193,930	1,058,721
Total transfers in (out)	(1,273,069)	(1,261,080)	11,989
Net change in fund balance	\$ -	\$ 3,404,665	\$ 3,404,665

The County revises its budget as needed to meet the needs of the County. General fund revenues were \$2.3 million (4%) higher than budgeted primarily due to revenues overall than expected. Expenditures were lower than appropriations by \$1.1 million (3%) as actual expenditures for all functions was below budgeted amounts. The general government and public safety functions had the most significant variations from budget at \$0.2 million and \$0.3 million lower than budget, respectfully.

LIBERTY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The County’s investment in capital assets as of September 30, 2019, totals to \$20,656,012 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, and machinery and equipment as follows:

SCHEDULE OF CAPITAL ASSETS
(Net of Accumulated Depreciation)
September 30, 2019 and 2018

	Governmental Activities	
	2019	2018
Non-Depreciable Assets		
Land	\$ 3,119,751	\$ 3,119,751
Construction in Progress	-	-
Other Capital Assets		
Buildings	2,406,133	2,769,521
Improvements other than buildings	8,053,570	9,307,984
Machinery and equipment	<u>7,076,558</u>	<u>5,685,842</u>
Totals	<u>\$ 20,656,012</u>	<u>\$ 20,883,098</u>

Additional information about the County’s capital assets can be found in notes to the financial statements.

Long-Term Liabilities

At yearend, the County had \$11.4 million in long-term debt outstanding, as well as other long-term liabilities related to employee benefits as shown in table below. More detailed information out the County’s debt is presented in the notes to the financial statements.

SCHEDULE OF LONG-TERM DEBT
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
General Obligation Bonds:		
Governmental activities	\$ 6,045,000	\$ 10,150,000
Note payable:		
Governmental activities	2,355,000	-
Lease obligations:		
Governmental activities	<u>1,966,346</u>	<u>1,765,242</u>
Total	<u>\$ 10,366,346</u>	<u>\$ 11,915,242</u>

The County’s bonds are rated “AA/Stable” by Standard & Poor’s Rating Services.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- Appraised value used for the 2020 budget preparation increased over the amounts used in 2019. The combined tax rate is budgeted to remain consistent at \$0.5788 per \$100 assessed valuation. As a result, property taxes are expected to increase approximately 9% over prior year. Overall general fund revenues are expected to increase 11% over 2019 levels.
- General operating fund spending in the 2020 budget is expected to be \$38.9 million, a 11% increase over budgeted amounts for 2019.

These indicators were taken into account when adopting the general fund budget for 2020. The 2020 general fund budget is a balanced budget. As a result fund balance in the general fund is expected to remain consistent with 2019 levels.

LIBERTY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. We have evaluated the impact of the pandemic on our financial statements, including its impact on the nature of our operations, accounting estimates, vulnerability to significant concentrations, and subsequent event disclosures. We have also contemplated the effect of the impact of the COVID-19 pandemic and the resulting economic decline in the assessment of the County's ability to continue to fulfill its statutory responsibilities to the residents of the county for at least one year from the date of the issuance of the financial statements. The County has determined that the COVID-19 pandemic does not have a significant impact that would require disclosure in the financial statements under the above or other GAAP guidance, and does not impact the County's assessment of its ability to fulfill its statutory responsibilities to the residents of the county.

In August 2020, the County authorized the issuance of Combination Tax and Revenue Certificates of Obligations, Series 2020 totaling \$23,410,000. The Certificates are expected to bear interest from 2.00%-5.00% and are due in semiannual installments ranging from \$165,000 to \$3,985,000 through 2045. Proceeds from the sale of the Certificates will be used to pay contractual obligations for (1) the construction and equipping of a new Liberty County Justice Center, including the Sheriff's office, and the acquisition of a site thereof; and (2) the payment of professional services and costs of issuance related thereto.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions about this report or requests for additional financial information, should be directed to Dwayne Gott, CPA, County Auditor's Office, Liberty County, Texas, 1923 Sam Houston, Liberty, Texas 77575.

BASIC FINANCIAL SECTION

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LIBERTY COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

A-1

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 28,896,366
Taxes receivable, net	2,908,372
Due from other governments	1,798,003
Due from others	68,818
Prepaid items	203,245
Capital assets, net	20,656,012
TOTAL ASSETS	54,530,816
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunded debt	445,808
Deferred outflows related to pensions	7,018,605
Deferred outflows related to OPEB - GTLP	85,582
Deferred outflows related to OPEB - HIBP	5,379,686
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,929,681
 <u>LIABILITIES</u>	
Accounts payable	2,766,181
Accrued liabilities	631,339
Accrued wages payable	248,571
Accrued interest payable	75,523
Due to other governments	94,236
Due to others	50,982
Other liabilities	66,752
Unearned revenue	2,201,739
Long-term liabilities:	
Due within one year	3,011,371
Due in more than one year	8,421,793
Net pension liability	15,653,869
Net OPEB liability - GTLP	910,872
Net OPEB liability - HIBP	32,692,403
TOTAL LIABILITIES	66,825,631
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows related to pensions	387,983
Deferred inflows related to OPEB - HIBP	90,345
TOTAL DEFERRED INFLOWS OF RESOURCES	478,328
 <u>NET POSITION</u>	
Net investment in capital assets	12,348,006
Restricted	
Debt service	379,701
Other	3,813,758
Unrestricted	(16,384,927)
TOTAL NET POSITION	\$ 156,538

The accompanying notes are an integral part of this statement.

LIBERTY COUNTY, TEXAS
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Program Revenues		
Expenses	Charges for Services	Operating Grants & Contributions	
<u>Governmental Activities</u>			
General government	\$ 6,626,673	\$ 1,304,708	\$ 202,394
Judicial	6,009,917	1,478,888	8,670
Legal	3,394,973	119,494	103,082
Financial	3,603,616	661,091	-
Public safety	17,166,925	454,459	956,964
Health and welfare	1,162,276	1,263	61,957
Public transportation	10,544,779	2,083,725	196,776
Community development	3,125,916	-	3,125,916
Other	1,601,746	1,028,467	71,778
Debt Service - interest on long-term debt	346,834	-	-
Total Governmental Activities	53,583,655	7,132,095	4,727,537
Total Primary Government	\$ 53,583,655	\$ 7,132,095	\$ 4,727,537

General Revenues:

Property taxes
Sales taxes
Other taxes
Miscellaneous income
Investment income

Total General Revenues

Change in Net Position

Net Position, Beginning
Prior Period Adjustment (See Note 15)
Net Position, Ending

The accompanying notes are an integral part of this statement.

		Net (Expense) Revenue and Changes in Net Position
		Primary Government
Capital Grants & Contributions	-	Governmental Activities
\$	-	\$ (5,119,571)
	-	(4,522,359)
	-	(3,172,397)
	-	(2,942,525)
	-	(15,755,502)
	-	(1,099,056)
	-	(8,264,278)
	-	-
	-	(501,501)
	-	(346,834)
	-	<u>(41,724,023)</u>
	-	<u>(41,724,023)</u>
<u>\$</u>	<u>-</u>	<u>\$ (41,724,023)</u>

\$	35,029,036
	4,646,112
	60,382
	883,084
	<u>624,144</u>
	<u>41,242,758</u>
	(481,265)
	1,600,373
	<u>(962,570)</u>
<u>\$</u>	<u>156,538</u>

LIBERTY COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	010; 098 General Fund	015 Road & Bridge Fund
<u>ASSETS</u>		
Cash and cash equivalents	\$ 16,905,719	\$ 5,016,620
Taxes receivable, net	2,204,304	556,031
Other receivables	-	-
Due from other governments	804,708	146,879
Due from other funds	87,439	-
Due from others	3,244	-
Prepaid items	203,245	-
TOTAL ASSETS	20,208,659	5,719,530
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 20,208,659	\$ 5,719,530
<u>LIABILITIES</u>		
Accounts payable	\$ 931,941	\$ 721,322
Accrued wages	202,011	46,560
Accrued liabilities	-	-
Due to other governments	94,236	-
Due to other funds	-	-
Due to others	39,582	-
Unearned revenues	72,500	2,129,239
Other liabilities	66,752	-
TOTAL LIABILITIES	1,407,022	2,897,121
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - property taxes	2,038,434	516,329
TOTAL DEFERRED INFLOWS OF RESOURCES	2,038,434	516,329
<u>FUND BALANCES</u>		
Unspendable - prepaid items	203,245	-
Restricted fund balance:		
Debt service	-	-
Capital projects	-	-
Special revenue funds	-	-
Committed fund balance	-	2,306,080
Unassigned fund balance	16,559,958	-
TOTAL FUND BALANCES	16,763,203	2,306,080
TOTAL LIABILITIES, DEFERRED INFLOWS, & FUND BALANCES	\$ 20,208,659	\$ 5,719,530

The accompanying notes are an integral part of this statement.

066; 073 Capital Projects Fund	060 Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,038,097	\$ 307,187	\$ 3,923,010	\$ 28,190,633
-	148,037	-	2,908,372
-	-	-	-
-	-	846,416	1,798,003
-	-	2,034	89,473
-	-	65,574	68,818
-	-	-	203,245
<u>2,038,097</u>	<u>455,224</u>	<u>4,837,034</u>	<u>33,258,544</u>
-	-	-	-
<u>\$ 2,038,097</u>	<u>\$ 455,224</u>	<u>\$ 4,837,034</u>	<u>\$ 33,258,544</u>
\$ 190,515	\$ -	\$ 922,403	\$ 2,766,181
-	-	-	248,571
-	-	-	-
-	-	-	94,236
-	-	89,473	89,473
-	-	11,400	50,982
-	-	-	2,201,739
-	-	-	66,752
<u>190,515</u>	<u>-</u>	<u>1,023,276</u>	<u>5,517,934</u>
-	136,376	-	2,691,139
-	136,376	-	2,691,139
-	-	-	203,245
-	318,848	-	318,848
1,847,582	-	-	1,847,582
-	-	3,813,758	3,813,758
-	-	-	2,306,080
-	-	-	16,559,958
<u>1,847,582</u>	<u>318,848</u>	<u>3,813,758</u>	<u>25,049,471</u>
<u>\$ 2,038,097</u>	<u>\$ 455,224</u>	<u>\$ 4,837,034</u>	<u>\$ 33,258,544</u>

The accompanying notes are an integral part of this statement.

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LIBERTY COUNTY, TEXAS
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

B-2

Total Fund Balances - Governmental Funds \$ 25,049,471

Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:

The County uses an internal service fund to charge costs of the County's self-insured health plan. The assets and liabilities of the internal service fund are included in the SNP. The net effect of this consolidation is to increase net position. 74,394

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of these assets is \$73,813,313 and the accumulated depreciation is \$53,157,301. The net effect is an increase to net position. (See Note 6.) 20,656,012

Long-term liabilities, including bonds payable, notes payable, compensated absences, and other liabilities with long-term debt, are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds. The effect of these long-term liabilities is a decrease to net position. (See Note 7.) (11,433,164)

Recognizing deferred revenue (property taxes) as revenue in the government-wide statements to convert from modified accrual basis of accounting to the accrual basis of account. The net effect is an increase to net position. 2,691,139

Net pension and OPEB liabilities, including related deferred outflows and inflows, do not represent assets or liabilities in the current period and are not recognized in the governmental fund financial statements.

Net pension liability	(15,653,869)	
Deferred outflows related to pension	7,018,605	
Deferred inflows related to pension	<u>(387,983)</u>	
Net effect (See Note 10.)		(9,023,247)

Net OPEB liability - HIBP	(32,692,403)	
Deferred outflows related to OPEB - HIBP	5,379,686	
Deferred inflows related to OPEB - HIBP	<u>(90,345)</u>	
Net effect (See Note 11.)		(27,403,062)

Net OPEB liability - GTLP	(910,872)	
Deferred outflows related to OPEB - GTLP	<u>85,582</u>	
Net effect (See Note 12.)		(825,290)

Various other reclassifications and elimination are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include eliminating interfund transactions and recognizing debt components (deferred charge of refunding & accrued interest) associated with debt. The net effect is an increase in net position. 370,285

Net Position of Governmental Activities \$ 156,538

The accompanying notes are an integral part of this statement.

LIBERTY COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	010; 098 General Fund	015 Road & Bridge Fund
<u>REVENUES</u>		
Ad valorem taxes	\$ 27,051,321	\$ 6,440,501
Sales tax	4,646,112	-
Other taxes	60,382	-
Licenses and permits	1,028,467	-
Fees, fines & forfeitures	3,019,399	1,679,405
Charges for services	130,178	-
Intergovernmental revenue	970,221	196,776
Investment income	535,014	-
Other revenues	418,581	549,457
TOTAL REVENUES	37,859,675	8,866,139
 <u>EXPENDITURES</u>		
Current:		
General government	\$ 4,635,485	\$ -
Judicial	5,236,809	-
Legal	2,793,090	-
Financial	3,394,261	-
Public safety	14,783,414	-
Health and welfare	1,129,220	-
Public transportation	-	9,109,103
Community development	-	-
Other	978,401	405,974
Capital expenditures	-	-
Debt service:		
Principal	213,541	192,212
Interest	29,709	34,631
TOTAL EXPENDITURES	33,193,930	9,741,920
 EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	 4,665,745	 (875,781)
 <u>OTHER FINANCING SOURCES (USES):</u>		
Operating transfers in	\$ -	\$ 36,601
Proceeds from debt issuance	-	-
Capital lease issuance	6,919	877,644
Operating transfers out	(1,267,999)	(30,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,261,080)	884,245
 Net change in fund balances	 3,404,665	 8,464
 FUND BALANCES - BEGINNING OF YEAR	 13,358,538	 2,297,616
FUND BALANCES - END OF YEAR	\$ 16,763,203	\$ 2,306,080

The accompanying notes are an integral part of this statement.

