

WINKLER COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Winkler County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2017

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Introductory Section

WINKLER COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2017

Principal Officials

<u>Name</u>	<u>Office</u>
District Courts	
Martin B. Muncy	District Judge
Sherry Terry	District Clerk
Amanda Navarette	District Attorney
Commissioners' Court	
Charles Wolf	County Judge
Billy Stevens	Commissioner, Precinct 1
Robbie Wolf	Commissioner, Precinct 2
Hope Williams	Commissioner, Precinct 3
Billy Ray Thompson	Commissioner, Precinct 4
County and Precinct Officials	
Thomas Duckworth, Jr.	County Attorney
Jeanna Wilhelm	County Auditor
Shethelia Reed	County Clerk
Minerva Soltero	Tax Assessor-Collector
Darin Mitchell	Sheriff
Shannon Nutt	County Treasurer
Erma Coleman	Justice of the Peace, Precinct 1
Glenda Mixon	Justice of the Peace, Precinct 2
Richard Crow	Constable, Precinct 1
Carl Garrett	Constable, Precinct 2
Raul Santillan	Chief Adult Probation Officer
Christi Gonzales	Chief Juvenile Probation Officer

Financial Section

Robison Johnston & Patton, LLP
C E R T I F I E D P U B L I C A C C O U N T A N T S
A P A R T N E R S H I P I N C L U D I N G P R O F E S S I O N A L C O R P O R A T I O N S

Independent Auditors' Report

To the Commissioners' Court
Winkler County, Texas
100 East Winkler
Kermit, Texas 79745

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 the Winkler County, Texas ("the County") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County'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 Winkler County, Texas as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the financial statements referred to above include only the primary government of Winkler County, Texas, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. These primary government financial statements do not include financial data for the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government. As a result, the primary government financial statements do not purport to, and do not present fairly the financial position of the reporting entity of Winkler County, as of December 31, 2017, the changes in its financial position or, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

We did not audit the financial statements of Memorial Hospital, Kermit, Texas.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of funding progress for OPEB benefits, schedule of the County's proportionate share of the net pension liability and schedule of County pension contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Winkler County, Texas' basic financial statements. The introductory section, combining financial statements, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2018 on our consideration of Winkler County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Winkler County, Texas' internal control over financial reporting and compliance.

Robison Johnston ; Petter LLP

Lubbock, TX
June 20, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Winkler County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2017. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's total combined net position was \$51,301,497 at December 31, 2017.
- During the year, the County's expenses were \$1,235,994 less than the \$17,434,703 generated in taxes and other revenues for governmental activities.
- The total cost of the County's governmental programs increased by 19.85% over last year, and no new programs were added this year. This increase was primarily due to the transfer of assets and debt to the Hospital District as a result of the citizenship voting to create a separate Hospital District during the current audit period. Additional information on this transfer event may be found in the notes to the financial statements.
- The general fund reported a total fund balance this year of \$28,941,377, of which \$20,242,646 is considered unassigned.

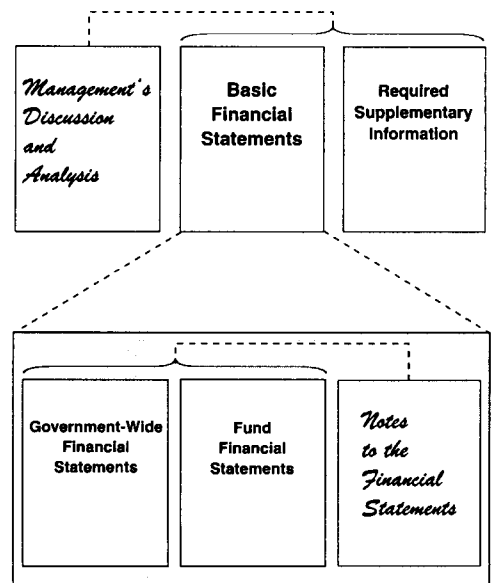
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- 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 the government 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. This annual report also includes *management's discussion and analysis* that provides a summary of the financial statements and explains the information in the financial statements.

Figure A-1, Required Components of the County's Annual Financial Report



Summary ↔ Detail

Figure A-1 shows how the required parts of

Figure A-2. Major Features of the County's Government-wide and Fund Financial Statements

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the county that are not proprietary or fiduciary	Activities the county operates similar to private businesses: self insurance	Instances in which the county is the trustee or agent for someone else's resources
Type of reports	Statement of net position Statement of changes in net position	Statement of net position Statement of changes in net position	Statement of net position Statement of changes in net position Statement of cash flow	Statement of fiduciary position Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how it has changed. Net position—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, public safety, transportation, health and welfare, culture and recreation, facilities, judicial, legal, and interest on long-term debt. Property taxes, sales taxes, charges for services and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.
- The Commissioners' Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of 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 at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

Proprietary funds—Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

- We use *internal service funds* to report activities that provide supplies and services for the County's other programs and activities.

Fiduciary funds—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

The financial statements do not include Memorial Hospital for which Winkler County had previously provided support, oversaw the operations, and promulgated the rules and regulations for.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's combined net position was \$51,301,497 at December 31, 2017.

	Governmental Activities		Percentage Change
	2017	2016	
Current assets:			
Cash and cash equivalents	\$21,865,096	\$19,531,000	11.95%
Receivables: (net of allowances)			
Accounts	1,628,256	952,243	70.99%
Taxes	7,981,194	7,148,005	11.66%
Ambulance, Fines & Fees	1,186,971	886,646	33.87%
Total current assets:	32,661,517	28,517,894	
Noncurrent assets:			
Land	217,697	232,196	6.24%
Building and Improvements	23,873,556	37,118,157	35.68%
Furniture and Equipment	11,159,459	13,115,093	14.91
Infrastructure	6,103,434	6,103,434	0%
Construction in Progress	514,459	262,109	96.28%
Less accumulated Depreciation	(23,439,290)	(26,291,132)	10.85%
Total noncurrent assets	18,429,315	30,539,857	
Total Assets	51,090,832	59,057,751	
Deferred Outflows:			
Unrealized Expenses	143,708	158,504	9.33%
Deferred Costs for Refunding	0	73,777	100%
Def. Outflow related to Pension	2,336,905	2,233,310	4.64%
Total Deferred Outflows	2,480,613	2,465,591	
Total Assets and Deferred Outflows	53,571,445	61,523,342	
Current liabilities:			
Accounts payable	404,500	312,554	29.41%
Building deposits	13,300	8,150	63.19%
Accrued payroll	132,694	132,978	.21%
Accrued interest payable	0	69,741	100%
Total current liabilities	550,494	523,423	
Noncurrent liabilities:			
Due within one year	0	563,999	100%
Due in more than one year	0	8,536,292	100%
Net pension liability	1,251,861	1,502,696	16.69%
Other Post Empi Benefits	206,935	206,935	0%
Total Liabilities	2,009,290	11,333,345	
Deferred Inflows:			
Def. Inflows Related to Pensions	260,658	124,495	109.37%
Total Deferred Inflows	260,658	124,495	

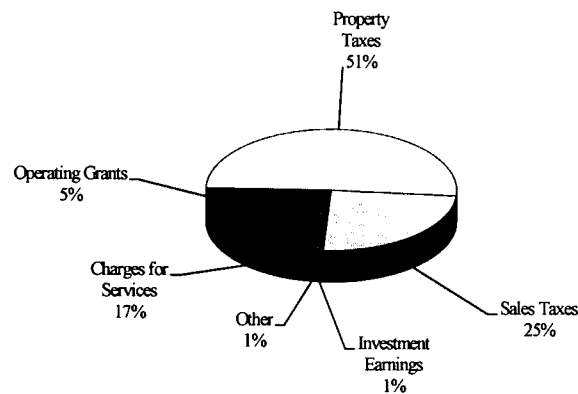
Net Position:			
Net Invest. in capital assets	18,429,315	21,439,566	14.04%
Restricted For:			
Debt Service	0	812,000	100%
Unrestricted	32,872,182	27,813,936	18.18%
Total Net Position	51,301,497	50,065,502	

The \$32,872,182 of unrestricted net position represents resources available to fund the programs of the County next year.

Statement of Activities. The County's total revenues were \$17,434,703. A significant portion, 51 percent, of the County's revenue comes from property taxes. (See Figure A-3) 25 percent comes from sales taxes, 17 percent comes from charges for services, 5 percent from operating grants, 1 percent from investment earnings, and 1 percent comes from other.

The total cost of all programs and services was \$16,198,709; 41.16 percent of these costs are for health and welfare.

**Figure A-3 County
Sources of Revenue for Fiscal Year 2017**



	Governmental Activities		Total Percentage Change
	<u>2017</u>	<u>2016</u>	<u>2016-2017</u>
Program Revenues:			
Charges for services	3,179,791	2,581,556	23.17%
Operating Grants	789,265	841,247	6.18%
Property Taxes	8,864,434	7,904,349	12.14%
Sales Taxes	4,294,129	2,090,134	105.45%
Miscellaneous	146,661	33,050	343.75%
Investment Earnings	160,423	91,317	75.67%
Total Revenues	17,434,703	13,541,653	
Expenses:			
General administration	3,182,837	3,644,235	12.66%
Public safety	2,780,157	2,738,006	1.54%
Transportation	958,433	1,009,112	5.02%
Health and welfare	6,667,335	3,264,324	104.25%
Culture and recreation	1,374,199	1,462,990	6.07%
Facilities	231,022	215,506	7.20%
Judicial	527,420	471,453	11.87%
Legal	365,921	405,648	9.79%
Interest on long-term debt	111,084	114,162	2.70%
Bond issuance costs	300	189,859	99.84%
Total Expenses	16,198,709	13,515,295	
Increase in net Assets	1,235,994	26,359	4589.07%
Increase in Net Position	1,235,994	26,359	4589.07%

The table below presents the cost of each of the County's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$16,198,709.
- The amount that our taxpayers paid for these activities through property taxes was \$8,864,434.
- Some of the cost was paid by those who directly benefited from the programs \$3,179,791 or
- By grants and contributions \$789,265.

Net Cost of Selected County Functions

	Total Cost of Services		% Change	Net Cost of Services		% Change
	<u>2017</u>	<u>2016</u>		<u>2017</u>	<u>2016</u>	
General administration	3,182,837	3,644,235	12.66%	1,690,705	2,410,810	29.87%
Public Safety	2,780,157	2,738,006	1.54%	1,222,740	1,235,575	1.04%
Health & Welfare	6,667,335	3,264,324	104.25%	6,543,705	2,889,188	126.49%
Debt Service – Interest & Fiscal Charges	111,084	114,162	2.70%	111,084	114,162	2.70%

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget several times. The resulting variances from these approved amendments are summarized below.

The total actual general fund revenues exceeded budgeted amounts by \$2,229,374. The most significant line item variances were in the general sales and use taxes and fee categories.

The total actual general fund expenditures were less than the budgeted amounts by a total of \$1,080,765. Actual capital outlay expenditures were less than expected and overall costs were lower than budgeted totals.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the County had invested \$18,429,315 in a broad range of capital assets, including land, furniture and equipment, and buildings and improvements.

	Governmental Activities		Percentage Change 2016-2017
	<u>2017</u>	<u>2016</u>	
Land	\$217,697	\$232,196	6.24%
Buildings and improvements	23,873,556	37,118,157	35.68%
Furniture and Equipment	11,159,459	13,115,093	14.91%
Construction in Progress	514,459	262,109	96.28%
Infrastructure	6,103,434	6,103,434	0%
Totals at historical cost	<u>41,868,605</u>	<u>56,830,989</u>	
Total accumulated depreciation	<u>(23,439,290)</u>	<u>(26,291,132)</u>	10.85%
Net capital assets	<u>\$18,429,315</u>	<u>\$30,539,857</u>	

More detailed information about the County's capital assets is presented in the notes to the financial statements.

Long Term Debt

At year-end the County had \$1,458,796 in capital leases and bonds payable outstanding as shown below. More detailed information about the County's debt is presented in the notes to the financial statements.

	Governmental Activities		Total Percentage Change 2016-2017
	<u>2017</u>	<u>2016</u>	
Bonds Payable	0	8,880,000	100%
Bond Premium	0	220,291	100%
Net Pension Liability	1,251,861	1,502,696	16.69%
Other Post Empl Benefits	206,935	206,935	0%
Total Long Term Debt	<u>\$1,458,796</u>	<u>\$10,809,922</u>	

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office. Complete financial statements for the Hospital, which are audited by other auditors, may be obtained at the Hospital's administrative offices or at the offices of the County Auditor of Winkler County.

Basic Financial Statements

WINKLER COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 21,865,096
<i>Receivables (net of allowances for uncollectibles):</i>	
<i>Accounts</i>	1,628,256
<i>Taxes</i>	7,981,194
<i>Ambulance, Fines, Fees & Court Costs</i>	1,186,971
<i>Capital Assets (net of accumulated depreciation):</i>	
<i>Land</i>	217,697
<i>Buildings and Improvements</i>	11,894,421
<i>Furniture and Equipment</i>	3,813,083
<i>Infrastructure</i>	1,989,655
<i>Construction in Progress</i>	514,459
Total Assets	<u>51,090,832</u>
DEFERRED OUTFLOWS:	
<i>Unrealized Expenses</i>	143,708
<i>Deferred Outflows Related to Pensions</i>	2,336,905
Total Deferred Outflows	<u>2,480,613</u>
Total Assets and Deferred Outflows	<u>53,571,445</u>
LIABILITIES:	
<i>Accounts Payable and Other Current Liabilities</i>	404,500
<i>Building Deposits</i>	13,300
<i>Accrued Payroll</i>	132,694
<i>Noncurrent Liabilities-</i>	
<i>Net Pension Liability</i>	1,251,861
<i>Other Post Employment Benefits Obligation</i>	206,935
Total Liabilities	<u>2,009,290</u>
DEFERRED INFLOWS:	
<i>Deferred Inflows Related to Pensions</i>	260,658
Total Deferred Inflows	<u>260,658</u>
Total Liabilities and Deferred Inflows	<u>2,269,948</u>
NET POSITION:	
Net Investment in Capital Assets	18,429,315
Unrestricted	32,872,182
Total Net Position	<u>\$ 51,301,497</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Administration	\$ 3,182,837	\$ 976,371	\$ 515,761	\$ (1,690,705)
Public Safety	2,780,157	1,356,188	201,229	(1,222,740)
Transportation	958,433	455,992		(502,441)
Health and Welfare	6,667,335	123,630		(6,543,705)
Culture and Recreation	1,374,199	108,469		(1,265,730)
Facilities	231,022			(231,022)
Judicial	527,420	71,325	37,275	(418,820)
Legal	365,921	87,816	35,000	(243,105)
Interest on Long-term Debt	111,084			(111,084)
Bond Issuance Costs	300			(300)
Total Governmental Activities	<u>16,198,709</u>	<u>3,179,791</u>	<u>789,265</u>	<u>(12,229,653)</u>
Total Primary Government	<u>\$ 16,198,709</u>	<u>\$ 3,179,791</u>	<u>\$ 789,265</u>	<u>(12,229,653)</u>
General Revenues:				
Property Taxes, Levied for General Purposes				8,803,672
Property Taxes, Levied for Debt Purposes				60,762
Sales Taxes				4,294,129
Miscellaneous				146,661
Unrestricted Investment Earnings				160,423
Total General Revenues				<u>13,465,647</u>
Change in Net Assets				1,235,994
Net Assets - Beginning				50,065,503
Net Assets - Ending				<u>\$ 51,301,497</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 20,068,272	\$ 789,152	\$ 20,857,424
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	1,620,820	7,436	1,628,256
<i>Taxes</i>	7,970,480	10,714	7,981,194
<i>Ambulance, Fines, Fees & Court Costs</i>	1,186,971		1,186,971
Total Assets	<u>30,846,543</u>	<u>807,302</u>	<u>31,653,845</u>
Total Assets and Deferred Outflows	<u>\$ 30,846,543</u>	<u>\$ 807,302</u>	<u>\$ 31,653,845</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable and Other Current Liabilities</i>	\$ 155,206	\$ 178,154	\$ 333,360
<i>Deposits</i>	10,158		10,158
<i>Accrued Payroll</i>	132,694		132,694
<i>Due to Other Funds</i>	29,156		29,156
Total Liabilities	<u>327,214</u>	<u>178,154</u>	<u>505,368</u>
Deferred Inflows:			
<i>Taxes</i>	390,981	10,714	401,695
<i>Ambulance, Fines, Fees & Court Costs</i>	1,186,971		1,186,971
Total Deferred Inflows	<u>1,577,952</u>	<u>10,714</u>	<u>1,588,666</u>
Fund Balances:			
Restricted For:			
<i>Public Safety</i>		121,603	121,603
<i>Legal Services</i>		73,019	73,019
<i>Judicial Services</i>		189,775	189,775
<i>General Administration</i>		234,037	234,037
<i>Committed</i>	8,698,731		4,361,111
<i>Unassigned</i>	20,242,646		20,242,646
Total Fund Balance	<u>28,941,377</u>	<u>618,434</u>	<u>29,559,811</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 30,846,543</u>	<u>\$ 807,302</u>	<u>\$ 31,653,845</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2017

Total fund balances - governmental funds balance sheet	\$ 29,559,811
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	18,429,315
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	401,695
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	962,546
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	1,186,971
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	143,708
Payables for OPEB which are not due in the current period and not reported in the funds.	(206,935)
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(1,251,861)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(260,658)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	<u>2,336,905</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 51,301,497</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
<i>Ad Valorem Taxes</i>	\$ 8,991,150	\$ 60,762	\$ 9,051,912
<i>General Sales and Use Taxes</i>	4,294,129		4,294,129
<i>License and Permits</i>	262,451		262,451
<i>Intergovernmental</i>	588,673	110,979	699,652
<i>Fines and Forfeitures</i>	177,070	6,287	183,357
<i>Fees</i>	799,489	237,135	1,036,624
<i>Investment Earnings</i>	158,616	1,807	160,423
<i>Jail Revenue</i>	1,105,208		1,105,208
<i>Other</i>	526,185	1,915	528,100
Total revenues	<u>16,902,971</u>	<u>418,885</u>	<u>17,321,856</u>
Expenditures:			
Current:			
<i>General Administration</i>	3,555,678		3,555,678
<i>Public Safety</i>	2,325,026	210,902	2,535,928
<i>Transportation</i>	965,434		965,434
<i>Health and Welfare</i>	2,434,870		2,434,870
<i>Culture and Recreation</i>	1,055,469		1,055,469
<i>Facilities</i>	148,434		148,434
<i>Judicial</i>	507,283	25,915	533,198
<i>Legal</i>	320,818		320,818
Debt Service:			
<i>Principal</i>		515,000	515,000
<i>Interest and Fiscal Charges</i>		180,825	180,825
<i>Bond Issuance Costs</i>		300	300
Capital Outlay	1,301,371	91,002	1,392,373
Total Expenditures	<u>12,614,383</u>	<u>1,023,944</u>	<u>13,638,327</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,288,588</u>	<u>(605,059)</u>	<u>3,683,529</u>
Other Financing Sources (Uses):			
<i>Other Financing Uses- Transfer to Hospital District</i>	(825)	(178,154)	(178,979)
Total Other Financing Sources (Uses)	<u>(825)</u>	<u>(178,154)</u>	<u>(178,979)</u>
Net Change in Fund Balances	4,287,763	(783,213)	3,504,550
Fund Balances - Beginning	24,653,614	1,401,647	26,055,261
Fund Balances - Ending	<u>\$ 28,941,377</u>	<u>\$ 618,434</u>	<u>\$ 29,559,811</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017*

Net change in fund balances - total governmental funds	\$ 3,504,550
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,644,723
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,756,321)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(11,998,942)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(187,478)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	300,325
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(14,796)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	515,000
Transfer of outstanding bonds and related premiums and deferred resource outflows to Winkler County Hospital District	8,511,514
(Increase) decrease in accrued interest from beginning of period to end of period.	69,741
The net revenue (expense) of internal service funds is reported with governmental activities.	429,413
Pension contributions made before the measurement date and during the previous FY were expensed and reduced NPL.	(533,733)
Pension contributions made after the measurement date but in current FY were de-expended & recorded as deferred resource outflows.	1,003,992
The County's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	(403,912)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	151,924
Other reconciling items- Rounding	(6)
Change in net position of governmental activities - Statement of Activities	<u>\$ 1,235,994</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
DECEMBER 31, 2017

	Nonmajor Internal Service Fund <u>Employee Health Benefit Fund</u>
ASSETS AND DEFERRED OUTFLOWS:	
Current Assets:	
<i>Cash and Cash Equivalents</i>	\$ 1,007,672
<i>Due from other funds</i>	<u>29,156</u>
Total Assets	<u>1,036,828</u>
Deferred Outflows:	
Total Deferred Outflows	<u> </u>
Total Assets and Deferred Outflows	<u>\$ 1,036,828</u>
LIABILITIES:	
Current Liabilities:	
<i>Accounts payable</i>	\$ 74,282
Total Current Liabilities	<u>74,282</u>
Total Liabilities	<u>74,282</u>
NET POSITION:	
<i>Restricted for Health Insurance Claims</i>	962,546
Total Net Position	<u>\$ 962,546</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXASSTATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Nonmajor Internal Service Fund Employee Health Benefit Fund
OPERATING REVENUES:	
<i>Insurance Premiums</i>	\$ 1,930,238
Total Operating Revenues	<u>1,930,238</u>
OPERATING EXPENSES:	
<i>Paid Claims</i>	1,506,474
Total Operating Expenses	<u>1,506,474</u>
Operating Income	<u>423,764</u>
NON-OPERATING REVENUES (EXPENSES):	
<i>Interest Income</i>	5,649
Total Non-operating Revenues (Expenses)	<u>5,649</u>
Income before Contributions and Transfers	<u>429,413</u>
Change in Net Position	<u>429,413</u>
Total Net Position - Beginning	533,133
Total Net Position - Ending	<u>\$ 962,546</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Nonmajor Internal Service Fund
	Employee Health Benefit Fund
Cash Flows from Operating Activities:	
<i>Cash Received from Patients and Third-Party Payers</i>	\$ 1,930,238
<i>Interfund Services Provided and Used</i>	(1,606,127)
Net Cash Provided (Used) by Operating Activities	<u>324,111</u>
Cash Flows from Investing Activities:	
<i>Investment Earnings</i>	5,649
Net Cash Provided (Used) for Investing Activities	<u>5,649</u>
Net Increase (Decrease) in Cash and Cash Equivalents	329,760
Cash and Cash Equivalents at Beginning of Year	677,912
Cash and Cash Equivalents at End of Year	<u>\$ 1,007,672</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ 423,764
Change in Assets and Liabilities:	
<i>Increase (Decrease) in Accounts Payable and Accrued Expenses</i>	(99,653)
Total Adjustments	(99,653)
Net Cash Provided (Used) by Operating Activities	<u>\$ 324,111</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2017

	Agency Funds
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 1,654,601
Total Assets	<u>\$ 1,654,601</u>
LIABILITIES:	
<i>Accounts Payable</i>	\$ 427,079
<i>Due to Other Governments</i>	509,854
<i>Due to Trust Beneficiaries</i>	701,207
<i>Deposits</i>	11,668
<i>Other Liabilities</i>	4,793
Total Liabilities	<u>\$ 1,654,601</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

A. Summary of Significant Accounting Policies

The combined financial statements of Winkler County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

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

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

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

Based on these criteria, the following is a brief review of each potential component unit addressed in defining the County's reporting entity.