066; 073 Capital Projects Fund	060 Debt Service Fund	Non-major Governmental Funds	Total Governmental Funds
\$ -	\$ 1,469,560	\$ -	\$ 34,961,382
-	-	-	4,646,112
-	-	-	60,382
-	-	-	1,028,467
-	-	739,413	5,438,217
-	-	96,501	226,679
-	-	3,560,540	4,727,537
57,675	20,696	5,524	618,909
-	-	353,778	1,321,816
<u>57,675</u>	<u>1,490,256</u>	<u>4,755,756</u>	<u>53,029,501</u>
\$ -	\$ -	\$ 309,439	\$ 4,944,924
-	-	168,467	5,405,276
-	-	227,003	3,020,093
-	-	-	3,394,261
-	-	649,112	15,432,526
-	-	1,200	1,130,420
-	-	288,725	9,397,828
-	-	3,125,916	3,125,916
39,500	150	-	1,424,025
1,615,672	-	-	1,615,672
-	4,380,000	-	4,785,753
-	237,517	-	301,857
<u>1,655,172</u>	<u>4,617,667</u>	<u>4,769,862</u>	<u>53,978,551</u>
<u>(1,597,497)</u>	<u>(3,127,411)</u>	<u>(14,106)</u>	<u>(949,050)</u>
\$ -	\$ 2,987,913	\$ 51,276	\$ 3,075,790
2,630,000	-	-	2,630,000
-	-	-	884,563
<u>(2,987,913)</u>	<u>-</u>	<u>(46,335)</u>	<u>(4,332,247)</u>
<u>(357,913)</u>	<u>2,987,913</u>	<u>4,941</u>	<u>2,258,106</u>
(1,955,410)	(139,498)	(9,165)	1,309,056
<u>3,802,992</u>	<u>458,346</u>	<u>3,822,923</u>	<u>23,740,415</u>
<u>\$ 1,847,582</u>	<u>\$ 318,848</u>	<u>\$ 3,813,758</u>	<u>\$ 25,049,471</u>

The accompanying notes are an integral part of this statement.

LIBERTY COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

B-4

Total Net Change in Fund Balances - Governmental Funds \$ 1,309,056

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

The County uses an internal service fund to charge the costs of self-insurance activities to the appropriate functions in the other funds. The net income (loss) of the internal service fund is included in the governmental activities in the SOA. 687,786

Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing current year capital outlay is to increase net position. (See Note 6.) 2,976,948

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. (See Note 6.) (3,111,977)

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Also, governmental funds report bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the SNP. The effect is to increase net position. (See Note 7.) 1,589,714

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. In addition, contributions for post employment benefits made during the year are treated as expenditures in the governmental funds but are treated as a reduction in net pension/OPEB liabilities in the governmental-wide financial statements. See below:

Net change related to pension liability, deferred outflows and inflows	(1,424,690)	
Net change related to OPEB liability, deferred outflows and inflows - HIBP	46,935	
Net change related to OPEB liability, deferred outflows and inflows - GTLP	<u>(2,459,541)</u>	
Net effect		(3,837,296)

Various other reclassifications and eliminations are necessary to convert from modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, recognizing the net effect of disposed assets, and recognizing the components associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position. (95,496)

Change in Net Position of Governmental Activities \$ (481,265)

The accompanying notes are an integral part of this statement.

LIBERTY COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

C-1

	Governmental Activities
	Internal Service Fund
<u>ASSETS</u>	
Cash and cash equivalents	\$ 705,733
Due from others	-
TOTAL ASSETS	705,733
<u>LIABILITIES</u>	
Accounts payable	631,339
Due to other funds	-
TOTAL LIABILITIES	631,339
<u>NET POSITION</u>	
Unrestricted (deficit)	74,394
TOTAL NET POSITION	\$ 74,394

The accompanying notes are an integral part of this statement.

LIBERTY COUNTY, TEXAS

C-2

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Governmental Activities
	Internal Service Fund
<u>OPERATING REVENUES:</u>	
County and employee contributions	\$ 6,211,445
TOTAL OPERATING REVENUES	6,211,445
<u>OPERATING EXPENSES:</u>	
Claims, premiums and administrative costs	6,785,351
TOTAL OPERATING EXPENSES	6,785,351
<u>NET OPERATING INCOME (LOSS)</u>	(573,906)
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Investment income	5,235
TOTAL NONOPERATING REVENUES (EXPENSES)	5,235
<u>INCOME (LOSS) BEFORE TRANSFERS</u>	(568,671)
Operating transfers in	1,256,457
Operating transfers out	-
CHANGES IN NET POSITION	687,786
TOTAL NET POSITION - BEGINNING OF YEAR	(613,392)
TOTAL NET POSITION - END OF YEAR	\$ 74,394

The accompanying notes are an integral part of this statement.

LIBERTY COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

C-3

	Governmental Activities
	Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash received from county and employee contributions	\$ 6,212,422
Cash paid for claims, premiums, and administrative costs	(6,633,033)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(420,611)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Transfers to other funds	(1,235,188)
Transfers from other funds	1,256,457
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	21,269
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest on cash and investments	5,235
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	5,235
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(394,107)
CASH AND CASH EQUIVALENTS, BEGINNING	1,099,840
CASH AND CASH EQUIVALENTS, ENDING	\$ 705,733
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	
Operating income (loss)	\$ (573,906)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in due from others	977
Increase (Decrease) in accounts payable	152,318
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (420,611)

The accompanying notes are an integral part of this statement.

LIBERTY COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2019

D-1

	Agency Funds
<u>ASSETS</u>	
Cash and cash equivalents	\$ 13,264,366
Due from other governments	740
Due from other funds	-
Due from others	-
Other assets	-
TOTAL ASSETS	\$ 13,265,106
 <u>LIABILITIES</u>	
Accounts payable	\$ 24,604
Due to other governments	342,818
Due to other funds	-
Due to others	12,897,684
Other liabilities	-
TOTAL LIABILITIES	\$ 13,265,106

The accompanying notes are an integral part of this statement.

LIBERTY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Liberty County, Texas (the County) have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The County is an independent government entity created in 1836 by an act of the Texas Legislature. The County is governed by Commissioners' Court, composed of four County Commissioners and the County Judge, all of which are elected officials.

The County's financial statement include the accounts of all County operations. The major operations include general government, judicial, legal, financial, public safety, health and welfare and public transportation services.

For financial reporting purposes, the County includes all entities, organizations or functions that are controlled by or dependent on the County. Control or dependence is determined on the basis of control of the governing board, budget adoption, taxing authority, and responsibility for debts or deficits.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the County's financial reporting entity are based on criteria prescribed by GAAP. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is financially independent of other state and local governments. Additionally, prescribed criteria under GAAP include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements include those of the Liberty County, Texas (the primary government) and its component unit. The Liberty County Juvenile Probation Department, an entity legally separate from the County, is so closely related to the County that it is considered an extension of the County. Therefore, the entity is reported as if it were part of the County's operations, and is included in the financial reporting entity as a blended component unit. Its financial activity is reported as a special revenue fund in the accompanying financial statements. The financial statements of the entity are separately audited as of their fiscal year end (August 31) to meet the reporting requirements of their major funding source (the State of Texas). Audited financial statements can be obtained by contacting the Liberty County Auditor, 1923 Sam Houston, Liberty, Texas 77575. There are no other entities that should be included in the County's reporting entity because of significant operational or financial relationships to the County.

B. Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the County as a whole. These statements include all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the discretely presented component unit for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or

LIBERTY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statement. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are reported in the aggregate as nonmajor governmental funds.

C. Fund Accounting

In the fund financial statements, the accounts of the County are organized on the basis of fund, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Description of the various funds follows.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance.

The County reports the following major governmental funds:

General Fund – This fund accounts for all financial resources used to finance the fundamental operations of the County, except those accounted for in another fund.

Road & Bridge Fund – This fund is a major special revenue fund. It is used to account for revenues of property taxes levied and vehicle registration fees for the road & bridge activities. Uses of funds are restricted for the maintenance of roads, bridges and the operations of related facilities. All precinct operations as well as permanent road monies are accounted for in this fund.

Capital Projects Fund – This fund is used to account for all major capital expenditures not financed by the proprietary or trust funds. The County has a Capital Projects Fund (major fund) that includes remaining unspent funds from a debt issuance that is restricted for the acquisition or construction of capital facilities and other capital assets

Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of, all general obligation indebtedness. The Debt Service Fund of the County is reflected as a major fund for financial reporting purposes.

Nonmajor Governmental Funds – These funds are established to account for the proceeds of specific revenue sources other than assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business-type activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating

LIBERTY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

items. Operating revenues include charges for services. Operating expenses include cost of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County has an internal service fund included in this category. The Internal Service Fund accounts for revenues and expenses related to the County's medical and dental self-insurance program in accordance with Chapter 172 of the Texas Government Code. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Revenues are derived from county contributions, employee and retiree COBRA premiums and investment of idle funds. Expenses are for claims, premiums, and administrative costs. The general fund is contingently liable for liabilities of the internal service fund. Sub-fund accounting is employed to maintain the integrity of the self-insurance activities of the County.

Fiduciary Fund Types

Fiduciary fund statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. The agency funds report resources held by the County in a custodial capacity for individuals, organizations, and other units of governments.

D. Measurement Focus and Basis of Accounting

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

Fund financial statements of the County 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 constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Tax revenues are considered available when collected. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, franchise taxes, license, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the government.

E. Cash and Cash Equivalents

The County'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. Cash deposits and certificates of deposit are reported at their carrying amount, which reasonably estimates fair value.

F. Investments

Investments for the County are reported at fair value, except for certain external investment pools. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value.

LIBERTY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

G. Receivables

Receivables are reported net of allowance for uncollectible accounts and revenues net of uncollectibles.

H. Inventories

The County does not maintain significant inventories or materials and supplies in the governmental fund types. The costs of inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the first-in /first-out method.

I. Prepaids (i.e., Deferred Expenditures/Expenses)

Certain payments to vendors reflect costs applicable to the next fiscal period and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method and are recognized as expenditures/expenses proportionately over the periods in which the services are provided.

J. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the County as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated. The minimum capitalization threshold is any individual item with a total cost greater than \$5,000, and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets, the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

Land and construction in progress are not depreciated. Other capital assets are being depreciated using the straight-line method and depreciation expense for governmental assets is specifically identified by function.

The following estimated useful lives are used for calculating depreciation expense:

Asset Description	Estimated Useful Life (years)
Infrastructure	40-50
Building improvements	30
Vehicles	5-8
Machinery and equipment	5-10
Furniture and fixtures	3-10

K. Unearned Revenues

Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied.

Property taxes for which there is an enforceable legal claim as of January 1, but which were levied to finance current year operations, are recorded as deferred inflows of resources in the fund financial statements. Grants

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and entitlements received before the eligibility requirements are met are recorded as unearned revenue in both the government-wide and fund financial statements.

In governmental fund financial statements, receivables that will not be collected within the available period are reported as deferred inflows of resources.

L. Interfund Balances and Transfers

Interfund transactions intended to reflect the transfer of resources between funds are reflected as transfers. During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as “due from other funds” or “due to other funds” in the fund financial statements. Interfund receivables and payables are eliminated in the government-wide financial statements as well as transfers between funds.

M. Long-term Obligations

The government-wide financial statements and proprietary fund type fund financial statements report long-term debt and other long-term obligations as liabilities in the applicable governmental and business-type activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are recognized in the current period as debt service expenses.

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

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the fund financial statements. Lease payments representing both principal and interest are recorded as expenditures in the fund upon payment. Principal payments reduce long-term obligations in the government-wide financial statements.

N. Compensated Employee Absences

County employees are entitled to certain compensated absences based on the length of their employment. Compensatory time may be carried from one year to the next year. Employees will be paid for unused compensatory time upon separation of employment. Employees’ compensatory leave is earned one hour for each hour worked in excess of 40 hours in a single work week. Compensatory time may not exceed 80 hours for exempt employees. Nonexempt employees can earn up to 240 hours for regular employees and up to 480 hours for law enforcement commissioned employees. Compensation for vacation time may be carried from one year to the next year. Employees will be paid for unused vacation time up to 120 hours upon separation of employment. Unused accrued vacation in excess of these days will not be reimbursed. See Note 7.

O. Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports the following deferred outflows:

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- Deferred charges on refunding - Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows of resources for post-employment items - Reported in the government wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences and changes in assumptions. The deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other post-employment related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently 6 years for the County plan.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports the following deferred inflows:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for post-employment items – Reported by the County in the government-wide financial statement of net position, these deferred inflows are the results of differences between expected and actual actuarial experiences for the pension plan and changes in assumptions for the OPEB plan. These amounts will be amortized over a closed six and 8 year period, respectively.
- Deferred inflows of resources for pension – Reported by the County in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period.

P. 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:

- *Nonspendable* – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. (Inventories and Prepaid Items are considered *Nonspendable* as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.)
- *Restricted* – includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commissioners’ Court. These amounts cannot be used for any other purpose unless the County Commissioners’ Court removes or changes the specified use by taking the same type of action (ordinance or resolution) 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.

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- *Assigned* – includes amounts that are constrained by the County’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners’ Court or by the County Auditor to which the governing body delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the *general fund*.
- *Unassigned* – includes the residual fund balance for amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within 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, as needed, unless the County Commissioners’ Court has provided otherwise in its commitment or assignment actions.

GASB 54 requires disclosure of any formally adopted minimum fund balance policies. The County’s policy is to budget to maintain a minimum fund balance of 25% of the County’s General Fund annual operating expenditures. If the actual fund balance drops below 25%, it shall be budgeted for recovery the following year. This policy is reviewed annually.

Q. Net Position

Net Position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The classifications used in the government-wide financial statements are as follows:

- *Net investment in capital assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
- *Restricted net position* – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.
- *Unrestricted net position* – This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

The County’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS’s Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred inflows of resources related to OPEB, and OPEB expenses, the amounts have been determined by an actuary under GASB Statements No.75. The County does not pre-fund benefits and the current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The total OPEB liability is the portion of actuarial present value of projected benefit payments that is

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attributable to past periods of member service using the Entry Age Normal cost method. The deferred inflows or and outflows of resources represent the portion of changes in total OPEB liability that is not immediately recognized in OPEB expense, which can include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.

T. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. No encumbrances were outstanding at year-end.

U. Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

V. Budgetary Information

Prior to September 30, of each year, the County adopts a budget for the fiscal year beginning October 1, of that year. The budget, which includes anticipated revenues and expenditures, is adopted for the General Fund and most special revenue funds. The legal level of control is the department level for all funds. Management may not amend the budget without the approval of Commissioners' Court. The budget is amended by the Commissioners' Court as needed throughout the year.

W. Change in Accounting Principles

GASB has issued several new pronouncements that the District has reviewed for application to their accounting and reporting.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, is effective for periods beginning after June 15, 2018. This statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments. There was no material impact on the County's financial statements as a result of the implementation of GASB Statement No. 88.

2. DEPOSITS AND INVESTMENTS

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the County.

In accordance with applicable statutes, the County has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the County incurs for banking services received. The County may place funds with the depository in interest and non-interest bearing accounts. State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent. County policy requires the collateralization level to be at least 110% of market value of principal and accrued interest.

Commissioners Court has adopted a written investment policy regarding the investment of its funds as defined by the PFIA. The investments of the County are in compliance with this policy. State statutes authorize the County to invest

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in: (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) repurchase agreements, (4) bankers acceptances, (5) commercial paper, (6) mutual funds, (7) investment pools, and (8) any other investment allowed by PFIA.

The County's cash and investments are classified as: cash and cash equivalents, and investments. Cash and cash equivalents include cash on hand, deposits with financial institutions, and short-term investments in privately-managed public funds investment pool accounts.

As of September 30, 2019, the County's cash deposits are either insured by FDIC or covered by collateral held by the County's agent in the County's name. A summary of the County's cash and investments at September 30, 2019 is shown below:

	Cash and Cash Equivalents
Governmental funds:	
General fund	\$ 16,905,719
Road and bridge fund	5,016,620
Capital projects funds	2,038,097
Debt service fund	307,187
Nonmajor funds	3,923,010
Total governmental funds	28,190,633
Proprietary funds:	
Internal service fund	705,733
Total proprietary funds	705,733
Fiduciary funds:	
Agency funds	13,264,366
Total agency funds	13,264,366
Total	\$ 42,160,732

The following table includes investment type, portfolio balance, maturity, credit rating, and percentage of investment by portfolio balance:

	Carrying Amount	Fair Value	Maturity	Credit Rating	% Invested
Cash and deposits	\$ 17,531,144	\$ 17,531,144	n/a	n/a	42%
Investment pools:					
TexSTAR	967,210	967,210	n/a	AAAm	2%
LOGIC	23,662,378	23,662,378	n/a	AAAm	56%
	\$ 42,160,732	\$ 42,160,732			100%

Texas Short Term Asset Reserve Program (TexSTAR) and Government Investment Cooperative (LOGIC) are local government investment "pools" organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the PFIA, Chapter 2256, Texas Government Code. In addition to other provisions of the PFIA designed to promote liquidity and safety of principal, the PFIA requires pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The pools maintain a Net Asset Value of approximately \$1 per share.

The County's investment in TexSTAR and LOGIC are reported at amortized cost. Deposits and withdrawals can be made on any business day of the week. The pools have a redemption notice of one day, which may be redeemed daily. The pools may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or a national state of emergency that affects the pools liquidity. There

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are no limits on the number of accounts a participant can have or the number of transactions. The District has no unfunded commitments related to the pools.

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year-end and if so, the reporting of certain related disclosures:

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk.

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At September 30, 2019, the County was not exposed to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At September 30, 2019, the County was not exposed to concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At September 30, 2019, the County was not exposed to interest rate risk.

GASB Statement No. 72 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology are quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Short-term investments, such as money market investments, commercial paper, banker's acceptances, and U.S. Treasury and agency obligations, with a remaining maturity at time of purchase of one year or less, are exempt from fair value measurement and may be reported at amortized cost. At September 30, 2019, the County had no investments subject to fair value measurement.

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3. PROPERTY TAXES

The County levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The County's property taxes are billed and collected by the Liberty County Tax Assessor/Collector. On January 1 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Taxable property within the County is subject to assessment, levy and collection of ad valorem taxes necessary to provide for the payment of general obligation indebtedness, and to support the general governmental services provided. The total tax rate for the fiscal year ended September 30, 2019, was \$0.5788 per \$100 assessed valuation based on the total net assessed value of \$5,910,439,527. This includes a debt service rate of \$0.0233 per \$100 assessed valuation and a maintenance and operations rate of \$0.5555 per \$100 assessed valuation. The maintenance and operations rate includes \$0.1069 for road and bridge maintenance and operations.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes receivable of \$6,732,596 at September 30, 2019, are based on historical experience in collecting property taxes. The property taxes receivable allowance is equal to approximately 70% of outstanding property taxes receivable at September 30, 2019. A significant portion of delinquent taxes outstanding at any fiscal year end is generally not collected in the ensuing fiscal year. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

4. RECEIVABLES

Receivables as of year-end for the government's individual major funds, including allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>				<u>Total</u>
	<u>General</u>	<u>Road & Bridge</u>	<u>Debt Service</u>	<u>Nonmajor</u>	
Property taxes	\$ 7,045,387	\$ 1,949,304	\$ 646,277	\$ -	\$ 9,640,968
Due from governments - State	803,991	146,879	-	846,416	1,797,286
Due from governments - Others	717	-	-	-	717
Gross receivables	7,850,095	2,096,183	646,277	846,416	11,438,971
Less: allowance for uncollectible accounts	(4,841,083)	(1,393,273)	(498,240)	-	(6,732,596)
Total receivables, net	<u>\$ 3,009,012</u>	<u>\$ 702,910</u>	<u>\$ 148,037</u>	<u>\$ 846,416</u>	<u>\$ 4,706,375</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities for the current period. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes:		
General fund	\$ 2,038,434	\$ -
Road & bridge fund	516,329	-
Debt service fund	136,376	-
Funds received prior to meeting all eligibility requirements:		
General fund	-	72,500
Road & bridge fund	-	2,129,239
Total unearned revenue	<u>\$ 2,691,139</u>	<u>\$ 2,201,739</u>

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5. INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of interfund balances as of September 30, 2019:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General fund:		
Nonmajor governmental funds	\$ 87,439	\$ -
Nonmajor governmental funds		
General fund	-	87,439
Nonmajor governmental funds	<u>2,034</u>	<u>2,034</u>
	<u>\$ 89,473</u>	<u>\$ 89,473</u>

For the year ended September 30, 2019, interfund transfers consisted of the following:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 11,542
General fund	Internal service fund	1,256,457
Road & bridge fund	Nonmajor governmental funds	30,000
Capital projects fund	Debt service fund	2,987,913
Nonmajor governmental funds	Nonmajor governmental funds	9,734
Nonmajor governmental funds	Road & bridge fund	<u>36,601</u>
		<u>\$ 4,332,247</u>

For the year ended September 30, 2019, the General Fund transferred \$1,256,457 to the Internal Service Fund to cover additional expenses related to the County's self-insured health plan. The Capital Projects Fund transferred unspent bond proceeds to the Debt Service Fund to payoff Refunding Bonds, Series 2010A. Other transfers between funds were made to cover unanticipated expenses.

6. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2019:

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 3,119,751	\$ -	\$ -	\$ -	\$ 3,119,751
Total capital assets, not being depreciated	<u>3,119,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,119,751</u>
Capital assets, being depreciated:					
Buildings and improvements	16,082,654	46,948	-	-	16,129,602
Infrastructure	30,153,759	-	-	-	30,153,759
Furniture, machinery, and equipment	<u>21,836,571</u>	<u>2,930,000</u>	<u>(356,370)</u>	<u>-</u>	<u>24,410,201</u>
Total capital assets, being depreciated	<u>68,072,984</u>	<u>2,976,948</u>	<u>(356,370)</u>	<u>-</u>	<u>70,693,562</u>
Less accumulated depreciation for:					
Buildings and improvements	(13,313,133)	(410,336)	-	-	(13,723,469)
Infrastructure	(20,845,775)	(1,254,414)	-	-	(22,100,189)
Furniture, machinery and equipment	<u>(16,150,729)</u>	<u>(1,447,227)</u>	<u>264,313</u>	<u>-</u>	<u>(17,333,643)</u>
Total accumulated depreciation	<u>(50,309,637)</u>	<u>(3,111,977)</u>	<u>264,313</u>	<u>-</u>	<u>(53,157,301)</u>
Total capital assets being depreciated, net	<u>17,763,347</u>	<u>(135,029)</u>	<u>(92,057)</u>	<u>-</u>	<u>17,536,261</u>
Governmental activities capital assets, net	<u>\$ 20,883,098</u>	<u>\$ (135,029)</u>	<u>\$ (92,057)</u>	<u>\$ -</u>	<u>\$ 20,656,012</u>

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

Functions/programs	Governmental activities
General government	\$ 91,093
Judicial	94,794
Legal	40,064
Financial	10,839
Public Safety	733,164
Public Transportation	2,079,019
Other	63,004
	\$ 3,111,977

7. LONG-TERM DEBT

The County issues general obligation bonds for governmental activities to provide resources for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. Principal and interest requirements are payable solely from future revenues of the debt service fund which consists primarily of property taxes collected by the County and interest earnings. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures. The County has never defaulted on any principal or interest payment.

Long-term debt as of September 30, 2019 is as follows:

Description	Interest Rate Payable	Maturity Date	Original Issue	Outstanding Sept. 30, 2019
Governmental Activities:				
General obligation refunding bond, Series 2012	1.71%	2024	\$ 8,315,000	\$ 6,045,000
Maintenance Tax Notes, Series 2019	2.99%	2025	2,630,000	2,355,000
				\$ 8,400,000

The County's long-term liabilities consist of bond indebtedness, and compensated absences. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for compensated absences are accounted for the funds in which the individual positions are budgeted (i.e., general fund). Changes in long-term liabilities for the year ended September 30, 2019, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Bonds payable:					
General obligation - series 2010A	\$ 2,960,000	\$ -	\$ (2,960,000)	\$ -	\$ -
General obligation - series 2012	7,190,000	-	(1,145,000)	6,045,000	1,165,000
	\$ 10,150,000	\$ -	\$ (4,105,000)	\$ 6,045,000	\$ 1,165,000
Deferred amounts:					
Bond premium	261,166	-	(26,116)	235,050	-
Total bonds payable	\$ 10,411,166	\$ -	\$ (4,131,116)	\$ 6,280,050	\$ 1,165,000
Other liabilities					
Capital Lease Obligations	1,765,242	884,563	(683,459)	1,966,346	649,603
Maintenance tax notes, series 2019	-	2,630,000	(275,000)	2,355,000	365,000
Compensated absences	846,470	61,839	(76,541)	831,768	831,768
Total other liabilities	2,611,712	3,576,402	(1,035,000)	5,153,114	1,846,371
Governmental activities long-term liabilities	\$ 13,022,878	\$ 3,576,402	\$ (5,166,116)	\$ 11,433,164	\$ 3,011,371

In March 2019, the County entered into a Maintenance Tax Notes, Series 2019 sponsored by U.S. Capital Advisors totaling \$2,630,000 to purchase (1) voting equipment; (2) to purchase and acquire operations software for various department in the County; (3) to purchase and acquire a new chiller for the County jail; and (4) to pay the costs of

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professional services and the costs of issuance. The loan bear interest 2.990% and are due in annual installments ranging from \$275,000 to \$420,000 through September 30, 2025.