Excluded from the reporting entity:

Winkler County maintains a hospital (Memorial Hospital) and accounts for the operating deficits as disbursements in the General Fund. These disbursements were \$1,482,000 for the current fiscal year. The Hospital keeps its books and records and issues its financial statements using the accrual basis of accounting. The Hospital financial statements are not presented in these financial statements. Complete financial statements for the Hospital, which are audited by other auditors, may be obtained at the Hospital's administrative offices or at the offices of the County Auditor of Winkler County. The citizenship of Winkler County voted to create a separate Hospital District beginning October 1, 2017. As of that date, all the assets and related liabilities that were accounted for on the County's books and records for the Hospital were transferred to the newly created Hospital District and the County ceased to exercise influence over its daily operations. The net transfer of assets and liabilities reflected in the Statement of Activities was \$3,487,428. This amount for financial statement purposes has been included in the health and welfare function.

The Winkler County Appraisal District has a separately appointed Board, with one position appointed by the Commissioners' Court. This entity is excluded from the reporting entity because the County does not exercise influence over its daily operations.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

The County reports the following major governmental funds:

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

In addition, the County reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary Funds: These funds are used to report other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Property Taxes

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

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

Funds accumulated by Winkler County for the purposes of retiring the debt services were transferred to the Memorial Hospital as per the terms of the creation of the Hospital District.

c. Inventories and Prepaid Items

The County records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings & Improvements	15-40
Furniture & Equipment	3-25

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

e. Receivable and Payable Balances

The County believes that sufficient detail of payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

f. 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 or deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. 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.

g. Interfund Activity

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

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

i. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the County's Commissioners' Court. Committed amounts cannot be used for any other purpose unless the Commissioners' Court removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Commissioners' Court. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Committed fund balances consist of the following:

Park Improvements	\$ 143,656
District Clerk Imaging	151,910
Law Library	10,000
VFD Tire Fund	5,000
Kermit Parks Equipment	30,000
Volunteer Fire Departments	112,000
Courthouse Capital Improvements & Elevator	1,454,082
Lateral Road	796,112
Medical & Emergency Response	626,607
Wink Volunteer Fire Department	63,950
Wheel Loaders	120,000
Recreation Center Roof	59,846
Wink VFD Suits	3,320
Election Expense	13,770
County Wide Equipment & Buildings	335,523
Senior Citizens Lighting	1,700
Golf Course Funds	127,000
Digital Radios- Law Enforcement & Fire	162,000
Precinct 1 Equipment & Barn	13,700
Self Funded Health Plan	500,000
Community Buildings	2,737,663
Courthouse Computer Equipment	119,601
Courthouse Improvements	612,488
Precinct 2 Equipment & Barn	36,336
Airport Capital Improvements	286,066
Jail Improvements	71,351
EMS Equipment	38,800
Wink Parks Equipment	19,250
WFVD Pumper	27,000
Precinct 2 Equipment- Water Tank	20,000
	<u>\$ 8,698,731</u>

Assigned Fund Balance - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners' Court or by an official or body to which the Commissioners' Court delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

When an expenditure is incurred for a purpose 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.

k. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

l. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

B. Deposits and Investments

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

Cash Deposits:

At December 31, 2017, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$23,519,697 and the bank balance was \$23,401,788. The County's cash deposits at December 31, 2017 and during the year ended December 31, 2017, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

Investments:

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

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

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

Analysis of Specific Deposit and Investment Risks:

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

a. 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. At year end, the County was not significantly exposed to credit risk.

b. 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 year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

As of December 31, 2017, the following are the County's cash and cash equivalents with respective maturities and credit rating:

Type of Deposit	Fair Value	Percentage	Maturity in Less Than One Year	Maturity in 1-10 Years	Maturity in Over 10 Years	Credit Rating
Cash	\$3,920,455	16.67%	\$3,920,455			N/A
Certificates of Deposit	10,150,024	43.16%	7,650,024	2,500,000		N/A
	14,070,479	59.82%	11,570,479	2,500,000		
Investment Pools:						
TexPool	9,449,218	40.18%	9,449,218			AAAm
Total Investment Pools	9,449,218	40.18%	9,449,218			
Total Cash and Cash Equivalents	<u>\$23,519,697</u>	<u>100.00%</u>	<u>\$21,019,697</u>	<u>\$2,500,000</u>		

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Investment Accounting Policy

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

During the current year, there were no fair value adjustments made to the financial statements since the County did not have funds that met the definition of an investment according to GASB 72.

C. Receivables

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

	Governmental		Total
	General Fund	Other Governmental Funds	
Receivables			
Accounts	\$ 1,620,820	\$ 7,436	\$ 1,628,256
Taxes	8,583,597	24,463	8,608,060
Ambulance, Fines & Fees	2,312,448		2,312,448
Total Gross Receivables	12,516,865	31,899	12,548,764
Less: Allowance for Uncollectible Accounts			
Taxes	(613,117)	(13,749)	(626,866)
Ambulance, Fines & Fees	(1,125,477)		(1,125,477)
Net Total Receivables	\$ 10,778,271	\$ 18,150	\$ 10,796,421

D. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 232,196	\$	\$ 14,499	\$ 217,697
Construction in progress	262,109	252,350		514,459
Total capital assets not being depreciated	494,305	252,350	14,499	732,156
<i>Capital assets being depreciated:</i>				
Infrastructure	6,103,434			6,103,434
Buildings and improvements	37,118,157	209,911	13,454,512	23,873,556
Furniture and equipment	13,115,093	1,182,461	3,138,095	11,159,459
Total capital assets being depreciated	56,336,684	1,392,372	16,592,607	41,136,449
Less accumulated depreciation for:				
Infrastructure	(4,014,594)	(99,185)		(4,113,779)
Buildings and improvements	(14,043,506)	(754,693)	(2,819,064)	(11,979,135)
Furniture and equipment	(8,233,032)	(902,445)	(1,789,101)	(7,346,376)
Total accumulated depreciation	(26,291,132)	(1,756,323)	(4,608,165)	(23,439,290)
Total capital assets being depreciated, net	30,045,552	(363,951)	11,984,442	17,697,159
Governmental activities capital assets, net	\$ 30,539,857	\$ (111,601)	\$ 11,998,941	\$ 18,429,315

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Depreciation within the governmental activities was charged to functions as follows:

General Government	\$ 172,963
Public Safety	283,905
Transportation	252,617
Health	578,772
Culture and Recreation	332,549
Facilities	84,430
Legal	51,087
	<u>\$ 1,756,323</u>

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at December 31, 2017, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
Internal Service Fund	General Fund	\$ 29,156	Short-term loans
	Total	<u>\$ 29,156</u>	

All amounts due are scheduled to be repaid within one year.

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2017, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds Payable					
Refunding Bonds	\$ 8,880,000		\$ 8,880,000		
Premiums	220,291		220,291		
Other Post Employ. Benefits *	206,935			206,935	
Net Pension Liability *	1,502,696	721,766	972,601	1,251,861	
Total governmental activities	<u>\$ 10,809,922</u>	<u>\$ 721,766</u>	<u>\$ 10,072,892</u>	<u>\$ 1,458,796</u>	

* Payments for other post-employment benefits and pension expense that pertain to Winkler County's governmental activities are made through the general fund and special revenue funds.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

G. Commitments Under Noncapitalized Leases

During a prior fiscal year, the County entered into an agreement to lease the land on which the airport was built. The terms of the lease are \$1,500 per year for 10 years beginning January 1, 2016 and ending on December 31, 2025. Commitments under this operating lease agreement provide for minimum future rental payments as of December 31, 2017, as follows:

<u>Year Ending December 31,</u>	
2018	\$ 1,500
2019	1,500
2020	1,500
2021	1,500
2022	1,500
2023-2025	4,500
Total Minimum Rentals	<u>\$ 12,000</u>
Rental Expenditures in 2017	<u>\$ 1,500</u>

The County leases janitorial services at the airport for \$300 per month for a term of twenty years beginning March 8, 2004 and ending on March 7, 2024. Commitments under operating lease agreements for facilities and equipment provide for minimum future rental payments as of December 31, 2017, as follows:

<u>Year Ending December 31,</u>	
2018	\$ 3,600
2019	3,600
2020	3,600
2021	3,600
2022	3,600
2023-2024	4,500
Total Minimum Rentals	<u>\$ 22,500</u>
Rental Expenditures in 2017	<u>\$ 3,600</u>

H. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2016, the County obtained unemployment, workers' compensation, property, general liability, public official liability, physical damage, automobile liability, and law enforcement coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Association of Counties Self Insurance Funds ("TAC"). TAC is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TAC for its above insurance coverage. The agreement for the formation of TAC provides that TAC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The risk of loss is transferred to the self-funded pools for all insurance except unemployment insurance. The Hospital is included in these self-funded pools.

The self-funded unemployment program provides that the County will maintain a one year reserve based on prior claims and estimated future losses. During 2017, the County received a refund in the amount of \$1,024.

The County continues to carry commercial insurance for firefighter liability and accident coverage, public official bonds, and medical liability coverage. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

I. Pension Plan

1. Plan Description

The County participates as one of 677 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas County & District Retirement System (TCDRS). TCDRS is an agency created by the State of Texas and administered in accordance with the TCDRS Act, Subtitle F, Title 8, Texas Government Code (the TCDRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TCDRS Act places the general administration and management of the System with a nine-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TCDRS is not fiscally dependent on the State of Texas. TCDRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tcdrs.org.

All eligible employees of the County are required to participate in TCDRS.

The amounts included in this note disclosure include amounts for the Memorial Hospital which are not included in these financial statements.

2. Benefits Provided

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the County-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution with a reduced monthly benefit.

The plan provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. The plan also provides death benefits and disability benefits.

Employees covered by benefit terms:

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	113
Inactive employees entitled to but not yet receiving benefits	190
Active employees	<u>188</u>
Total covered employees	<u><u>491</u></u>

3. Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for each County is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rate for the County was 11.59% in calendar year 2017. The County's contributions to TCDRS for the year ended December 31 2017 were \$1,310,682, and were equal to the required contributions. This amount includes contributions made on behalf of the Hospital employees.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	2.5% per year
Investment Rate of Return	8.00%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members were based on the RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.

Mortality rates for retirees and beneficiaries were based on the RP-2000 Combined Mortality Table projected to 2014 with Scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.

Mortality rates for disabled retirees were based on the RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2009 through December 31, 2012. Assumptions are reviewed annually. Updated mortality assumptions were adopted in 2015. No additional changes were made for the 2016 valuation.

The long-term expected rate of return on pension plan investments is 8.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments was 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 are based on January 2017 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009- December 31, 2012 for more details.