Principal and interest requirements to retire the County’s general long-term debt are as follows as of September 30, 2019:

Fiscal Year	General Obligation Bonds		Maintenance Tax Notes		Total Debt
	Principal	Interest	Principal	Interest	Service
2020	\$ 1,165,000	\$ 103,370	\$ 365,000	\$ 70,415	\$ 1,703,785
2021	1,190,000	83,448	375,000	59,501	1,707,949
2022	1,210,000	63,099	385,000	48,289	1,706,388
2023	1,230,000	42,408	400,000	36,777	1,709,185
2024	1,250,000	21,375	410,000	24,817	1,706,192
2025-2028	-	-	420,000	12,558	432,558
Total	<u>\$ 6,045,000</u>	<u>\$ 313,700</u>	<u>\$ 2,355,000</u>	<u>\$ 252,357</u>	<u>\$ 8,966,057</u>

Capital Leases

The County has entered into capital lease agreements as lessee for financing the acquisition of various equipment. Capital assets held under capital leases at September 30, 2019 totaled \$3,018,899. Future minimum lease payments for capital leases as of September 30, 2019, are as follows:

Year Ending September 30,	
2020	\$ 720,892
2021	442,748
2022	428,654
2023	334,492
2024	<u>237,760</u>
Total	2,164,546
Amount representing interest	<u>(198,200)</u>
Total	<u>1,966,346</u>

Defeased Debt

On January 22, 2019, the County placed \$2.99 million into an escrow account to provide funding for the retirement of the Refunding Bonds, Series 2010A. The escrow agent takes responsibility for payment of the future debt service and as a result, the bonds are considered defeased for the County financial reporting. The County utilized the unused proceeds from the 2008 debt issuance that remained in the Capital Projects Fund to fund the escrow account.

Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. As of September 30, 2019, the County does not anticipate any arbitrage liability.

8. HEALTH CARE

The County maintains a self-insured health plan (the Plan) for all eligible employees and retirees. The County contributed approximately \$6.1 million to the Plan to subsidize employee premiums during the year ended September 30, 2019. Additionally, the County transferred \$1.3 million to the plan during 2019 in partial settlement of interfund loans from prior years. Employees are responsible for premiums for dependents. Health claim payments include the premiums for dependents’ health insurance processed by a third party (BlueCross BlueShield of Texas) acting on behalf of the County.

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Claims incurred are subject to an annual specific deductible of \$150,000 and a maximum aggregate benefit of \$1,000,000. Employee health claims are self-insured by the County up to these annual limits and stop-loss benefits are provided by BlueCross BlueShield of Texas.

At year end, the County has recorded current health claim liabilities of \$631,339 in the internal service fund. These liabilities are based on requirements of GASB Statement No. 10, which required that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of loss can be reasonably estimated. Changes in the balances of claims liabilities during the year ended September 30, 2019 are as follows:

Beginning Balance - 9/30/2018	\$	479,021
Claims Incurred		6,785,351
Claims Paid		<u>(6,633,033)</u>
Ending Balance - 9/30/2019	\$	<u><u>631,339</u></u>

9. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The group plan is basically available for all full-time employees on a strictly voluntary basis. No contributions are made by the County to this plan. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The plan assets are held in trust for the exclusive benefits of the participants and their beneficiaries. The County's deferred compensation plan is administered by a private corporation under contract with the County. The plan assets are not included in the financial statements of the County.

10. DEFINED BENEFIT PENSION PLAN

Plan Description

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

Benefits Provided

TCDRS provides retirement, disability, and survivor benefits for all of its full-time and part-time non-temporary employees, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

The plan provisions are adopted by the County's Commissioners Court, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire with eight or more years of service at age 60 and above, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any County financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and County financed monetary credits. The level of these monetary credits is adopted by the County's Commissioners Court within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by

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converting the sum of the employee's accumulated contributions and the County financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

All employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal two times the employee's final full-year salary. An employee who leaves County service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are one-half of the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2 percent for general employees and 3 percent for public safety employees. The County's Commissioners Court considers providing an additional cost-of-living adjustment after the employee's retirement date beyond the terms of the plan during the budget process if sufficient funds are available.

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	277
Inactive employees entitled to but not yet receiving benefits	247
Active employees	389
Total	913

Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 17.29% and 17.43% for the months of the accounting years in 2019 and 2018, respectively. The contribution rate payable by the employee members for 2019 and 2018 is the rate of 7% as adopted by the governing body of the employer. All eligible employees of the County are required to participate in TCDRS.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

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Actuarial Assumptions

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Real rate of return	5.25% per year
Inflation	2.75% per year
Long-term investment return	8.00%, net of investment and administrative expenses

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.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016. In addition, mortality rates were based on the following: 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 that.

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.

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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.

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 2019 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target allocation (1)	Geometric Real Rate of Return (Arithmetic) (2)
U.S. Equities	Dow Jones U.S. Total Stock Mkt Index	10.5%	5.4%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	18.0%	8.4%
Global Equities	MSCI World (net) Index	2.5%	5.7%
International Equities-Developed Markets	MSCI World Ex USA (net) Index	10.0%	5.4%
International Equities-Emerging Markets	MSCI EM Standard (net) Index	7.0%	5.9%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	1.6%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.0%	4.4%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.0%	8.0%
Distressed Debt	Cambridge Associates Distressed Securities Index (4)	2.0%	7.2%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.0%	4.2%
Master Limited Partnerships	Alerian MLP Index	3.0%	5.4%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.0%	6.3%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.0%	3.9%
Total		100.0%	

- (1) Target asset allocation adopted at the April 2019 TCDRS Board meeting.
- (2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.70%, per Cliffwater's 2019 capital market assumptions.
- (3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.
- (4) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.
- (5) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

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Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 12/31/2017	\$ 79,904,120	\$ 69,968,145	\$ 9,935,975
Changes for the year:			
Service cost	2,485,861	-	2,485,861
Interest on total pension liability (1)	6,481,353	-	6,481,353
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	(517,311)	-	(517,311)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(216,409)	(216,409)	-
Benefit payments	(4,624,399)	(4,624,399)	-
Administrative expenses	-	(54,505)	54,505
Member contributions	-	1,178,455	(1,178,455)
Net investment income	-	(1,311,624)	1,311,624
Employer contributions	-	2,934,344	(2,934,344)
Other changes (3)	-	(14,661)	14,661
Net changes	<u>3,609,095</u>	<u>(2,108,799)</u>	<u>5,717,894</u>
Balance at 12/31/2018	<u><u>\$ 83,513,215</u></u>	<u><u>\$ 67,859,346</u></u>	<u><u>\$ 15,653,869</u></u>

- (1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
(2) No plan changes valued.
(3) Relates to allocation of system-wide items.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8.10%) in measuring the Net Pension Liability:

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total Pension Liability	\$ 93,454,616	\$ 83,513,215	\$ 75,102,659
Fiduciary Net Position	67,859,346	67,859,346	67,859,346
Net Pension Liability / (asset)	<u><u>\$ 25,595,270</u></u>	<u><u>\$ 15,653,869</u></u>	<u><u>\$ 7,243,313</u></u>

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

For the year ended September 30, 2019, the County recognized pension expense of \$4,124,101.

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 158,563	\$ 387,983
Changes in actuarial assumptions	262,805	-
Difference between projected and actual investment earnings	4,311,590	-
Contributions subsequent to the measurement date	2,285,647	-
Total	<u><u>\$ 7,018,605</u></u>	<u><u>\$ 387,983</u></u>

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Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$2,285,647 will be recognized as a reduction of the net pension liability (or increase in the net pension asset) for the year ended September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Pension</u> <u>Expense</u>
2020	\$ 1,768,997
2021	731,410
2022	455,089
2023	1,389,479
	<u>\$ 4,344,975</u>

11. DEFINED OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE BENEFITS PROGRAM

Plan Description

The County administers a single-employer defined benefit Other Post Employment Benefits (OPEB) plan, known as the County Health Insurance Benefits Program (the Program). The Program offers medical and dental insurance benefits to eligible retirees and their spouses. Employees who retire in accordance with the provisions of the TCDRS are covered as employees under the group health and related benefits program at the time of retirement, and are vested with the County are eligible to receive County health insurance benefits.

The employee’s responsibility for the premium depends on whether they retired on or before December 31, 1996 or after as follows:

Retirement on or before December 31, 1996 –

The retiree pays the entire premium for retiree medical, prescription drug, dental, and vision coverage as well as coverage for eligible dependents. The County does not pay any portion of this premium.

Retirement on or after January 1, 1997 –

The County pays 100% of the premium for retiree medical, prescription drug, dental, vision, and life insurance coverage. Retirees must pay the entire premium for coverage of eligible dependents. Life insurance is not available for dependents of retirees. Dependent coverage ends upon the cessation of premium payments.

Employees Covered by Benefit Terms

At September 30, 2019, the following participants were covered by the plan:

Active	308
Retired	114
Spouse	4
Total	<u><u>426</u></u>

Funding Policy

The County has elected to subsidize premiums for the plan and funding is provided on a pay-as-you-go basis.

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Actuarial Assumptions

The County's OPEB liability was measured as of September 30, 2019 using the following actuarial assumptions:

Valuation Date	September 30, 2019
Actuarial Cost Method	Individual Entry Age Normal Cost Method-Level Percentage of Projected Salary
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	2.66% (-0.34% real rate of return plus 3.00% inflation)
Health Care Cost Trend	Level 5.00% for medical and level 3.00% for dental.
Mortality	RPH-2014 Total Table with Projection MP-2019
Salary Increases	3.50%

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 10/1/2018	\$ 24,853,176	\$ -	\$ 24,853,176
Changes for the year:			
Service cost	1,391,526	-	1,391,526
Interest cost	1,045,040	-	1,045,040
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,253,111	-	1,253,111
Changes in assumptions	5,159,144	-	5,159,144
Other changes	-	-	-
Contributions-employer	-	-	-
Net investment income	-	-	-
Benefit payments	(1,009,594)	-	(1,009,594)
Administrative expenses	-	-	-
Net changes	<u>7,839,227</u>	<u>-</u>	<u>7,839,227</u>
Balance at 9/30/2019	<u><u>\$ 32,692,403</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,692,403</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the discount rate that was used (5.00%) in measuring the Net OPEB Liability:

	1% Decrease in Healthcare Trend Rate (4.00%)	Current Healthcare Trend Rate (5.00%)	1% Increase in Healthcare Trend Rate (6.00%)
County's Total OPEB Liability	\$ 27,338,673	\$ 32,692,403	\$ 39,832,797

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The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.66%) in measuring the Net OPEB Liability:

	1% Decrease in Discount Rate (1.66%)	Current Discount Rate (2.66%)	1% Increase in Discount Rate (3.66%)
County's Total OPEB Liability	\$ 39,016,473	\$ 32,692,403	\$ 27,777,203

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

For the year ended September 30, 2019, the County recognized OPEB expense of \$3,469,135.

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,051,322	\$ -
Changes in actuarial assumptions	4,328,364	-
Difference between projected and actual investment earnings	-	-
Total	\$ 5,379,686	\$ -

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

Year Ended September 30	OPEB Expense
2020	\$ 1,032,569
2021	1,032,569
2022	1,032,569
2023	1,032,569
2024+	1,249,410
	\$ 5,379,686

12. DEFINED OTHER POST EMPLOYMENT BENEFITS – GROUP TERM LIFE PROGRAM

Plan Description

The County participates in the retiree Group Term Life (GTL) program for the Texas County & District Retirement System (TCDRS), which is a statewide, multiple-employer, public employee retirement system. All full-time and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCERS OPEB plan. Only employers that have elected participation in the retiree Group Term Life Program are included in the OPEB plan.

Benefits Provided

The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retirees GTL program. Other plan specifics include: the OPEB benefit is a fixed \$5,000 lump-sum benefit; no future increases are assumed in the \$5,000 benefit amount; benefit terms are established under the TCERS Act; participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year.

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Contributions

The County contributes to the GTL program a combined contribution for both the active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only contributions associated with retiree coverage are included under GASB 75. For GASB 75 purposes, the employer's benefits payments for the year are treated as being equal to its annual retiree GTL contributions. For calendar years 2019 and 2018, the County's combined contribution rate was .43% and .42%, respectively.

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	235
Inactive employees entitled to but not yet receiving benefits	70
Active employees	389
Total	694

Actuarial Assumptions

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2018 were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 75. Summary of actuarial assumptions are as follows:

Valuation Date	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
Investment Rate of Return (Discount Rate) *	4.10%*
Mortality Rate	
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

*20 Year Bond GO Index published by bondbuyer.com as of December 27, 2018.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.10%. The TCDRS GTL program is treated as an unfunded OPEB plan because the GTL trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 4.10% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2018.

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Changes in the Net OPEB Liability (Asset)

	Changes in Total OPEB Liability
Balance at 12/31/2017	\$ 962,570
Changes for the year:	
Service cost	40,578
Interest on total OPEB liability ⁽¹⁾	34,049
Change of benefit terms ⁽²⁾	-
Effect of economic/demographic gains or losses	2,717
Effect of assumptions changes or inputs ⁽³⁾	(102,106)
Benefit payments	(26,936)
Other	-
Net changes	(51,698)
Balance at 12/31/2018	\$ 910,872

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

⁽²⁾ No plan changes valued.