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

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equities	13.50%	4.70%
Private Equity	16.00%	7.70%
Global Equities	1.50%	5.00%
International Equities-Developed	10.00%	4.70%
International Equities- Emerging	7.00%	5.70%
Investment-Grade Bonds	3.00%	.60%
High-Yield Bonds	3.00%	3.70%
Opportunistic Credit	2.00%	3.83%
Direct Lending	10.00%	8.15%
Distressed Debt	3.00%	6.70%
REIT Equities	2.00%	3.85%
Master Limited Partnerships (MLPs)	3.00%	5.60%
Private Real Estate Partnerships	6.00%	7.20%
Hedge Funds	20.00%	3.85%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.10%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Development of the Single Discount Rate:

	2016
Single Discount Rate	8.10%
Long-Term Expected Rate of Return	8.10%
Long-Term Municipal Bond Rate	N/A
Last year ending December 31 in the 100 year projection period for which projected benefit payments are fully funded	N/A

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

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2015	\$ 34,432,109	\$ 31,858,118	\$ 2,573,991
Changes for the year			
Service cost	1,262,467		1,262,467
Interest	2,766,361		2,766,361
Effect of plan changes			
Effect of economic/ demographic gains or losses	(525,254)		(525,254)
Changes of assumptions			
Contributions - employer		1,186,168	(1,186,168)
Contributions - employee		552,129	(552,129)
Net investment income		2,350,887	(2,350,887)
Refund of contributions	(184,410)	(184,410)	
Benefit payments, including refunds of employee contributions	(1,648,168)	(1,648,168)	
Administrative expense		(25,610)	25,610
Other changes		(118,622)	118,622
Net changes	\$ 1,670,996	\$ 2,112,374	\$ (441,378)
Balance at 12/31/2016	\$ 36,103,105	\$ 33,970,492	\$ 2,132,613

Sensitivity Analysis

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

	1% Decrease in Discount Rate 7.10%	Discount Rate 8.10%	1% Increase in Discount Rate 9.10%
County's net pension liability	\$ 6,547,300	\$ 2,132,613	\$ (1,541,146)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

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

For the year ended December 31, 2017, the County recognized pension expense of \$1,629,579.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

At December 31, 2017, 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	\$	\$ 452,845
Changes in actuarial assumptions	\$ 143,916	\$
Difference between projected and actual investment earnings	\$ 2,122,641	\$
Contributions subsequent to the measurement date	\$ 1,310,682	\$
Total	<u>\$ 3,577,239</u>	<u>\$ 452,845</u>

The \$1,310,682 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec. 31:		
2017	\$	587,581
2018	\$	546,341
2019	\$	635,760
2020	\$	44,030
2021	\$	
Thereafter	\$	

J. Health Care Coverage

The County maintains a Group Health Insurance Internal Service Fund to account for the County's self-funded plan for benefits for comprehensive major medical care. The fund services all claims for risk of loss of group health to which the County is exposed. All departments of the County participate in the fund. The fund allocates the cost of providing claims servicing, claims payments, and reinsurance costs by charging a premium to each department based on a percentage of each department's estimated current-year payroll. This charge considers recent trends in actual claims experience of the County and makes provision for catastrophic losses. Losses of more than \$70,000 individually are paid by purchase of additional stop-loss coverage. The aggregate stop loss factor is \$241.66 for employee only coverage and employee/dependent coverage. Employees, at their option, authorized payroll withholdings to pay premiums dependent care and the Dental Insurance Plan. This self-funded plan includes employees of the Hospital. At December 31, 2017, the amount of claims incurred and reported and estimated incurred but not reported was \$74,282.

The contract between the County and the third party administrator is renewable October 1, 2018, and terms of coverage and contribution costs are included in the contractual provisions.

Winkler County offers certain health care benefits for retired employees, referred to as Other Post Employment Benefits Other Than Pensions (OPEB).

Winkler County's other postemployment benefit cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the guidelines of GASB 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed 30 years.

The County maintains a single employer defined benefit plan to provide certain postretirement healthcare benefits. Winkler County employees and their dependent spouses that meet the plan's conditions at the time of retirement are eligible to receive retiree health care benefits at the retiree's expense.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

The following table shows the annual OPEB cost and net OPEB obligation for the prior three years based on the most recent actuarial valuation as of December 31, 2015.

Fiscal Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/13	\$ 23,029	0%	225,688
12/31/14	22,669	0%	225,688
12/31/15	30,687	0%	285,100 *

* This amount includes Net OPEB Obligation for the Hospital.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the December 31, 2015 actuarial valuation, the Projected Unit Credit, Cost method was used. The actuarial assumptions included a 7.00% investment rate of return (net of administrative expenses). Actuarial assumptions also included an annual healthcare cost trend rate of 9.00% initially, reduced by decrements to an ultimate rate of 5.00% by 2023. The UAAL is being amortized as a level percent of payroll required to fully amortize the UAAL over a 30 year period.

K. Commitments and Contingencies

1. Contingencies

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

The County entered into a maintenance contract for one air conditioning unit. The terms of the agreement is for a period of 10 years beginning February 24, 2011. Final payment is expected to be made February 28, 2020. The terms of the agreement include quarterly payments in the amount of \$3,193 for the first year. The payments for the remaining 9 years steadily increase each year. The total contract amount totals \$153,367.

The County entered into a financial and personnel management software licensing contract. The contract is a five year contract beginning September 2013. The terms of the agreement include annual payments in the amount of \$23,056.

The County entered into a court system software licensing contract. The contract is a five year contract beginning September 2013. The terms of the agreement include annual payments in the amount of \$61,230.

L. Subsequent Events

Subsequent events were evaluated through June 20, 2018, which is the date the financial statements were available to be issued. No significant events have occurred prior to this date.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

WINKLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B-1
Page 1 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Taxes:				
<i>Ad Valorem Taxes</i>	\$ 7,234,070	\$ 7,234,070	\$ 7,214,597	\$ (19,473)
<i>General Sales and Use Taxes</i>	1,950,000	1,950,000	3,533,170	1,583,170
<i>License and Permits</i>	328,300	328,300	261,010	(67,290)
<i>Intergovernmental</i>	65,000	506,238	634,905	128,667
<i>Fines and Forfeitures</i>	85,000	85,000	177,587	92,587
<i>Fees</i>	353,200	353,200	785,890	432,690
<i>Investment Earnings</i>	60,000	60,000	158,616	98,616
<i>Jail Revenue</i>	1,375,000	1,377,461	1,185,029	(192,432)
<i>Other</i>	172,858	351,823	524,662	172,839
Total revenues	<u>11,623,428</u>	<u>12,246,092</u>	<u>14,475,466</u>	<u>2,229,374</u>
Expenditures:				
Current:				
<i>General Administration</i>				
<i>Agriculture</i>	75,534	87,938	83,249	4,689
<i>County Auditor</i>	189,563	189,563	188,855	708
<i>Courthouse & Substation</i>	226,829	228,009	194,460	33,549
<i>Taxes & Insurance</i>	1,335,250	1,556,210	1,508,934	47,276
<i>Nondesignated Expense</i>	527,416	325,133	90,959	234,174
<i>Airport</i>	52,787	55,643	47,150	8,493
<i>Human Resources</i>	113,038	113,338	99,223	14,115
<i>Data Processing</i>	148,500	147,486	129,723	17,763
<i>Commissioners</i>	297,517	297,517	291,348	6,169
<i>County Clerk</i>	257,981	259,156	253,606	5,550
<i>Tax Assessor/Collector</i>	281,692	316,692	299,360	17,332
<i>Appraisal District</i>	119,704	119,704	119,704	
<i>County Treasurer</i>	76,750	76,310	75,288	1,022
<i>District Clerk</i>	171,406	171,546	170,074	1,472
Total General Administration	<u>3,873,967</u>	<u>3,944,245</u>	<u>3,551,933</u>	<u>392,312</u>
<i>Public Safety</i>				
<i>Fire Department- Kermit</i>	33,748	40,748	32,362	8,386
<i>Fire Department- Wink</i>	26,305	37,679	37,677	2
<i>Probation Department</i>	104,433	107,433	102,558	4,875
<i>Fire Marshal</i>	736	736	30	706
<i>Juvenile Probation</i>	172,620	173,100	155,314	17,786
<i>County Sheriff</i>	1,936,214	1,970,749	1,846,234	124,515
<i>Constables</i>	26,426	26,426	26,175	251
Total Public Safety	<u>2,300,482</u>	<u>2,356,871</u>	<u>2,200,350</u>	<u>156,521</u>
<i>Transportation</i>				
<i>County Barn- Kermit</i>	159,293	155,229	137,487	17,742
<i>Area 1 Road Maintenance</i>	194,461	203,938	194,344	9,594
<i>Area 2 Road Maintenance</i>	208,586	222,172	193,633	28,539
<i>Lateral Road</i>	272,400	535,110	434,420	100,690
Total Transportation	<u>834,740</u>	<u>1,116,449</u>	<u>959,884</u>	<u>156,565</u>
<i>Health and Welfare</i>				
<i>Meals Department</i>	151,877	151,877	138,606	13,271
<i>Health & Sanitation</i>	15,100	15,100	13,264	1,836
<i>Veterans Service</i>	4,951	4,951	4,225	726
<i>Emergency Ambulance Service</i>	852,970	857,365	778,445	78,920
<i>Welfare Department</i>	35,200	35,200	7,233	27,967
<i>Memorial Hospital</i>	1,500,000	1,569,539	1,482,000	87,539

WINKLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B-1
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Total Health and Welfare</i>	<u>2,560,098</u>	<u>2,634,032</u>	<u>2,423,773</u>	<u>210,259</u>
<i>Culture and Recreation</i>				
<i>Community Center- Kermit</i>	31,604	31,029	22,890	8,139
<i>Westside Community Center</i>	5,500	8,500	8,019	481
<i>Community Center- Wink</i>	8,700	8,700	8,519	181
<i>Exhibition Building Wink</i>	19,200	21,856	13,595	8,261
<i>Swimming Pool- Kermit</i>	96,578	99,078	93,770	5,308
<i>Kermit Parks- Area 1</i>	249,838	256,558	232,695	23,863
<i>Recreation Center</i>	23,500	27,972	19,582	8,390
<i>Swimming Pool- Wink</i>	29,555	29,555	25,221	4,334
<i>Wink Parks- Area 2</i>	188,754	190,474	183,921	6,553
<i>Golf Course</i>	236,592	236,592	214,275	22,317
<i>Kermit Library</i>	117,315	119,815	111,486	8,329
<i>Wink Library</i>	38,377	41,677	40,363	1,314
<i>Senior Citizen Center</i>	77,507	83,107	77,331	5,776
<i>Total Culture and Recreation</i>	<u>1,123,020</u>	<u>1,154,913</u>	<u>1,051,667</u>	<u>103,246</u>
<i>Facilities</i>				
<i>Maintenance Engineer</i>	66,439	67,439	66,207	1,232
<i>Safety/ Loss Control</i>	68,896	83,075	82,091	984
<i>Total Facilities</i>	<u>135,335</u>	<u>150,514</u>	<u>148,298</u>	<u>2,216</u>
<i>Judicial</i>				
<i>District Court</i>	74,337	100,389	96,088	4,301
<i>District Court Reporter</i>	37,518	43,609	42,825	784
<i>Juvenile Court</i>	8,641	8,799	5,914	2,885
<i>County Court</i>	29,100	23,529	6,164	17,365
<i>County Judge</i>	154,353	157,277	155,208	2,069
<i>Justice of the Peace Precinct 1</i>	65,954	65,954	64,405	1,549
<i>Justice of the Peace Precinct 2</i>	53,544	53,544	51,887	1,657
<i>Justice Court</i>	30,000	81,150	75,452	5,698
<i>District Court Jury</i>	14,300	14,300	3,807	10,493
<i>County & Justice Courts</i>	1,400	1,400		1,400
<i>Total Judicial</i>	<u>469,147</u>	<u>549,951</u>	<u>501,750</u>	<u>48,201</u>
<i>Legal</i>				
<i>Law Library</i>	15,000	16,014	16,013	1
<i>County Attorney</i>	176,654	176,654	173,459	3,195
<i>District Attorney</i>	134,985	135,285	132,051	3,234
<i>Total Legal</i>	<u>326,639</u>	<u>327,953</u>	<u>321,523</u>	<u>6,430</u>
<i>Capital Outlay</i>				
<i>Total Expenditures</i>	<u>11,623,428</u>	<u>13,534,014</u>	<u>12,453,249</u>	<u>1,080,765</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>		<u>(1,287,922)</u>	<u>2,022,217</u>	<u>3,310,139</u>
<i>Other Financing Sources (Uses):</i>				
<i>Total Other Financing Sources (Uses)</i>				
<i>Net Change in Fund Balances</i>		<u>(1,287,922)</u>	<u>2,022,217</u>	<u>3,310,139</u>
<i>Fund Balances - Beginning</i>	<u>17,651,389</u>	<u>17,651,389</u>	<u>17,651,389</u>	
<i>Fund Balances - Ending</i>	<u>\$ 17,651,389</u>	<u>\$ 16,363,467</u>	<u>\$ 19,673,606</u>	<u>\$ 3,310,139</u>

WINKLER COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POSTEMPLOYMENT BENEFIT PLAN
 YEAR ENDED DECEMBER 31, 2017

EXHIBIT B-2

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/09	\$	\$ 276,276	\$ 276,276		\$ N/A	N/A
01/01/12		190,063	190,063		6,960,950	2.73%
01/01/15		280,362	280,362		7,600,000	3.69%

WINKLER COUNTY, TEXAS
SCHEDULE OF THE COUNTY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service Cost	\$ 1,262,467	\$ 1,081,444	\$ 1,077,342	\$	\$	\$	\$	\$	\$	\$
Interest (on the total pension liability)	2,766,361	2,612,407	2,445,238							
Effect of plan changes	(173,596)									
Effect of assumption changes	431,748									
Effect of economic/demographic gain or losses	(525,254)	(308,027)	(23,689)							
Benefit payments, including refunds of employee contributions	(1,832,578)	(1,583,260)	(1,544,790)							
Net Change in Total Pension Liability	1,670,996	2,060,716	1,954,101							
Total Pension Liability- Beginning	34,432,110	32,371,394	30,417,293							
Total Pension Liability- Ending (a)	\$ 36,103,106	\$ 34,432,110	\$ 32,371,394							
Plan Fiduciary Net Position										
Contributions- Employer	\$ 1,186,168	\$ 924,482	\$ 849,960	\$	\$	\$	\$	\$	\$	\$
Contributions- Employee	552,129	558,359	611,330							
Net Investment Income	2,350,887	(322,792)	2,051,462							
Benefit payments, including refunds of employee contributions	(1,832,578)	(1,583,260)	(1,544,790)							
Administrative Expense	(25,610)	(23,083)	(24,140)							
Other	(118,622)	(24,793)	31,332							
Net Change in Plan Fiduciary Net Position	\$ 2,112,374	\$ (471,087)	\$ 1,975,154	\$	\$	\$	\$	\$	\$	\$
Plan Fiduciary Net Position- Beginning	31,858,119	32,329,206	30,354,052							
Plan Fiduciary Net Position- Ending (b)	\$ 33,970,493	\$ 31,858,119	\$ 32,329,206							
Net Pension Liability- Ending (a) - (b)	\$ 2,132,613	\$ 2,573,991	\$ 42,188							
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.09%	92.52%	99.87%							
County's covered-employee payroll	\$ 7,887,558	\$ 7,976,552	\$ 7,333,561	\$	\$	\$	\$	\$	\$	\$
Net Pension Liability as a Percentage of Covered Employee Payroll	27.04%	32.27%	0.58%							

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

WINKLER COUNTY, TEXAS
SCHEDULE OF COUNTY CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 1,310,682	\$ 914,168	\$ 924,482		\$	\$	\$	\$	\$	\$
Contributions in relation to the contractually required contribution	(1,310,682)	(914,168)	(924,482)							
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
County's covered-employee payroll	\$ 7,236,231	\$ 7,887,533	\$ 7,977,564		\$	\$	\$	\$	\$	\$
Contributions as a percentage of covered-employee payroll	18.11%	11.59%	11.59%							

Note: GASB 68, Paragraph 81.2b requires that the data in this schedule be presented as of the County's current fiscal year as opposed to the time period covered by the measurement date of January 1, 2016- December 31, 2016.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

WINKLER COUNTY, TEXAS

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017*

Note 1: Pension Information

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	7.7 years (based on contribution rate calculated in 12/31/16 valuation)
Asset Valuation Method	5-year Smoothed Market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation
Investment Rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.

Other Information:

There were no changes in plan provisions during the year.

Note 2: Budgetary Data

Budgets are adopted on the cash basis of accounting which is not consistent with generally accepted accounting principles. In general, annual appropriated budgets are adopted for the general, special revenue funds, and capital projects fund. All annual appropriations lapse at fiscal year end.

The County Commissioners' Court, under budgetary laws established by the Texas legislature, is required to adopt an annual budget for all governmental fund types to cover all the proposed expenditures of the County government, and to levy a tax sufficient, when considered with other revenues and available funds, to provide for these expenditures. Once the budget is approved, no expenditures may be made except in strict compliance with the budget. Emergency expenditures in case of grave public necessity, to meet unusual and unforeseen conditions which could not, by reasonably diligent thought and attention, have been included in the original budget, may from time to time be authorized by the Court as amendments to the original budget. The Commissioners' Court is the sole agency having discretionary power to determine existence of such facts as would constitute an emergency justifying a budget amendment.

WINKLER COUNTY, TEXAS

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017*

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. Prior to June 24, the County Judge, as the County's Chief Budgetary Officer, will submit to the Commissioners' Court a requested operating budget for the fiscal year commencing the following January 1.
- b. After the presentation of the requested budget and prior to September 1, the Commissioners' Court will conduct a series of hearings with the individual department heads to review and analyze their expenditure requests. These meetings are all open to the public to encourage public comment.
- c. Prior to September 15, the Commissioners' Court will finalize the proposed budget and file it with the County Clerk.
- d. Prior to October 1, a public hearing will be held to receive citizen input, adopt, and set the tax rate for the coming budget year.
- e. All budget amendments are approved by the Commissioners' Court. From time to time, during the period covered by these financial statements, supplemental budget amendments were required and approved by the Commissioners' Court, under the provisions outlined above. Budgeted amounts presented in these financial statements are inclusive of any amendments made during the period January 1, 2017 through December 31, 2017.
- f. By law, appropriations for the total County budget cannot exceed the total resources that will be available for the year as forecasted by the County Auditor.
- g. The level of budgetary control (that is the level at which expenditures may not legally exceed appropriations) is established by department within an individual fund.

Note 3: Reconciliation of Differences Between Budgetary Comparison Schedule and Statement of Revenues, Expenditures and Changes in Fund Balance

	General Fund
Revenues:	
Actual amount (budgetary basis) "Total revenues" from the budgetary comparison schedule (Exhibit B-1)	\$ 14,475,466
Differences- budget to GAAP:	
The County budgets for ad valorem taxes according to the property tax levy calendar October- September. Current tax collections for October-December are not considered current year revenues for budgetary purposes.	125,371
Outstanding taxes at fiscal year end are not considered current year revenues for budgetary purposes.	1,597,526
The County budgets for licenses and permits, fees, and other revenues on the cash basis, rather than on the modified accrual basis.	704,608
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds (Exhibit A-5)	\$ <u><u>16,902,971</u></u>

WINKLER COUNTY, TEXAS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General Fund</u>
Expenditures:	
Actual amount (budgetary basis) "Total expenditures" from the budgetary comparison schedule (Exhibit B-1)	\$ 12,453,249
The County budgets for supplies, equipment, and services on the cash basis, rather than on the modified accrual basis.	53,997
The County budgets for salaries and wages on the cash basis, rather than on the modified accrual basis.	(284)
The County does not budget for Juvenile Probation CCAP and State Aid grants.	<u>107,421</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds (Exhibit A-5)	\$ <u><u>12,614,383</u></u>
Beginning Fund Balances:	
Actual amount (budgetary basis) "Fund balances-beginning" from the budgetary comparison schedule (Exhibit B-1).	\$ 17,651,389
Outstanding taxes at fiscal year end are not considered current year revenues for budgetary purposes. This amount represents the taxes outstanding at December 31, 2016 less the allowance for uncollectible taxes.	5,981,973
The County budgets for licenses and permits, fees, and other revenues on the cash basis, rather than on the modified accrual basis. This amount represents prior year accounts receivable.	916,212
The County budgets for ad valorem taxes according to the property tax levy calendar October-September. Current tax collections for October-December are not considered current year revenues for budgetary purposes. This amount represents the current tax collections for October-December 2016.	307,530
The County budgets for supplies, equipment, and services on the cash basis, rather than on the modified accrual basis. This amount represents prior year accounts payable.	(70,512)
The County budgets for salaries and wages on the cash basis, rather than on the modified accrual basis. This amount represents prior year accrued payroll.	<u>(132,978)</u>
Beginning fund balance as reported on the statement of revenues, expenditures, and changes in fund balances- governmental funds (Exhibit A-5).	\$ <u><u>24,653,614</u></u>