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following schedule shows the impact of the Net OPEB Liability if a rate that is 1% less than and 1% greater than the discount rate that was used (4.10%) in measuring the Net OPEB Liability:

	1% Decrease Rate (3.10%)	Current Discount Rate (4.10%)	1% Increase Rate (5.10%)
County's Total OPEB Liability	\$ 1,072,552	\$ 910,872	\$ 784,036

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

For the year ended September 30, 2019, the County recognized pension expense of \$60,717.

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,174	\$ 8,660
Changes in actuarial assumptions	26,563	81,685
Contributions subsequent to the measurement date	56,845	-
Total	\$ 85,582	\$ 90,345

LIBERTY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Deferred outflows and inflows of resources related to OPEBs resulting from contributions subsequent to the measurement date of \$56,845 will be recognized as a reduction of the net OPEB liability (or increase in the net OPEB asset) for the year ended September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>September 30</u>	<u>OPEB</u> <u>Expense</u>
2020	\$ (13,910)
2021	(13,910)
2022	(13,911)
2023	<u>(19,877)</u>
	<u>\$ (61,608)</u>

13. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft, damage, or destruction of assets; errors and omission; injuries to employees or others; and natural disasters. The County’s primary risk management activity is to maintain various types of insurance coverage to cover any significant losses that might be incurred.

14. CONTINGENT LIABILITIES

The County is contingently liable with respect to claims or litigation arising from the ordinary course of operations. The settlement of such claims would require budget appropriations of future revenues. County officials have asserted that they have no significant pending or threatened litigation, or claims against the County that would have a material adverse effect on the financial position of the County. Federal and State funds received during the current year and prior years through various grant programs are subject to audit by the applicable agencies. The County does not anticipate any substantial disallowance of project costs for any of the projects.

The County participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The County is potentially liable for any expenditures, which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

15. PRIOR PERIOD ADJUSTMENT

The County adjusted its government-wide financial statements restating its OPEB liability due to its participation in the Group Term Life program with the TCDRS. This restatement relates to the County’s implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* in the prior year. As a result, beginning net position was restated as follows:

	Governmental Activities	Total
Beginning Net Position - As Originally Stated	\$ 1,600,373	\$ 1,600,373
Restatement due to :		
Effect of adjustment - OPEB liability	(962,570)	(962,570)
Beginning Net Position - As Restated	\$ 637,803	\$ 637,803

LIBERTY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

16. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. We have evaluated the impact of the pandemic on our financial statements, including its impact on the nature of our operations, accounting estimates, vulnerability to significant concentrations, and subsequent event disclosures. We have also contemplated the effect of the impact of the COVID-19 pandemic and the resulting economic decline in the assessment of the County's ability to continue to fulfill its statutory responsibilities to the residents of the county for at least one year from the date of the issuance of the financial statements. The County has determined that the COVID-19 pandemic does not have a significant impact that would require disclosure in the financial statements under the above or other GAAP guidance, and does not impact the County's assessment of its ability to fulfill its statutory responsibilities to the residents of the county.

In August 2020, the County authorized the issuance of Combination Tax and Revenue Certificates of Obligations, Series 2020 totaling \$23,410,000. The Certificates are expected to bear interest from 2.00%-5.00% and are due in semiannual installments ranging from \$165,000 to \$3,985,000 through 2045. Proceeds from the sale of the Certificates will be used to pay contractual obligations for (1) the construction and equipping of a new Liberty County Justice Center, including the Sheriff's office, and the acquisition of a site thereof; and (2) the payment of professional services and costs of issuance related thereto.

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through September 28, 2020, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LIBERTY COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 26,455,427	\$ 26,455,427	\$ 27,051,321	\$ 595,894
Sales tax	3,950,000	3,950,000	4,646,112	696,112
Other taxes	65,000	65,000	60,382	(4,618)
Licenses and permits	810,000	810,000	1,028,467	218,467
Fees, fines & forfeitures	2,550,000	2,605,000	3,019,399	414,399
Charges for services	-	112,700	130,178	17,478
Intergovernmental revenue	786,379	985,004	970,221	(14,783)
Investment income	220,000	220,000	535,014	315,014
Other revenues	439,200	322,589	418,581	95,992
TOTAL REVENUES	35,276,006	35,525,720	37,859,675	2,333,955
EXPENDITURES				
General government:				
Election administrator	-	-	-	-
Commissioners' court	484,508	494,508	489,670	4,838
County clerk	1,029,084	944,584	916,743	27,841
Veterans services	182,741	185,191	184,095	1,096
General administration	2,049,025	2,104,702	2,003,442	101,260
Employee benefits	814,895	622,720	550,166	72,554
Building maintenance	527,071	513,617	491,369	22,248
	<u>5,087,324</u>	<u>4,865,322</u>	<u>4,635,485</u>	<u>229,837</u>
Judicial:				
County judge	573,010	579,410	573,630	5,780
County court at law	680,136	698,036	677,660	20,376
County court at law #2	-	43,507	24,028	19,479
75th District court	706,634	656,690	633,422	23,268
253rd District court	625,904	585,654	564,087	21,567
District clerk	786,653	788,653	767,239	21,414
Justice courts	1,364,209	1,377,305	1,358,923	18,382
Court costs	589,000	520,500	476,098	44,402
Pretrial services	158,431	166,231	161,722	4,509
	<u>5,483,977</u>	<u>5,415,986</u>	<u>5,236,809</u>	<u>179,177</u>
Legal:				
County attorney	1,150,957	1,156,957	1,116,547	40,410
District attorney	1,891,042	1,783,352	1,676,543	106,809
	<u>3,041,999</u>	<u>2,940,309</u>	<u>2,793,090</u>	<u>147,219</u>
Financial:				
County auditor	463,882	463,882	459,319	4,563
County treasurer	343,127	343,127	341,222	1,905
Tax collector	946,509	939,501	887,230	52,271
Purchasing	235,055	225,355	218,516	6,839
Information technology	417,000	528,241	516,964	11,277
Other financial	997,818	971,010	971,010	-
	<u>3,403,391</u>	<u>3,471,116</u>	<u>3,394,261</u>	<u>76,855</u>
Public safety:				
County attorney mental health officers	-	-	-	-
District courthouse security	-	77,039	67,708	9,331
Fire marshal	723,855	723,855	712,309	11,546
Constables	2,282,358	2,271,858	2,203,168	68,690
Sheriff	7,477,277	7,514,305	7,453,964	60,341
County jail	4,081,553	3,883,310	3,796,303	87,007
Juvenile probation	367,799	337,799	316,452	21,347
Emergency management	297,463	247,463	233,510	13,953
	<u>15,230,305</u>	<u>15,055,629</u>	<u>14,783,414</u>	<u>272,215</u>

See Notes to Required Supplementary Information.

LIBERTY COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

E-1

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Health and welfare:				
Public welfare	711,000	691,000	669,680	21,320
Indigent services	759,649	499,349	459,540	39,809
	<u>1,470,649</u>	<u>1,190,349</u>	<u>1,129,220</u>	<u>61,129</u>
Other :				
Special projects	651,316	538,888	252,205	286,683
Engineering	546,161	438,280	409,776	28,504
Housing authority	104,237	80,125	73,451	6,674
AG Extension services	256,647	256,647	242,969	13,678
	<u>1,558,361</u>	<u>1,313,940</u>	<u>978,401</u>	<u>335,539</u>
Debt service:				
Principal	-	-	213,541	(213,541)
Interest and fees	-	-	29,709	(29,709)
	<u>-</u>	<u>-</u>	<u>243,250</u>	<u>(243,250)</u>
TOTAL EXPENDITURES	<u>35,276,006</u>	<u>34,252,651</u>	<u>33,193,930</u>	<u>1,058,721</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>1,273,069</u>	<u>4,665,745</u>	<u>3,392,676</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers in	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Capital lease issuance	-	6,919	6,919	-
Operating transfers out	-	(1,279,988)	(1,267,999)	11,989
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(1,273,069)</u>	<u>(1,261,080)</u>	<u>11,989</u>
Net change in fund balances	-	-	3,404,665	3,404,665
FUND BALANCES - BEGINNING OF YEAR	<u>13,358,538</u>	<u>13,358,538</u>	<u>13,358,538</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 13,358,538</u>	<u>\$ 13,358,538</u>	<u>\$ 16,763,203</u>	<u>\$ 3,404,665</u>

See Notes to Required Supplementary Information.

LIBERTY COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

E-2

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 6,223,897	\$ 6,223,897	\$ 6,440,501	\$ 216,604
Sales tax	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fees, fines & forfeitures	1,660,000	1,660,000	1,679,405	19,405
Charges for services	-	-	-	-
Intergovernmental revenue	99,000	99,000	196,776	97,776
Investment income	-	-	-	-
Other revenues	107,500	1,608,092	549,457	(1,058,635)
TOTAL REVENUES	<u>8,090,397</u>	<u>9,590,989</u>	<u>8,866,139</u>	<u>(724,850)</u>
EXPENDITURES				
General government:				
Precinct #1	1,864,697	2,208,672	1,960,722	247,950
Precinct #2	3,043,622	3,233,508	2,991,807	241,701
Precinct #3	1,471,047	2,090,025	1,793,255	296,770
Precinct #4	2,107,704	2,636,111	2,363,319	272,792
	<u>8,487,070</u>	<u>10,168,316</u>	<u>9,109,103</u>	<u>1,059,213</u>
Other :				
Sold waste services	531,600	490,949	405,974	84,975
	<u>531,600</u>	<u>490,949</u>	<u>405,974</u>	<u>84,975</u>
Debt service:				
Principal	-	-	192,212	(192,212)
Interest and fees	-	-	34,631	(34,631)
	<u>-</u>	<u>-</u>	<u>226,843</u>	<u>(226,843)</u>
TOTAL EXPENDITURES	<u>9,018,670</u>	<u>10,659,265</u>	<u>9,741,920</u>	<u>917,345</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(928,273)</u>	<u>(1,068,276)</u>	<u>(875,781)</u>	<u>192,495</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	97,601	36,601	(61,000)
Proceeds from debt issuance	-	-	-	-
Capital lease issuance	-	-	877,644	877,644
Operating transfers out	-	(30,000)	(30,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>67,601</u>	<u>884,245</u>	<u>816,644</u>
Net change in fund balances	(928,273)	(1,000,675)	8,464	1,009,139
FUND BALANCES - BEGINNING OF YEAR	<u>2,297,616</u>	<u>2,297,616</u>	<u>2,297,616</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,369,343</u>	<u>\$ 1,296,941</u>	<u>\$ 2,306,080</u>	<u>\$ 1,009,139</u>

See Notes to Required Supplementary Information.

LIBERTY COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

E-3

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 1,358,002	\$ 1,358,002	\$ 1,469,560	\$ 111,558
Sales tax	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fees, fines & forfeitures	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental revenue	-	-	-	-
Investment income	3,200	3,200	20,696	17,496
Other revenues	-	-	-	-
TOTAL REVENUES	<u>1,361,202</u>	<u>1,361,202</u>	<u>1,490,256</u>	<u>129,054</u>
EXPENDITURES				
Other :				
Paying agent	5,000	5,000	150	4,850
	<u>5,000</u>	<u>5,000</u>	<u>150</u>	<u>4,850</u>
Debt service:				
Principal	1,390,000	4,380,000	4,380,000	-
Interest	241,349	239,262	237,517	1,745
	<u>1,631,349</u>	<u>4,619,262</u>	<u>4,617,517</u>	<u>1,745</u>
TOTAL EXPENDITURES	<u>1,636,349</u>	<u>4,624,262</u>	<u>4,617,667</u>	<u>6,595</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(275,147)</u>	<u>(3,263,060)</u>	<u>(3,127,411)</u>	<u>135,649</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	2,987,913	2,987,913	-
Proceeds from debt issuance	-	-	-	-
Capital lease issuance	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>2,987,913</u>	<u>2,987,913</u>	<u>-</u>
Net change in fund balances	(275,147)	(275,147)	(139,498)	135,649
FUND BALANCES - BEGINNING OF YEAR	<u>458,346</u>	<u>458,346</u>	<u>458,346</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 183,199</u>	<u>\$ 183,199</u>	<u>\$ 318,848</u>	<u>\$ 135,649</u>

See Notes to Required Supplementary Information.

LIBERTY COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SEPTEMBER 30, 2019

E-4

	Measurement Date	Measurement Date	Measurement Date	Measurement Date	Measurement Date
	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
A. Total pension liability					
1. Service cost	\$ 2,003,568	\$ 2,046,096	\$ 2,369,111	\$ 2,423,909	\$ 2,485,861
2. Interest (on the Total Pension Liability)	5,155,196	5,447,108	5,685,263	6,096,354	6,481,353
3. Changes in benefit terms	-	(338,793)	-	-	-
4. Difference between expected and actual experience	63,539	(788,157)	77,788	278,233	(517,311)
5. Changes in assumptions	-	719,589	-	525,610	-
6. Benefit payments, including refunds of employee contributions	(3,631,500)	(4,028,204)	(4,210,002)	(4,433,106)	(4,840,808)
7. Net change in total pension liability	3,590,803	3,057,639	3,922,160	4,891,000	3,609,095
8. Total pension liability - beginning	64,442,518	68,033,321	71,090,960	75,013,120	79,904,120
9. Total pension liability - ending	<u>\$ 68,033,321</u>	<u>\$ 71,090,960</u>	<u>\$ 75,013,120</u>	<u>\$ 79,904,120</u>	<u>\$ 83,513,215</u>
B. Plan fiduciary net position					
1. Contributions - employer	\$ 2,234,405	\$ 2,307,041	\$ 2,466,354	\$ 2,677,573	\$ 2,934,344
2. Contributions - employee	913,602	973,729	1,020,360	1,098,013	1,178,455
3. Net investment income	3,810,026	(278,020)	4,305,975	8,993,684	(1,311,624)
4. Benefit payments, including refunds of employee contributions	(3,631,500)	(4,028,204)	(4,210,082)	(4,433,106)	(4,840,808)
5. Administrative expense	(44,404)	(42,246)	(46,745)	(46,531)	(54,505)
6. Other	(49,784)	24,553	(74,190)	(9,250)	(14,661)
7. Net change in plan fiduciary net position	3,232,345	(1,043,147)	3,461,672	8,280,383	(2,108,799)
8. Total fiduciary net position - beginning	56,036,862	59,269,207	58,226,060	61,687,762	69,968,145
9. Total fiduciary net position - ending	<u>\$ 59,269,207</u>	<u>\$ 58,226,060</u>	<u>\$ 61,687,732</u>	<u>\$ 69,968,145</u>	<u>\$ 67,859,346</u>
C. Net pension liability (asset) [A.9. - B.9.]	<u>\$ 8,764,114</u>	<u>\$ 12,864,900</u>	<u>\$ 13,325,388</u>	<u>\$ 9,935,975</u>	<u>\$ 15,653,869</u>
D. Plan fiduciary net position as a percentage of the total pension liability [B.9. / A.9.]	87.12%	81.90%	82.24%	87.57%	81.26%
E. Covered-employee payroll	\$ 13,051,454	\$ 13,748,824	\$ 14,576,565	\$ 15,685,907	\$ 16,835,072
F. Net pension liability as a percentage of covered employee payroll [C / E]	67.15%	93.57%	91.42%	63.34%	92.98%

* GASB 68 requires 10 fiscal years of data to be presented. Subsequent data to be accumulated and presented to comply with GASB 68.

See Notes to Required Supplementary Information.

LIBERTY COUNTY, TEXAS
SCHEDULE OF COUNTY'S CONTRIBUTIONS FOR PENSIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SEPTEMBER 30, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 2,261,985	\$ 2,443,426	\$ 2,611,083	\$ 2,870,173	\$ 3,064,989
Contributions in relation to the actuarially determined contributions	<u>(2,261,985)</u>	<u>(2,443,426)</u>	<u>(2,611,083)</u>	<u>(2,870,173)</u>	<u>(3,064,989)</u>
Contributions deficiency (excess)	<u>\$ -</u>				
Covered employee payroll	\$ 13,411,424	\$ 14,469,792	\$ 15,330,050	\$ 16,553,550	\$ 17,689,444
Contributions as a percentage of covered employee payroll	16.87%	16.89%	17.03%	17.34%	17.33%

* GASB 68 requires 10 fiscal years of data to be presented. Subsequent data to be accumulated and presented to comply with GASB 68.

See Notes to Required Supplementary Information.

LIBERTY COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE BENEFITS PROGRAM
SEPTEMBER 30, 2019

E-6

	Measurement Date	Measurement Date
	9/30/2017	9/30/2018
A. Total OPEB liability		
1. Service cost	\$ 1,337,234	\$ 1,391,526
2. Interest (on the Total OPEB Liability)	988,038	1,045,040
3. Changes in benefit terms	-	-
4. Difference between expected and actual experience	-	1,253,111
5. Changes in assumptions	-	5,159,144
6. Benefit payments, including refunds of employee contributions	<u>(941,534)</u>	<u>(1,009,594)</u>
7. Net change in total OPEB liability	1,383,738	7,839,227
8. Total OPEB liability - beginning	<u>23,469,438</u>	<u>24,853,176</u>
9. Total OPEB liability - ending	<u>\$ 24,853,176</u>	<u>\$ 32,692,403</u>
 B. Covered-employee payroll	 \$ 10,732,647	 \$ 11,460,641
 C. Net OPEB liability as a percentage of covered employee payroll [A.9 / B]	 231.57%	 285.26%

* GASB 75 requires 10 fiscal years of data to be presented. Subsequent data to be accumulated and presented to comply with GASB 75.

See Notes to Required Supplementary Information.

LIBERTY COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS - HEALTH INSURANCE BENEFITS PROGRAM
SEPTEMBER 30, 2019

E-7

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Accrued Liability (AAL) Entry Age b	Unfunded AAL (UAAL) b-a	Funded Ratio a/b	Annual Covered Payroll c	UAAL as a Percentage of Covered Payroll [(b-a)/c]
9/30/2019	\$ -	32,692,403	32,692,403	0%	11,460,641	285.26%
9/30/2018	-	24,853,176	24,853,176	0%	10,732,647	231.57%

* GASB 75 requires 10 fiscal years of data to be presented. Subsequent data to be accumulated and presented to comply with GASB 75.

See Notes to Required Supplementary Information.

LIBERTY COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
GROUP TERM LIFE PROGRAM
SEPTEMBER 30, 2019

E-8

	Measurement Date	Measurement Date
	12/31/2017	12/31/2018
A. Total OPEB liability		
1. Service cost	\$ 34,852	\$ 40,578
2. Interest (on the Total OPEB Liability)	34,492	34,049
3. Changes in benefit terms	-	-
4. Difference between expected and actual experience	(14,434)	2,717
5. Changes in assumptions	44,273	(102,106)
6. Benefit payments, including refunds of employee contributions	<u>(28,235)</u>	<u>(26,936)</u>
7. Net change in total OPEB liability	70,948	(51,698)
8. Total OPEB liability - beginning	<u>891,622</u>	<u>962,570</u>
9. Total OPEB liability - ending	<u><u>\$ 962,570</u></u>	<u><u>\$ 910,872</u></u>
 B. Covered-employee payroll	 \$ 15,685,907	 \$ 16,835,072
 C. Net OPEB liability as a percentage of covered employee payroll [A.9 / B]	 6.14%	 5.41%

* GASB 75 requires 10 fiscal years of data to be presented. Subsequent data to be accumulated and presented to comply with GASB 75.

See Notes to Required Supplementary Information.

LIBERTY COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS - GROUP TERM LIFE PROGRAM
SEPTEMBER 30, 2019

	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 69,525	\$ 75,625
Contributions in relation to the actuarially determined contributions	<u>(69,525)</u>	<u>(75,625)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 16,553,550	\$ 17,689,444
Contributions as a percentage of covered employee payroll	0.42%	0.43%

* GASB 75 requires 10 fiscal years of data to be presented. Subsequent data to be accumulated and presented to

See Notes to Required Supplementary Information.

LIBERTY COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019

Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budgetary Information

Formal budgets are legally adopted on a GAAP basis for the General Fund, Road and Bridge Fund, Debt Service Funds, and certain Special Revenue Funds. The County reports the Road and Bridge Fund as a major Special Revenue Fund as of September 30, 2019.

Formal budgets (annualized budgeting) are not adopted in the Capital Projects Funds. Effective budgetary control in those funds is achieved through individual project budgeting in conformance with the provisions of bond orders and other sources.

The County Budget Officer prepares the proposed budget and submits the data to the Commissioners Court. A public hearing is held on the budget before finalizing it. The Court may increase or decrease the amounts requested by the departments. In the final budget, which is usually adopted in the last quarter of the year, appropriations of the budgeted funds cannot exceed the available fund balances in such funds at October 1, plus the estimated revenues for the ensuing year. During the year, the Court may increase budgeted revenues and expenditures for unexpected revenues or beginning fund balances in excess of budget estimates, provided the Court rules that a state of emergency exists. The legal level of budgetary control takes place at the major operating group level within each department. The major operating groups are: salary and benefits, supplies, services, capital outlays, debt services, and miscellaneous costs. Budgetary transfers between major operating groups within each department require Commissioners Court approval.

Amounts reported in the accompanying financial statements represent the original budgeted amount plus all supplemental appropriations.

Excess of Expenditures over Appropriations

For the year ended September 30, 2019, expenditures exceeded appropriations in the following budget categories:

<u>Fund/Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Debt Service			
Principal	\$ -	\$ 213,591	\$ (213,591)
Interest and fees	-	29,709	\$ (29,709)
Road and Bridge Fund			
Principal	-	192,212	\$ (192,212)
Interest and fees	-	34,631	\$ (34,631)

The budget deficiencies shown above are caused by financial statement presentation adjustments to report capital lease principal and interest expenditures originally budgeted in their functional/departmental categories.

LIBERTY COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019

Notes to Schedule of the County's Defined Benefit Pension Plan

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.
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	12.1 years (based on contribution rate calculated in 12/31/2018 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.90% 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	
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
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. 2018: No changes in plan provisions were reflected in the schedule.

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

Notes to Schedule of the County's Other Post Employment Benefits Plan

Other Post Employment Benefits Retirement Plan – Health Insurance Benefits Program

Actuarial Assumptions

The County's OPEB liability was measured as of September 30, 2019 using the following actuarial assumptions:

Valuation Date	September 30, 2019
Actuarial Cost Method	Individual Entry Age Normal Cost Method-Level Percentage of Projected Salary
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	2.66% (-0.34% real rate of return plus 3.00% inflation)
Health Care Cost Trend	Level 5.00% for medical and level 3.00% for dental.
Mortality	RPH-2014 Total Table with Projection MP-2019
Salary Increases	3.50%

LIBERTY COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019

Other Post Employment Benefits Retirement Plan – Group Term Life Program

Actuarial Assumptions

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2018 were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 75. Summary of actuarial assumptions are as follows:

Valuation Date	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
Investment Rate of Return (Discount Rate) *	4.10%*
Mortality Rate	
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

*20 Year Bond GO Index published by bondbuyer.com as of December 27, 2018.

COMBINING STATEMENTS AND SCHEDULES

LIBERTY COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS
SEPTEMBER 30, 2019

SPECIAL REVENUE FUNDS

District Attorney Fund – The District Attorney Fund accounts for revenues received from the State of Texas and fees collected in connection with processing checks issued or passed in violation of the Texas Penal Code. Fees deposited in this fund are used to defray expenses of the District attorney’s office.

District Attorney Forfeiture Fund – The District Attorney Forfeiture Fund accounts for forfeitures from drug related cases for use by the District Attorney’s office.

Child Crimes/Family Violence Fund – The Child Crimes/Family Violence Fund accounts for revenue received from the State used for salaries and other costs associated with providing assistance to victims of crime.

Victims Assistance Coordinator Fund – The Victims Assistance Coordinator Fund accounts for revenue received from the State used for salaries and other costs associated with providing assistance to victims of crime.

Land Acquisition Fund – The Land Acquisition Fund accounts for special vehicle registration fees designated for the acquisition of right-of-way for road expansion and for funding of other road and bridge costs.

Election Service Contract Fund – The Election Service Contract Fund accounts for revenues related to county elections.

County Clerk Records Management Fund – The County Clerk Records Management Fund accounts for revenues received from a special records management and preservation fee designated for records management and preservation services performed by the County Clerk.

District Clerk TDCJ Fund – The District Clerk TDCJ Fund accounts for revenues received from Texas Department of Criminal Justice (TDCJ) designated for the use of a District clerk in a county in which a state prison facility is located.

Law Library Fund – The Law Library Fund accounts for the operation of a law library for use by members of the Texas Bar Association. Financing is provided from fees assessed in each civil case filed in County and District Courts.

JP Technology Fund – The JP Technology Fund accounts for technology fees collected as a cost of court from defendants convicted of misdemeanor offenses. The fund may be used only to finance the purchase of technological enhancements and is administered by the Commissioners’ Court.

County and District Court Technology Fund – The County and District Court Technology Fund accounts for technology fees collected as a cost of court from defendants. The fund may be used only to finance the purchase of technological enhancements.

Court Record Preservation Fund – The Court Record Preservation Fund is used to account for preservation services provided by the District Clerk.

County Attorney Pre-trial Diversion Fund – The County Attorney Pre-trial Diversion Fund accounts for fees collected for the pre-trial diversion program of the County Attorney’s office.

District Attorney Pre-trial Diversion Fund – The District Attorney Pre-trial Diversion Fund accounts for fees collected for the pre-trial diversion program of the District Attorney’s office.

Courthouse Security Fund – The Courthouse Security Fund accounts for court filing fees designated for security services for buildings housing a District or County court.

LIBERTY COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS
SEPTEMBER 30, 2019

District Clerk Records Management Fund – The District Clerk Records Management Fund accounts for revenues received from a special records management and preservation fee designated for records management and preservation services performed by the District Clerk.

Commissioners' Court Records Management Fund – The Commissioners' Court Records Management Fund accounts for revenues received from a special records management and preservation fee designated for records management and preservation services performed by the Commissioners' Court.