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Special Revenue Funds	Debt Service Fund Hospital Interest & Sinking Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS AND DEFERRED OUTFLOWS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 610,998	\$ 178,154	\$ 789,152
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	7,436		7,436
<i>Taxes</i>		10,714	10,714
Total Assets	<u>618,434</u>	<u>188,868</u>	<u>807,302</u>
Total Assets and Deferred Outflows	<u>\$ 618,434</u>	<u>\$ 188,868</u>	<u>\$ 807,302</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable and Other Current Liabilities</i>	\$	\$ 178,154	\$ 178,154
Total Liabilities		<u>178,154</u>	<u>178,154</u>
Deferred Inflows:			
<i>Taxes</i>		10,714	10,714
Total Deferred Inflows		<u>10,714</u>	<u>10,714</u>
Fund Balances:			
Restricted For:			
<i>Public Safety</i>	121,603		121,603
<i>Legal Services</i>	73,019		73,019
<i>Judicial Services</i>	189,775		189,775
<i>General Administration</i>	234,037		234,037
Total Fund Balance	<u>618,434</u>		<u>618,434</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 618,434</u>	<u>\$ 188,868</u>	<u>\$ 807,302</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds	Debt Service Fund Hospital Interest & Sinking Fund	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:			
Taxes:			
<i>Ad Valorem Taxes</i>	\$	\$ 60,762	\$ 60,762
<i>Intergovernmental</i>	110,979		110,979
<i>Fines and Forfeitures</i>	6,287		6,287
<i>Fees</i>	237,135		237,135
<i>Investment Earnings</i>	290	1,517	1,807
<i>Other</i>	1,915		1,915
Total revenues	<u>356,606</u>	<u>62,279</u>	<u>418,885</u>
Expenditures:			
Current:			
<i>Public Safety</i>	210,902		210,902
<i>Judicial</i>	25,915		25,915
Debt Service:			
<i>Principal</i>		515,000	515,000
<i>Interest and Fiscal Charges</i>		180,825	180,825
<i>Bond Issuance Costs</i>		300	300
Capital Outlay	91,002		91,002
Total Expenditures	<u>327,819</u>	<u>696,125</u>	<u>1,023,944</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,787</u>	<u>(633,846)</u>	<u>(605,059)</u>
Other Financing Sources (Uses):			
<i>Other Financing Uses- Transfer to Hospital District</i>		(178,154)	(178,154)
Total Other Financing Sources (Uses)		<u>(178,154)</u>	<u>(178,154)</u>
Net Change in Fund Balances	28,787	(812,000)	(783,213)
Fund Balances - Beginning	589,647	812,000	1,401,647
Fund Balances - Ending	<u>\$ 618,434</u>	<u>\$</u>	<u>\$ 618,434</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	<u>LEOSE Training Fund</u>	<u>Sheriff's Forfeiture Fund</u>	<u>District Attorney's Forfeiture Fund</u>	<u>Probation Evaluation Fund</u>
ASSETS AND DEFERRED OUTFLOWS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 12,829	\$ 2,177	\$ 3,531	\$ 4,516
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>				
Total Assets	<u>12,829</u>	<u>2,177</u>	<u>3,531</u>	<u>4,516</u>
Total Assets and Deferred Outflows	<u>\$ 12,829</u>	<u>\$ 2,177</u>	<u>\$ 3,531</u>	<u>\$ 4,516</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$ 12,829	\$ 2,177	\$	\$ 4,516
<i>Legal Services</i>			3,531	
<i>Judicial Services</i>				
<i>General Administration</i>				
Total Fund Balance	<u>12,829</u>	<u>2,177</u>	<u>3,531</u>	<u>4,516</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 12,829</u>	<u>\$ 2,177</u>	<u>\$ 3,531</u>	<u>\$ 4,516</u>

Juvenile Probation Fee Fund	County Attorney Hot Check Fund	District Attorney Hot Check Fund	District Attorney Victims Assistance Fund	CSCD Fund
\$ 5,438	\$ 555	\$ 205	\$ 68,728	\$ 38,571
<u>5,438</u>	<u>555</u>	<u>205</u>	<u>68,728</u>	<u>38,571</u>
<u>\$ 5,438</u>	<u>\$ 555</u>	<u>\$ 205</u>	<u>\$ 68,728</u>	<u>\$ 38,571</u>
\$ 5,438	\$ 555	\$ 205	\$ 68,728	\$ 38,571
<u>5,438</u>	<u>555</u>	<u>205</u>	<u>68,728</u>	<u>38,571</u>
<u>\$ 5,438</u>	<u>\$ 555</u>	<u>\$ 205</u>	<u>\$ 68,728</u>	<u>\$ 38,571</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	County Clerk Records Mgt/Preser Fund	County Records Mgt/Preservation Fund	Courthouse Security Fund	Justice Court Technology Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
ASSETS AND DEFERRED OUTFLOWS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 58,185	\$ 52,934	\$ 40,464	\$ 34,122
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>	3,240	226	391	
Total Assets	<u>61,425</u>	<u>53,160</u>	<u>40,855</u>	<u>34,122</u>
Total Assets and Deferred Outflows	<u>\$ 61,425</u>	<u>\$ 53,160</u>	<u>\$ 40,855</u>	<u>\$ 34,122</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$	\$	\$ 40,855	\$
<i>Legal Services</i>				
<i>Judicial Services</i>				34,122
<i>General Administration</i>	61,425	53,160		
Total Fund Balance	<u>61,425</u>	<u>53,160</u>	<u>40,855</u>	<u>34,122</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 61,425</u>	<u>\$ 53,160</u>	<u>\$ 40,855</u>	<u>\$ 34,122</u>

Juvenile Probation Title IV-E Fund	County Clerk Records Archive Fund	County Clerk Vital Statistic Preservation Fund	District Clerk Records Mgt/Preservation Fund	Justice Court Building Security
\$ 8,550	\$ 74,380	\$ 7,469	\$ 19,924	\$ 6,405
	3,220	43	149	
<u>8,550</u>	<u>77,600</u>	<u>7,512</u>	<u>20,073</u>	<u>6,405</u>
\$ <u>8,550</u>	\$ <u>77,600</u>	\$ <u>7,512</u>	\$ <u>20,073</u>	\$ <u>6,405</u>
\$ 8,550	\$	\$	\$	\$
	77,600	7,512	20,073	6,405
<u>8,550</u>	<u>77,600</u>	<u>7,512</u>	<u>20,073</u>	<u>6,405</u>
\$ <u>8,550</u>	\$ <u>77,600</u>	\$ <u>7,512</u>	\$ <u>20,073</u>	\$ <u>6,405</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	<u>Judicial Efficiency Fund</u>	<u>County Child Abuse Prevention</u>	<u>Pretrial Intervention Fund</u>	<u>Pretrial Intervention District Attorney</u>
ASSETS AND DEFERRED OUTFLOWS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 1,235	\$ 1,201	\$ 147,626	\$ 300
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>	17			
Total Assets	<u>1,252</u>	<u>1,201</u>	<u>147,626</u>	<u>300</u>
Total Assets and Deferred Outflows	<u>\$ 1,252</u>	<u>\$ 1,201</u>	<u>\$ 147,626</u>	<u>\$ 300</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$	\$	\$	\$ 300
<i>Legal Services</i>				
<i>Judicial Services</i>	1,252		147,626	
<i>General Administration</i>		1,201		
Total Fund Balance	<u>1,252</u>	<u>1,201</u>	<u>147,626</u>	<u>300</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 1,252</u>	<u>\$ 1,201</u>	<u>\$ 147,626</u>	<u>\$ 300</u>

Centennial Fund	District Court Technology Fund	Cty & Dist Court Tech Fund	Drug Dog Fund	Judicial Education Fund
\$ 2,169	\$ 8,231	\$ 2,516	\$ 1,000	\$ 370
	123	27		
<u>2,169</u>	<u>8,354</u>	<u>2,543</u>	<u>1,000</u>	<u>370</u>
\$ <u>2,169</u>	\$ <u>8,354</u>	\$ <u>2,543</u>	\$ <u>1,000</u>	\$ <u>370</u>
\$	\$	\$	\$ 1,000	\$
				370
2,169	8,354	2,543		
<u>2,169</u>	<u>8,354</u>	<u>2,543</u>	<u>1,000</u>	<u>370</u>
\$ <u>2,169</u>	\$ <u>8,354</u>	\$ <u>2,543</u>	\$ <u>1,000</u>	\$ <u>370</u>

WINKLER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2017

	<u>Juvenile Rec Center Fund</u>	<u>Prevention Grant Rec Center</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit C-1)</u>
ASSETS AND DEFERRED OUTFLOWS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 2,030	\$ 5,337	\$ 610,998
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>			7,436
Total Assets	<u>2,030</u>	<u>5,337</u>	<u>618,434</u>
 Total Assets and Deferred Outflows	 <u>\$ 2,030</u>	 <u>\$ 5,337</u>	 <u>\$ 618,434</u>
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
Fund Balances:			
Restricted For:			
<i>Public Safety</i>	\$ 2,030	\$ 5,337	\$ 121,603
<i>Legal Services</i>			73,019
<i>Judicial Services</i>			189,775
<i>General Administration</i>			234,037
Total Fund Balance	<u>2,030</u>	<u>5,337</u>	<u>618,434</u>
 Total Liabilities, Def Inflows and Fund Balance	 <u>\$ 2,030</u>	 <u>\$ 5,337</u>	 <u>\$ 618,434</u>

WINKLER COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	LEOSE Training Fund	Sheriff's Forfeiture Fund	District Attorney's Forfeiture Fund	Probation Evaluation Fund
Revenue:				
<i>Intergovernmental</i>	\$	\$	\$	\$
<i>Fines and Forfeitures</i>				
<i>Fees</i>	3,467	600		
<i>Investment Earnings</i>		15	26	
<i>Other</i>				
Total revenues	<u>3,467</u>	<u>615</u>	<u>26</u>	
Expenditures:				
Current:				
<i>Public Safety</i>	2,985	600		
<i>Judicial</i>				
Capital Outlay				
Total Expenditures	<u>2,985</u>	<u>600</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>482</u>	<u>15</u>	<u>26</u>	
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	482	15	26	
Fund Balances - Beginning	12,347	2,162	3,505	4,516
Fund Balances - Ending	<u>\$ 12,829</u>	<u>\$ 2,177</u>	<u>\$ 3,531</u>	<u>\$ 4,516</u>

Juvenile Probation Fee Fund	County Attorney Hot Check Fund	District Attorney Hot Check Fund	District Attorney Victims Assistance Fund	CSCD Fund
\$	\$	\$	\$	\$ 70,986
450	405			6,287
				86,262
				249
<u>450</u>	<u>405</u>	<u></u>	<u></u>	<u>163,784</u>
				161,693
				<u>161,693</u>
450	405			2,091
450	405			2,091
4,988	150	205	68,728	36,480
<u>\$ 5,438</u>	<u>\$ 555</u>	<u>\$ 205</u>	<u>\$ 68,728</u>	<u>\$ 38,571</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	County Clerk Records Mgt/Preser Fund	County Records Mgt/Preservation Fund	Courthouse Security Fund	Justice Court Technology Fund
Revenue:				
<i>Intergovernmental</i>	\$	\$	\$	\$
<i>Fines and Forfeitures</i>				
<i>Fees</i>	40,435	2,543	8,702	4,673
<i>Investment Earnings</i>				
<i>Other</i>				
Total revenues	<u>40,435</u>	<u>2,543</u>	<u>8,702</u>	<u>4,673</u>
Expenditures:				
Current:				
<i>Public Safety</i>			3,547	
<i>Judicial</i>				
Capital Outlay	54,961			
Total Expenditures	<u>54,961</u>		<u>3,547</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,526)</u>	<u>2,543</u>	<u>5,155</u>	<u>4,673</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(14,526)	2,543	5,155	4,673
Fund Balances - Beginning	75,951	50,617	35,700	29,449
Fund Balances - Ending	<u>\$ 61,425</u>	<u>\$ 53,160</u>	<u>\$ 40,855</u>	<u>\$ 34,122</u>

Juvenile Probation Title IV-E Fund	County Clerk Records Archive Fund	County Clerk Vital Statistic Preservation Fund	District Clerk Records Mgt/Preservation Fund	Justice Court Building Security
\$ 6,168	\$	\$	\$	\$
	40,110	386	2,607	1,141
<u>6,168</u>	<u>40,110</u>	<u>386</u>	<u>2,607</u>	<u>1,141</u>
300				
<u>300</u>	<u>36,041</u>			
	4,069	386	2,607	1,141
<u>5,868</u>	<u>4,069</u>	<u>386</u>	<u>2,607</u>	<u>1,141</u>
<u>5,868</u>	<u>4,069</u>	<u>386</u>	<u>2,607</u>	<u>1,141</u>
2,682	73,531	7,126	17,466	5,264
<u>\$ 8,550</u>	<u>\$ 77,600</u>	<u>\$ 7,512</u>	<u>\$ 20,073</u>	<u>\$ 6,405</u>

WINKLER COUNTY, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017*

	Judicial Efficiency Fund	County Child Abuse Prevention	Pretrial Intervention Fund	Pretrial Intervention District Attorney
Revenue:				
<i>Intergovernmental</i>	\$	\$	\$	\$
<i>Fines and Forfeitures</i>				
<i>Fees</i>	52	8	43,084	
<i>Investment Earnings</i>				
<i>Other</i>				
Total revenues	<u>52</u>	<u>8</u>	<u>43,084</u>	
Expenditures:				
Current:				
<i>Public Safety</i>				
<i>Judicial</i>			25,915	
Capital Outlay				
Total Expenditures			<u>25,915</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>52</u>	<u>8</u>	<u>17,169</u>	
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	52	8	17,169	
Fund Balances - Beginning	1,200	1,193	130,457	300
Fund Balances - Ending	<u>\$ 1,252</u>	<u>\$ 1,201</u>	<u>\$ 147,626</u>	<u>\$ 300</u>

Centennial Fund	District Court Technology Fund	Cty & Dist Court Tech Fund	Drug Dog Fund	Judicial Education Fund
\$	\$	\$	\$	\$
	1,903	237		70
	<u>1,903</u>	<u>237</u>		<u>70</u>
	1,903	237		70
	<u>1,903</u>	<u>237</u>		<u>70</u>
	1,903	237		70
2,169	6,451	2,306	1,000	300
<u>\$ 2,169</u>	<u>\$ 8,354</u>	<u>\$ 2,543</u>	<u>\$ 1,000</u>	<u>\$ 370</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Juvenile Rec Center Fund	Prevention Grant Rec Center	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
<i>Intergovernmental</i>	\$	\$ 33,825	\$ 110,979
<i>Fines and Forfeitures</i>			6,287
<i>Fees</i>			237,135
<i>Investment Earnings</i>			290
<i>Other</i>	1,915		1,915
Total revenues	<u>1,915</u>	<u>33,825</u>	<u>356,606</u>
Expenditures:			
Current			
<i>Public Safety</i>	1,467	40,310	210,902
<i>Judicial</i>			25,915
Capital Outlay			91,002
Total Expenditures	<u>1,467</u>	<u>40,310</u>	<u>327,819</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>448</u>	<u>(6,485)</u>	<u>28,787</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	448	(6,485)	28,787
Fund Balances - Beginning	1,582	11,822	589,647
Fund Balances - Ending	<u>\$ 2,030</u>	<u>\$ 5,337</u>	<u>\$ 618,434</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2017

	<u>County Attorney</u>	<u>County Clerk</u>	<u>District Clerk</u>
ASSETS:			
<i>Cash and Cash Equivalents</i>	\$ 2,095	\$ 100,029	\$ 641,236
Total Assets	<u>\$ 2,095</u>	<u>\$ 100,029</u>	<u>\$ 641,236</u>
LIABILITIES:			
<i>Accounts Payable</i>	\$	\$ 33,643	\$ 1,622
<i>Due to Other Governments</i>	2,095		
<i>Due to Trust Beneficiaries</i>		61,593	639,614
<i>Deposits</i>			
<i>Other Liabilities</i>		4,793	
Total Liabilities	<u>\$ 2,095</u>	<u>\$ 100,029</u>	<u>\$ 641,236</u>

EXHIBIT C-5

	Tax Assessor Collector	Sheriff Inmate Trust	Sheriff Commissary Fund	District Attorney Forfeiture Holding Account	Total Agency Funds (See Exhibit A-10)
\$	881,286	\$ 10,608	\$ 8,809	\$ 10,538	\$ 1,654,601
\$	<u>881,286</u>	<u>10,608</u>	<u>8,809</u>	<u>10,538</u>	<u>1,654,601</u>
\$	372,397	\$ 10,608	\$ 8,809	\$	\$ 427,079
	497,221			10,538	509,854
	11,668				701,207
					11,668
					4,793
\$	<u>881,286</u>	<u>10,608</u>	<u>8,809</u>	<u>10,538</u>	<u>1,654,601</u>

WINKLER COUNTY, TEXAS

EXHIBIT C-6

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
COUNTY ATTORNEY				
ASSETS				
Cash & Cash Equivalents	\$ 305	\$ 2,701	\$ 911	\$ 2,095
Total Assets	<u>\$ 305</u>	<u>\$ 2,701</u>	<u>\$ 911</u>	<u>\$ 2,095</u>
LIABILITIES				
Accounts Payable	\$	\$	\$	\$
Due to Other Governments	305	2,701	911	2,095
Total Liabilities	<u>\$ 305</u>	<u>\$ 2,701</u>	<u>\$ 911</u>	<u>\$ 2,095</u>
COUNTY CLERK				
ASSETS				
Cash & Cash Equivalents	\$ 93,831	\$ 33,587	\$ 27,389	\$ 100,029
Total Assets	<u>\$ 93,831</u>	<u>\$ 33,587</u>	<u>\$ 27,389</u>	<u>\$ 100,029</u>
LIABILITIES				
Accounts Payable	\$ 28,621	\$ 26,157	\$ 21,135	\$ 33,643
Due to Trust Beneficiaries	62,177	3,384	3,968	61,593
Other Liabilities	3,033	4,046	2,286	4,793
Total Liabilities	<u>\$ 93,831</u>	<u>\$ 33,587</u>	<u>\$ 27,389</u>	<u>\$ 100,029</u>
DISTRICT CLERK				
ASSETS				
Cash & Cash Equivalents	\$ 709,480	\$ 81,371	\$ 149,615	\$ 641,236
Total Assets	<u>\$ 709,480</u>	<u>\$ 81,371</u>	<u>\$ 149,615</u>	<u>\$ 641,236</u>
LIABILITIES				
Accounts Payable	\$ 1,622	\$ 87	\$ 87	\$ 1,622
Due to Trust Beneficiaries	707,858	81,284	149,528	639,614
Total Liabilities	<u>\$ 709,480</u>	<u>\$ 81,371</u>	<u>\$ 149,615</u>	<u>\$ 641,236</u>
TAX ASSESSOR/COLLECTOR				
ASSETS				
Cash & Cash Equivalents	\$ 500,180	\$ 1,566,193	\$ 1,185,087	\$ 881,286
Total Assets	<u>\$ 500,180</u>	<u>\$ 1,566,193</u>	<u>\$ 1,185,087</u>	<u>\$ 881,286</u>
LIABILITIES				
Accounts Payable	\$ 350,225	\$ 585,311	\$ 563,139	\$ 372,397
Due to Other Governments	138,970	969,217	610,966	497,221
Deposits	10,985	11,665	10,982	11,668
Total Liabilities	<u>\$ 500,180</u>	<u>\$ 1,566,193</u>	<u>\$ 1,185,087</u>	<u>\$ 881,286</u>
SHERIFF INMATE				
ASSETS				
Cash & Cash Equivalents	\$ 50,644	\$ 23,715	\$ 63,751	\$ 10,608
Total Assets	<u>\$ 50,644</u>	<u>\$ 23,715</u>	<u>\$ 63,751</u>	<u>\$ 10,608</u>
LIABILITIES				
Accounts Payable	\$ 50,644	\$ 23,715	\$ 63,751	\$ 10,608
Total Liabilities	<u>\$ 50,644</u>	<u>\$ 23,715</u>	<u>\$ 63,751</u>	<u>\$ 10,608</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-6

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
SHERIFF COMMISSARY				
ASSETS				
Cash & Cash Equivalents	\$ 3,858	\$ 34,562	\$ 29,611	\$ 8,809
Total Assets	<u>\$ 3,858</u>	<u>\$ 34,562</u>	<u>\$ 29,611</u>	<u>\$ 8,809</u>
LIABILITIES				
Accounts Payable	\$ 3,858	\$ 34,562	\$ 29,611	\$ 8,809
Total Liabilities	<u>\$ 3,858</u>	<u>\$ 34,562</u>	<u>\$ 29,611</u>	<u>\$ 8,809</u>
CDA FORFEITURE HOLDING				
ASSETS				
Cash & Cash Equivalents	\$ 10,461	\$ 77	\$	\$ 10,538
Total Assets	<u>\$ 10,461</u>	<u>\$ 77</u>	<u>\$</u>	<u>\$ 10,538</u>
LIABILITIES				
Due to Other Governments	\$ 10,461	\$ 77	\$	\$ 10,538
Total Liabilities	<u>\$ 10,461</u>	<u>\$ 77</u>	<u>\$</u>	<u>\$ 10,538</u>
SHERIFF FEES				
ASSETS				
Cash & Cash Equivalents	\$ 1	\$ 3,156	\$ 3,157	\$
Total Assets	<u>\$ 1</u>	<u>\$ 3,156</u>	<u>\$ 3,157</u>	<u>\$</u>
LIABILITIES				
Accounts Payable	\$ 1	\$ 3,156	\$ 3,157	\$
Total Liabilities	<u>\$ 1</u>	<u>\$ 3,156</u>	<u>\$ 3,157</u>	<u>\$</u>
TOTAL AGENCY FUNDS:				
ASSETS				
Cash & Cash Equivalents	\$ 1,368,760	\$ 1,745,362	\$ 1,459,521	\$ 1,654,601
Total Assets	<u>\$ 1,368,760</u>	<u>\$ 1,745,362</u>	<u>\$ 1,459,521</u>	<u>\$ 1,654,601</u>
LIABILITIES				
Accounts Payable	\$ 434,971	\$ 672,988	\$ 680,880	\$ 427,079
Due to Other Governments	149,736	971,995	611,877	509,854
Deposits	10,985	11,665	10,982	11,668
Due to Trust Beneficiaries	770,035	84,668	153,496	701,207
Other Liabilities	3,033	4,046	2,286	4,793
Total Liabilities	<u>\$ 1,368,760</u>	<u>\$ 1,745,362</u>	<u>\$ 1,459,521</u>	<u>\$ 1,654,601</u>

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Regina K. Johnston, P.C.
William P. Patton, P.C.