Constables Forfeitures Fund – The Constables Forfeitures Fund accounts for forfeitures from drug related cases. Funds are restricted for law enforcement purposes.

DARE Fund – The Dare Fund accounts for revenues received from the surrounding community to support work with children to increase drug awareness and resistance. Funds are restricted for this purpose.

District Attorney Federal Forfeiture Fund – The District Attorney Federal Forfeiture Fund accounts for federally forfeited property received from the U.S. Department of Justice.

Jail Commissary Fund – The Jail Commissary Fund accounts for revenues received from commissary activities in the County Jail.

County Sheriff Forfeiture Funds – The County Sheriff Forfeitures Fund accounts for funds forfeited from funds seized in drug arrests. These funds are restricted for law enforcement purposes.

Constables Precincts 2 and 4 Forfeiture Funds – The Constables Forfeitures Fund accounts for forfeitures from drug related cases. Funds are restricted for law enforcement purposes.

CDBG (GLO #13-308-000-7582) Fund – This CDBG Fund accounts for grant revenues received from Texas General Land Office under the Community Development Block Grant Disaster Recovery Program for Non-rental Housing Projects for areas affected by Hurricane Ike.

CDBG (GLO #20-066-013-C095) Fund – This CDBG Fund accounts for grant revenues received from Texas General Land Office under the Community Development Block Grant Program for disaster recovery from Hurricane Harvey for the benefit of unincorporated areas within the County.

(GLO #13-314-000-7601) Fund – The DRS TDRA Grant Fund accounts for grant revenues received from the Texas General Land Office for disaster recovery for the benefit of unincorporated areas within the County.

Hull Freshwater Grant Fund – The Hull Freshwater Grant Fund accounts for Texas Community Development Block Grant funds to improve the water and sewer systems in Hull, Texas.

Dayton Park Apartments GLO Grant Fund – The Dayton Park Apartments GLO Grant Fund accounts for the rehabilitation of a rental housing complex for qualifying low-to-moderate income residents located in Dayton, Texas.

County Attorney Check Collection Fund – The County Attorney Check Collection Fund Accounts for fees collected in connection with processing checks issued or passed in violation of the Texas Penal Code. Fees deposited in this fund are used to defray expense of the County Attorney's office.

Juvenile Probation Fund – The Juvenile Probation Fund accounts for revenues received from the Texas Juvenile Probation Commission under an agreement to provide juvenile offenders with a program of rehabilitation. Funds are restricted for this purpose.

District Attorney Seizures Fund – The District Attorney Seizures Fund accounts for property seized by the District Attorney's office.

LIBERTY COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	012 District Attorney Fund	013 District Attorney Forfeiture Fund	021 Child Crimes/ Family Violence Fund
<u>ASSETS</u>			
Cash and cash equivalents	\$ 27,620	\$ 752,168	\$ 1,283
Taxes receivable, net	-	-	-
Other receivables	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Due from others	-	-	-
Prepaid items	-	-	-
Other assets	-	-	-
TOTAL ASSETS	27,620	752,168	1,283
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 27,620	\$ 752,168	\$ 1,283
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 7,279	\$ -
Accrued wages	-	-	-
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to other funds	-	2,034	-
Due to others	-	-	-
Unearned revenues	-	-	-
Other liabilities	-	-	-
TOTAL LIABILITIES	-	9,313	-
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - property taxes	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
<u>FUND BALANCES</u>			
Unspendable - prepaid items	-	-	-
Restricted fund balance:			
Debt service	-	-	-
Capital projects	-	-	-
Judicial	-	-	-
Legal	27,620	742,855	1,283
Public safety	-	-	-
Community developments	-	-	-
Records management	-	-	-
Committed fund balance	-	-	-
Unassigned fund balance	-	-	-
TOTAL FUND BALANCES	27,620	742,855	1,283
TOTAL LIABILITIES, DEFERRED INFLOWS, & FUND BALANCES	\$ 27,620	\$ 752,168	\$ 1,283

022 Victims Assistance Coordinator Fund	025 Land Acquisition Fund	027 Election Service Contract Fund	028 County Clerk Records Management Fund	030 District Clerk TDCJ Fund	031 Law Library Fund
\$ -	\$ 694,960	\$ 42,747	\$ 957,030	\$ 3,379	\$ 85,319
-	-	-	-	-	-
7,733	-	-	-	-	-
2,034	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,767</u>	<u>694,960</u>	<u>42,747</u>	<u>957,030</u>	<u>3,379</u>	<u>85,319</u>
-	-	-	-	-	-
<u>\$ 9,767</u>	<u>\$ 694,960</u>	<u>\$ 42,747</u>	<u>\$ 957,030</u>	<u>\$ 3,379</u>	<u>\$ 85,319</u>
\$ -	\$ 9,694	\$ -	\$ 54,577	\$ -	\$ 1,299
-	-	-	-	-	-
-	-	-	-	-	-
9,767	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,767</u>	<u>9,694</u>	<u>-</u>	<u>54,577</u>	<u>-</u>	<u>1,299</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,379	-
-	-	-	-	-	84,020
-	-	-	-	-	-
-	685,266	-	-	-	-
-	-	42,747	902,453	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>685,266</u>	<u>42,747</u>	<u>902,453</u>	<u>3,379</u>	<u>84,020</u>
<u>\$ 9,767</u>	<u>\$ 694,960</u>	<u>\$ 42,747</u>	<u>\$ 957,030</u>	<u>\$ 3,379</u>	<u>\$ 85,319</u>

LIBERTY COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	033	034	036
	JP Technology Fund	County & District Court Technology Fund	County Record Preservation Fund
	_____	_____	_____
<u>ASSETS</u>			
Cash and cash equivalents	\$ 113,247	\$ 15,807	\$ 126,732
Taxes receivable, net	-	-	-
Other receivables	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Due from others	-	-	-
Prepaid items	-	-	-
Other assets	-	-	-
TOTAL ASSETS	113,247	15,807	126,732
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 113,247	\$ 15,807	\$ 126,732
<u>LIABILITIES</u>			
Accounts payable	\$ 1,786	\$ 2,131	\$ -
Accrued wages	-	-	-
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Due to others	-	-	-
Unearned revenues	-	-	-
Other liabilities	-	-	-
TOTAL LIABILITIES	1,786	2,131	-
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - property taxes	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
<u>FUND BALANCES</u>			
Unspendable - prepaid items	-	-	-
Restricted fund balance:			
Debt service	-	-	-
Capital projects	-	-	-
Judicial	111,461	13,676	-
Legal	-	-	-
Public safety	-	-	-
Community developments	-	-	-
Records management	-	-	126,732
Committed fund balance	-	-	-
Unassigned fund balance	-	-	-
TOTAL FUND BALANCES	111,461	13,676	126,732
TOTAL LIABILITIES, DEFERRED INFLOWS, & FUND BALANCES	\$ 113,247	\$ 15,807	\$ 126,732

041	042	045	046	047	048
County Attorney Pre-trial Diversion Fund	District Attorney Pre-trial Diversion Fund	Courthouse Security Fund	District Clerk Records Management Fund	Commissioners' Court Records Management Fund	Constables Forfeitures Fund
\$ 247,363	\$ 38,644	\$ 71,468	\$ 59,283	\$ 107,225	\$ 26,033
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>247,363</u>	<u>38,644</u>	<u>71,468</u>	<u>59,283</u>	<u>107,225</u>	<u>26,033</u>
-	-	-	-	-	-
<u>\$ 247,363</u>	<u>\$ 38,644</u>	<u>\$ 71,468</u>	<u>\$ 59,283</u>	<u>\$ 107,225</u>	<u>\$ 26,033</u>
\$ -	\$ -	\$ -	\$ 1,008	\$ 486	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,008	486	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
247,363	38,644	-	-	-	-
-	-	71,468	-	-	26,033
-	-	-	58,275	106,739	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>247,363</u>	<u>38,644</u>	<u>71,468</u>	<u>58,275</u>	<u>106,739</u>	<u>26,033</u>
<u>\$ 247,363</u>	<u>\$ 38,644</u>	<u>\$ 71,468</u>	<u>\$ 59,283</u>	<u>\$ 107,225</u>	<u>\$ 26,033</u>

LIBERTY COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	050	051 District Attorney Federal Forfeiture Fund	052 Jail Commissary Fund
	DARE Fund	Federal Forfeiture Fund	Jail Commissary Fund
	_____	_____	_____
<u>ASSETS</u>			
Cash and cash equivalents	\$ 435	\$ 17,230	\$ 86,527
Taxes receivable, net	-	-	-
Other receivables	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Due from others	-	-	-
Prepaid items	-	-	-
Other assets	-	-	-
TOTAL ASSETS	<u>435</u>	<u>17,230</u>	<u>86,527</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>\$ 435</u>	<u>\$ 17,230</u>	<u>\$ 86,527</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages	-	-	-
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	15,757
Due to others	-	-	-
Unearned revenues	-	-	-
Other liabilities	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>15,757</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - property taxes	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>			
Unspendable - prepaid items	-	-	-
Restricted fund balance:			
Debt service	-	-	-
Capital projects	-	-	-
Judicial	-	17,230	-
Legal	-	-	-
Public safety	435	-	70,770
Community developments	-	-	-
Records management	-	-	-
Committed fund balance	-	-	-
Unassigned fund balance	-	-	-
TOTAL FUND BALANCES	<u>435</u>	<u>17,230</u>	<u>70,770</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, & FUND BALANCES	<u>\$ 435</u>	<u>\$ 17,230</u>	<u>\$ 86,527</u>

054 County Sheriff Forfeitures Fund	062 Constable Precinct 4 Forfeiture Fund	063 Constable Precinct 2 Forfeiture Fund	067 CDBG (GLO #13-307- 000-7582) Fund	068 CDBG (GLO #20-066- 013-C095) Fund	069 (GLO #13-314- 000-7601) Fund
\$ 413,461	\$ 5,397	\$ 3,056	\$ 1,786	\$ -	\$ 11
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	655,567
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>413,461</u>	<u>5,397</u>	<u>3,056</u>	<u>1,786</u>	<u>-</u>	<u>655,578</u>
-	-	-	-	-	-
<u>\$ 413,461</u>	<u>\$ 5,397</u>	<u>\$ 3,056</u>	<u>\$ 1,786</u>	<u>\$ -</u>	<u>\$ 655,578</u>
\$ -	\$ -	\$ -	\$ 1,786	\$ -	\$ 629,828
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	25,750
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,786	-	655,578
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
413,461	5,397	3,056	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>413,461</u>	<u>5,397</u>	<u>3,056</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 413,461</u>	<u>\$ 5,397</u>	<u>\$ 3,056</u>	<u>\$ 1,786</u>	<u>\$ -</u>	<u>\$ 655,578</u>

LIBERTY COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	078 Hull Freshwater Grant Fund	079 Dayton Park Apartments GLO Grant Fund	090 County Attorney Check Collection Fund
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ -	\$ 13,395
Taxes receivable, net	-	-	-
Other receivables	-	-	-
Due from other governments	43,116	140,000	-
Due from other funds	-	-	-
Due from others	-	-	-
Prepaid items	-	-	-
Other assets	-	-	-
TOTAL ASSETS	43,116	140,000	13,395
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 43,116	\$ 140,000	\$ 13,395
<u>LIABILITIES</u>			
Accounts payable	\$ 43,116	\$ 140,000	\$ -
Accrued wages	-	-	-
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Due to others	-	-	-
Unearned revenues	-	-	-
Other liabilities	-	-	-
TOTAL LIABILITIES	43,116	140,000	-
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - property taxes	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
<u>FUND BALANCES</u>			
Unspendable - prepaid items	-	-	-
Restricted fund balance:			
Debt service	-	-	-
Capital projects	-	-	-
Judicial	-	-	-
Legal	-	-	13,395
Public safety	-	-	-
Community developments	-	-	-
Records management	-	-	-
Committed fund balance	-	-	-
Unassigned fund balance	-	-	-
TOTAL FUND BALANCES	-	-	13,395
TOTAL LIABILITIES, DEFERRED INFLOWS, & FUND BALANCES	\$ 43,116	\$ 140,000	\$ 13,395

093 Juvenile Probation Fund	094 District Attorney Seizures Fund	Total Nonmajor Governmental Funds
\$ 4	\$ 11,400	\$ 3,923,010
-	-	-
-	-	-
-	-	846,416
-	-	2,034
65,574	-	65,574
-	-	-
-	-	-
<u>65,578</u>	<u>11,400</u>	<u>4,837,034</u>
-	-	-
<u>\$ 65,578</u>	<u>\$ 11,400</u>	<u>\$ 4,837,034</u>
\$ 29,413	\$ -	\$ 922,403
-	-	-
-	-	-
-	-	-
36,165	-	89,473
-	11,400	11,400
-	-	-
-	-	-
<u>65,578</u>	<u>11,400</u>	<u>1,023,276</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	145,746
-	-	1,155,180
-	-	590,620
-	-	685,266
-	-	1,236,946
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>3,813,758</u>
<u>\$ 65,578</u>	<u>\$ 11,400</u>	<u>\$ 4,837,034</u>

LIBERTY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	012 District Attorney Fund	013 District Attorney Forfeiture Fund	021 Child Crimes/ Family Violence Fund
	Fund	Fund	Fund
<u>REVENUES</u>			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales tax	-	-	-
Other taxes	-	-	-
Licenses and permits	-	-	-
Fees, fines & forfeitures	64,076	41,554	1,263
Charges for services	-	-	-
Intergovernmental revenue	29,289	-	-
Investment income	-	4,928	-
Other revenues	-	-	-
TOTAL REVENUES	93,365	46,482	1,263
<u>EXPENDITURES</u>			
Current:			
General government	\$ -	\$ -	\$ -
Judicial	-	-	-
Legal	94,781	114,433	-
Financial	-	-	-
Public safety	-	-	-
Health and welfare	-	-	1,200
Public transportation	-	-	-
Community development	-	-	-
Other	-	-	-
Capital expenditures	-	-	-
Debt service:			
Principal	-	-	-
Interest and fees	-	-	-
TOTAL EXPENDITURES	94,781	114,433	1,200
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(1,416)	(67,951)	63
OTHER FINANCING SOURCES (USES):			
Operating transfers in	\$ -	\$ -	\$ -
Proceeds from debt issuance	-	-	-
Capital lease issuance	-	-	-
Operating transfers out	-	(8,327)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(8,327)	-
Net change in fund balances	(1,416)	(76,278)	63
FUND BALANCES - BEGINNING OF YEAR	29,036	819,133	1,220
FUND BALANCES - END OF YEAR	\$ 27,620	\$ 742,855	\$ 1,283

022 Victims Assistance Coordinator Fund	025 Land Acquisition Fund	027 Elections Service Contract Fund	028 County Clerk Records Management Fund	030 District Clerk TDCJ Fund	031 Law Library Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	317,218	-	52,256
-	-	34,703	-	-	-
33,307	-	-	-	-	-
-	-	-	-	-	-
-	351,016	-	-	-	-
<u>33,307</u>	<u>351,016</u>	<u>34,703</u>	<u>317,218</u>	<u>-</u>	<u>52,256</u>
\$ -	\$ -	\$ 18,550	\$ 175,292	\$ -	\$ -
-	-	-	-	9,597	15,354
-	-	-	-	-	-
41,634	-	-	-	-	-
-	288,725	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>41,634</u>	<u>288,725</u>	<u>18,550</u>	<u>175,292</u>	<u>9,597</u>	<u>15,354</u>
<u>(8,327)</u>	<u>62,291</u>	<u>16,153</u>	<u>141,926</u>	<u>(9,597)</u>	<u>36,902</u>
\$ 8,327	\$ 30,000	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	(36,601)	-	-	-	(1,407)
<u>8,327</u>	<u>(6,601)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,407)</u>
-	55,690	16,153	141,926	(9,597)	35,495
-	629,576	26,594	760,527	12,976	48,525
<u>\$ -</u>	<u>\$ 685,266</u>	<u>\$ 42,747</u>	<u>\$ 902,453</u>	<u>\$ 3,379</u>	<u>\$ 84,020</u>

LIBERTY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	033	034	036
	JP Technology Fund	County & District Court Technology Fund	County Record Preservation Fund
<u>REVENUES</u>			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales tax	-	-	-
Other taxes	-	-	-
Licenses and permits	-	-	-
Fees, fines & forfeitures	26,651	1,475	18,101
Charges for services	-	-	-
Intergovernmental revenue	-	-	-
Investment income	-	-	-
Other revenues	-	-	-
TOTAL REVENUES	26,651	1,475	18,101
<u>EXPENDITURES</u>			
Current:			
General government	\$ -	\$ -	\$ -
Judicial	47,596	5,556	-
Legal	-	-	-
Financial	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Public transportation	-	-	-
Community development	-	-	-
Other	-	-	-
Capital expenditures	-	-	-
Debt service:			
Principal	-	-	-
Interest and fees	-	-	-
TOTAL EXPENDITURES	47,596	5,556	-
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(20,945)	(4,081)	18,101
OTHER FINANCING SOURCES (USES):			
Operating transfers in	\$ -	\$ -	\$ -
Proceeds from debt issuance	-	-	-
Capital lease issuance	-	-	-
Operating transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Net change in fund balances	(20,945)	(4,081)	18,101
FUND BALANCES - BEGINNING OF YEAR	132,406	17,757	108,631
FUND BALANCES - END OF YEAR	\$ 111,461	\$ 13,676	\$ 126,732

041 County Attorney Pre-trial Diversion Fund	042 District Attorney Pre-trial Diversion Fund	045 Courthouse Security Fund	046 District Clerk Records Management Fund	047 Commissioners' Court Records Management Fund	048 Constables Forfeitures Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
18,200	-	72,106	18,533	20,600	-
-	5,099	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,200</u>	<u>5,099</u>	<u>72,106</u>	<u>18,533</u>	<u>20,600</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ 115,477	\$ -
-	-	71,890	18,474	-	-
-	-	-	-	-	-
19,346	9,972	-	-	-	11,225
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,346</u>	<u>9,972</u>	<u>71,890</u>	<u>18,474</u>	<u>115,477</u>	<u>11,225</u>
<u>(1,146)</u>	<u>(4,873)</u>	<u>216</u>	<u>59</u>	<u>(94,877)</u>	<u>(11,225)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,146)</u>	<u>(4,873)</u>	<u>216</u>	<u>59</u>	<u>(94,877)</u>	<u>(11,225)</u>
<u>248,509</u>	<u>43,517</u>	<u>71,252</u>	<u>58,216</u>	<u>201,616</u>	<u>37,258</u>
<u>\$ 247,363</u>	<u>\$ 38,644</u>	<u>\$ 71,468</u>	<u>\$ 58,275</u>	<u>\$ 106,739</u>	<u>\$ 26,033</u>

LIBERTY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	050	051 District Attorney Federal Forfeiture Fund	052 Jail Commissary Fund
	DARE Fund	Federal Forfeiture Fund	Jail Commissary Fund
	_____	_____	_____
<u>REVENUES</u>			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales tax	-	-	-
Other taxes	-	-	-
Licenses and permits	-	-	-
Fees, fines & forfeitures	-	-	-
Charges for services	-	-	61,798
Intergovernmental revenue	-	-	-
Investment income	-	-	596
Other revenues	1,324	-	-
TOTAL REVENUES	<u>1,324</u>	<u>-</u>	<u>62,394</u>
<u>EXPENDITURES</u>			
Current:			
General government	\$ -	\$ -	\$ -
Judicial	-	-	-
Legal	-	-	-
Financial	-	-	-
Public safety	4,878	-	64,982
Health and welfare	-	-	-
Public transportation	-	-	-
Community development	-	-	-
Other	-	-	-
Capital expenditures	-	-	-
Debt service:			
Principal	-	-	-
Interest and fees	-	-	-
TOTAL EXPENDITURES	<u>4,878</u>	<u>-</u>	<u>64,982</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(3,554)</u>	<u>-</u>	<u>(2,588)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	\$ 1,429	\$ -	\$ -
Proceeds from debt issuance	-	-	-
Capital lease issuance	-	-	-
Operating transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,429</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,125)	-	(2,588)
FUND BALANCES - BEGINNING OF YEAR	<u>2,560</u>	<u>17,230</u>	<u>73,358</u>
FUND BALANCES - END OF YEAR	<u>\$ 435</u>	<u>\$ 17,230</u>	<u>\$ 70,770</u>

054 County Sheriff Forfeitures Fund	062 Constable Precinct 4 Forfeiture Fund	063 Constable Precinct 2 Forfeiture Fund	067 CDBG (GLO #13-307- 000-7582) Fund	068 CDBG (GLO #20-066- 013-C095) Fund	069 (GLO #13-314- 000-7601) Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
87,380	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,682,800
-	-	-	-	-	-
-	-	-	-	-	-
<u>87,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,682,800</u>
\$ -	\$ -	\$ -	\$ -	\$ 120	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
126,336	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,682,800
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>126,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>1,682,800</u>
<u>(38,956)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120)</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ 120	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>-</u>
<u>(38,956)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>452,417</u>	<u>5,397</u>	<u>3,056</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 413,461</u>	<u>\$ 5,397</u>	<u>\$ 3,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LIBERTY COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	078 Hull Freshwater Grant Fund	079 Dayton Park Apartments GLO Grant Fund	090 County Attorney Check Collection Fund
<u>REVENUES</u>			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales tax	-	-	-
Other taxes	-	-	-
Licenses and permits	-	-	-
Fees, fines & forfeitures	-	-	-
Charges for services	-	-	-
Intergovernmental revenue	43,116	1,400,000	-
Investment income	-	-	-
Other revenues	-	-	1,438
TOTAL REVENUES	43,116	1,400,000	1,438
<u>EXPENDITURES</u>			
Current:			
General government	\$ -	\$ -	\$ -
Judicial	-	-	-
Legal	-	-	6,389
Financial	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Public transportation	-	-	-
Community development	43,116	1,400,000	-
Other	-	-	-
Capital expenditures	-	-	-
Debt service:			
Principal	-	-	-
Interest and fees	-	-	-
TOTAL EXPENDITURES	43,116	1,400,000	6,389
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	-	-	(4,951)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	\$ -	\$ -	\$ -
Proceeds from debt issuance	-	-	-
Capital lease issuance	-	-	-
Operating transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Net change in fund balances	-	-	(4,951)
FUND BALANCES - BEGINNING OF YEAR	-	-	18,346
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 13,395

093 Juvenile Probation Fund	094 District Attorney Seizures Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	739,413
-	-	96,501
366,929	-	3,560,540
-	-	5,524
-	-	353,778
<u>366,929</u>	<u>-</u>	<u>4,755,756</u>

\$ -	\$ -	\$ 309,439
-	-	168,467
-	11,400	227,003
-	-	-
370,739	-	649,112
-	-	1,200
-	-	288,725
-	-	3,125,916
-	-	-
-	-	-
-	-	-
<u>370,739</u>	<u>11,400</u>	<u>4,769,862</u>
<u>(3,810)</u>	<u>(11,400)</u>	<u>(14,106)</u>

\$ -	\$ 11,400	\$ 51,276
-	-	-
-	-	-
-	-	(46,335)
<u>-</u>	<u>11,400</u>	<u>4,941</u>
(3,810)	-	(9,165)
<u>3,810</u>	<u>-</u>	<u>3,822,923</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,813,758</u>

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LIBERTY COUNTY, TEXAS
FIDUCIARY FUNDS DESCRIPTIONS
SEPTEMBER 30, 2019

AGENCY FUNDS

County Sheriff Seizure Fund – The County Sheriff Seizure Fund accounts for funds seized in drug arrests until said funds are determined to be forfeited or returned to the rightful owner.

Old River Drainage District No. 1 Fund – The Old River Drainage District No. 1 Fund accounts for funds held on behalf of Old River Drainage District No. 1.

Inmate Release Fund – The Inmate Release Fund accounts for funds received by or for the benefit of inmates. Funds are used for the inmates' commissary and medical needs.

County Officials Fund – The County Officials Fund accounts for assets held by the County as agent for other governments, courts or individuals.

State Court Costs Fund – The State Court Costs Fund accounts for assets held by the County on behalf of other governments.

CS & CD Programs Fund – The CS & CD Programs Fund accounts for funds held on behalf of the Liberty-Chambers Counties Community Supervision and Corrections Department (Adult Probation Programs).

LCSO Fine & Bond Account Fund – The LCSO Fine & Bond Account Fund accounts for funds received from inmates for fines and bonds.

LIBERTY COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2019

	055 County Sheriff Seizure Fund	059 Old River Drainage District #1 Fund	087 Inmate Release Fund
<u>ASSETS</u>			
Cash and cash equivalents	\$ 166,398	\$ 983,593	\$ 89,919
Due from other governments	-	-	-
Due from other funds	-	-	-
Due from others	-	-	-
Other assets	-	-	-
TOTAL ASSETS	<u>\$ 166,398</u>	<u>\$ 983,593</u>	<u>\$ 89,919</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ 14,695	\$ -
Due to other governments	-	-	-
Due to other funds	-	-	-
Due to others	166,398	968,898	89,919
Other liabilities	-	-	-
TOTAL LIABILITIES	<u>\$ 166,398</u>	<u>\$ 983,593</u>	<u>\$ 89,919</u>

088	089	058; 092	095	
County Officials Funds	State Court Costs Fund	CS & CD Programs Fund	LCSO Fine & Bond Account Fund	Total Agency Funds
\$ 11,245,307	\$ 246,177	\$ 532,817	\$ 155	\$ 13,264,366
-	-	740	-	740
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 11,245,307</u>	<u>\$ 246,177</u>	<u>\$ 533,557</u>	<u>\$ 155</u>	<u>\$ 13,265,106</u>
\$ -	\$ 5,864	\$ 4,045	\$ -	\$ 24,604
37,902	204,310	100,451	155	342,818
-	-	-	-	-
11,207,405	36,003	429,061	-	12,897,684
-	-	-	-	-
<u>\$ 11,245,307</u>	<u>\$ 246,177</u>	<u>\$ 533,557</u>	<u>\$ 155</u>	<u>\$ 13,265,106</u>