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American Institute of Certified Public
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Accountants

Robison Johnston & Patton, LLP
C E R T I F I E D P U B L I C A C C O U N T A N T S
A P A R T N E R S H I P I N C L U D I N G P R O F E S S I O N A L C O R P O R A T I O N S

Independent Auditors' Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Commissioners' Court
Winkler County, Texas
100 East Winkler
Kermit, Texas 79745

Members of the Commissioners' Court:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Winkler County, Texas, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Winkler County, Texas's basic financial statements, and have issued our report thereon dated June 20, 2018. Our report includes a reference to other auditors who audited the financial statements of the Memorial Hospital, as described in our report on Winkler County, Texas' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses

or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Robison Johnston ; Petter LLP

Lubbock, TX
June 20, 2018

STATISTICAL SECTION

This part of the Winkler County, Texas's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

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Financial Trends	67-73
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	74-76
<i>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

WINKLER COUNTY, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment										
in Capital Assets	\$ 9,956,615	\$ 10,371,018	\$ 12,397,300	\$ 13,868,681	\$ 14,942,357	\$ 15,627,189	\$ 17,391,689	\$ 21,718,562	\$ 21,439,566	\$ 18,429,315
Restricted	1,143,883	975,444	952,844	993,328	966,130	967,809	968,524	962,838	812,000	
Unrestricted	17,828,260	19,885,584	19,480,600	20,864,241	23,665,143	25,735,454	28,138,787	27,357,744	27,813,936	32,872,182
Total Governmental										
Activities Net Position	\$ 28,928,758	\$ 31,232,046	\$ 32,830,744	\$ 35,726,250	\$ 39,573,630	\$ 42,330,452	\$ 46,499,000	\$ 50,039,144	\$ 50,065,502	\$ 51,301,497
Business-type Activities										
Net Investment										
in Capital Assets	\$ 121,026	\$ 104,292	\$ 91,257	\$ 109,510	\$ 155,377	\$ 110,426	\$ 16,104	\$ 13,113	\$ 12,389	\$
Restricted					25,500	25,500	25,500	25,500	25,500	25,500
Unrestricted	934,749	1,248,507	1,183,106	562,991	253,228	1,133,697	1,857,113	2,332,404	2,767,266	
Total Business-type										
Activities Net Position	\$ 1,055,775	\$ 1,352,799	\$ 1,274,363	\$ 672,501	\$ 434,105	\$ 1,269,623	\$ 1,898,717	\$ 2,371,017	\$ 2,805,155	\$
Primary Government										
Net Investment										
in Capital Assets	\$ 10,077,641	\$ 10,475,310	\$ 12,488,557	\$ 13,978,191	\$ 15,097,734	\$ 15,737,615	\$ 17,407,793	\$ 21,731,675	\$ 21,451,955	\$ 18,429,315
Restricted	1,143,883	975,444	952,844	993,328	991,630	993,309	994,024	988,338	837,500	
Unrestricted	18,763,009	21,134,091	20,663,706	21,427,232	23,918,371	26,869,151	29,995,900	29,690,148	30,581,202	32,872,182
Total Primary										
Govt Net Position	\$ 29,984,533	\$ 32,584,845	\$ 34,105,107	\$ 36,398,751	\$ 40,007,735	\$ 43,600,075	\$ 48,397,717	\$ 52,410,161	\$ 52,870,657	\$ 51,301,497

TABLE E-2

WINKLER COUNTY, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Administration	\$ 3,548,768	\$ 4,320,719	\$ 3,801,227	\$ 4,422,328	\$ 4,061,201	\$ 3,627,234	\$ 3,803,689	\$ 3,274,573	\$ 3,644,235	\$ 3,182,838
Public Safety	1,897,698	1,997,674	2,023,610	2,108,490	2,234,527	2,268,097	2,293,978	2,721,724	2,738,006	2,780,157
Transportation	722,125	750,770	771,587	965,590	846,019	1,024,722	1,102,060	924,885	1,009,112	958,433
Health and Welfare	2,758,284	2,703,085	3,508,181	2,931,861	2,972,747	3,928,298	4,864,736	3,174,126	3,264,324	6,667,335
Culture and Recreation	839,022	823,508	920,228	999,740	1,126,394	1,187,690	1,166,633	1,321,231	1,462,990	1,374,199
Facilities	143,076	93,944	92,334	102,279	141,999	192,382	193,613	200,849	215,506	231,022
Judicial	286,904	296,027	314,789	311,361	311,744	342,850	378,196	507,003	471,453	527,420
Legal	226,234	265,049	246,103	276,320	269,750	284,903	296,145	361,121	405,648	365,921
Interest on Long-Term Debt	639,726	558,256	532,849	519,406	507,442	499,151	490,168	473,471	114,162	111,084
Bond Issuance Costs	28,033	25,054	22,960	21,130	19,541	166,091			189,859	300
Total Governmental Activities Exp	11,089,870	11,834,086	12,233,868	12,658,505	12,491,364	13,521,418	14,589,218	12,958,983	13,515,295	16,198,709
Business-type Activities										
Memorial Hospital	7,538,925	7,605,315	7,825,939	7,984,059	8,345,467	8,821,689	8,814,017	8,741,985	9,364,884	
Total Business-type Activities Exp	7,538,925	7,605,315	7,825,939	7,984,059	8,345,467	8,821,689	8,814,017	8,741,985	9,364,884	
Total Primary Government Exp	\$ 18,628,795	\$ 19,439,401	\$ 20,059,807	\$ 20,642,564	\$ 20,836,831	\$ 22,343,107	\$ 23,403,235	\$ 21,700,968	\$ 22,880,179	\$ 16,198,709
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 2,511,299	\$ 2,130,921	\$ 2,168,966	\$ 2,367,350	\$ 2,512,810	\$ 2,279,657	\$ 2,908,135	\$ 2,803,139	\$ 2,581,556	\$ 3,179,791
Operating Grants and Contrib.	816,169	348,041	354,821	400,705	381,294	420,307	507,865	813,582	841,247	789,265
Capital Grants and Contributions										
Total Governmental Act Prog Rev.	3,327,468	2,478,962	2,523,787	2,768,055	2,894,104	2,699,964	3,416,000	3,616,721	3,422,803	3,969,056
Business-type Activities:										
Charges for Services	4,803,942	6,032,140	5,129,645	5,337,114	6,100,196	6,756,104	5,666,843	6,807,435	7,494,935	
Operating Grants and Contrib.	2,049,891	1,869,977	2,616,909	2,044,656	1,981,375	2,875,603	3,750,768	2,085,835	2,302,046	
Capital Grants and Contributions										
Total Business-type Act Prog Rev.	6,853,833	7,902,117	7,746,554	7,381,770	8,081,571	9,631,707	9,417,611	8,893,270	9,796,981	
Total Primary Govt Prog Rev.	\$ 10,181,301	\$ 10,381,079	\$ 10,270,341	\$ 10,149,825	\$ 10,975,675	\$ 12,331,671	\$ 12,833,611	\$ 12,509,991	\$ 13,219,784	\$ 3,969,056
Net (Expense)/Revenue										
Governmental Activities	\$ (7,762,402)	\$ (9,355,124)	\$ (9,710,081)	\$ (9,890,450)	\$ (9,597,260)	\$ (10,821,454)	\$ (11,173,218)	\$ (9,342,262)	\$ (10,092,492)	\$ (12,229,653)
Business-type Activities	(685,092)	296,802	(79,385)	(602,289)	(263,896)	810,018	603,594	151,285	432,097	
Total Primary Govt Net Expense	\$ (8,447,494)	\$ (9,058,322)	\$ (9,789,466)	\$ (10,492,739)	\$ (9,861,156)	\$ (10,011,436)	\$ (10,569,624)	\$ (9,190,977)	\$ (9,660,395)	\$ (12,229,653)

WINKLER COUNTY, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental Activities	\$ (7,762,402)	\$ (9,355,124)	\$ (9,710,081)	\$ (9,890,450)	\$ (9,597,260)	\$ (10,821,454)	\$ (11,173,218)	\$ (9,342,262)	\$ (10,092,492)	\$ (12,229,653)
Business-type Activities	(685,092)	296,802	(79,385)	(602,289)	(263,896)	810,018	603,594	151,285	432,097	
Total Primary Government Net Exp	\$ (8,447,494)	\$ (9,058,322)	\$ (9,789,466)	\$ (10,492,739)	\$ (9,861,156)	\$ (10,011,436)	\$ (10,569,624)	\$ (9,190,977)	\$ (9,660,395)	\$ (12,229,653)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 9,629,457	\$ 10,253,788	\$ 9,774,637	\$ 11,216,231	\$ 11,362,596	\$ 11,294,347	\$ 12,150,789	\$ 9,607,198	\$ 7,904,349	\$ 8,864,434
Sales Taxes	1,544,786	1,247,728	1,367,898	1,468,321	1,987,812	2,147,434	2,861,516	2,646,186	2,090,134	4,294,129
Bingo Tax Proceeds	2,007	1,921	1,763	1,156		5,496				
Insurance Recovery										
Investment Earnings	381,017	115,772	78,617	60,720	47,772	56,198	64,823	63,029	33,050	160,423
Donations					2,972					
Miscellaneous	12,005	39,203	85,866	39,527	43,488	74,800	264,636	99,962	91,317	146,661
Total Governmental Activities	\$ 11,569,272	\$ 11,658,412	\$ 11,308,781	\$ 12,785,955	\$ 13,444,640	\$ 13,578,275	\$ 15,341,764	\$ 12,416,375	\$ 10,118,850	\$ 13,465,647
Business-type Activities:										
Investment Earnings	6,243	222	949	427				327	2,041	
Gain on Sale of Assets										
Restricted Contributions					25,500	25,500	25,500			
Insurance Recovery										
Total Business-type Activities:	6,243	222	949	427	25,500	25,500	25,500	327	2,041	
Total Primary Government	\$ 11,575,515	\$ 11,658,634	\$ 11,309,730	\$ 12,786,382	\$ 13,470,140	\$ 13,603,775	\$ 15,367,264	\$ 12,416,702	\$ 10,120,891	\$ 13,465,647
Change in Net Position										
Governmental Activities	\$ 3,806,870	\$ 2,303,288	\$ 1,598,700	\$ 2,895,505	\$ 3,847,380	\$ 2,756,821	\$ 4,168,546	\$ 3,074,113	\$ 26,359	\$ 1,235,994
Business-type Activities	(678,849)	297,024	(78,436)	(601,862)	(238,396)	835,518	629,094	151,612	434,138	
Total Primary Government	\$ 3,128,021	\$ 2,600,312	\$ 1,520,264	\$ 2,293,643	\$ 3,608,984	\$ 3,592,339	\$ 4,797,640	\$ 3,225,725	\$ 460,497	\$ 1,235,994

WINKLER COUNTY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

General Fund	FISCAL									
	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017
Reserved	\$ 716,098	\$ 1,400,074	\$ 1,614,151	\$	\$	\$	\$	\$	\$	\$
Unreserved	15,248,151	16,892,378	16,143,015							
Committed For:										
Park Improvements				108,601	238,189	320,000	250,306	183,748	177,747	143,656
County Clerk Imaging				114,085	100,000					
RHC Expansion/ Parking Lot				647,000	500,000	400,000	200,000	65,000		
Volunteer Fire Depts				66,487	33,000	150,000	50,000	200,000	200,000	112,000
Courthouse Capital Impr				1,275,000	150,000	100,000	100,000	1,454,082	1,454,082	1,454,082
Lateral Road				218,266	100,000	191,302	91,903	498,616	496,112	796,112
Medical & Emerg Response				492,067	56,108			40,262	626,607	626,607
Wink Vol. Fire Dept				17,000	25,000			5,000	7,500	63,950
Jail Improvements				20,000	50,000				15,000	71,351
Courthouse HVAC System				160,621						
Equipment & Buildings				31,086	340,000					
Wink Barn Flooring				2,549						
County Wide Equipment				100,000	100,000	115,940	258,500		50,000	335,523
Deferred Contract Services				500,000						
WCMH Operating Expenses				33,650						
EMS Radios				11,088						
Digita Radios- Law Enf				56,000	75,000		75,000	162,000	162,000	162,000
Hospital Software				675,000	100,000	582,692	300,000	474,419	474,419	
Hospital Capital Impr				200,000			100,000	305,533	240,562	
Self Funded Health Plan								300,000	500,000	500,000
TCDRS Funding					300,000			272,000	272,000	
Community Buildings						58,815	108,558	726,863	837,663	2,737,663
Computer Equipment & Software					300,000	4,110		125,000	83,601	119,601
Emergency Grant						37,414				
Election Expense						5,000		3,770	13,770	13,770
Console KPD						62,720				
District Clerk Imaging						50,000		425,611	234,848	151,910
Precinct 1 Equipment & Barn							200,000	13,700	13,700	13,700
Precinct 2 Equipment & Barn								68,741	36,336	36,336
Sheriff OT										
Copiers & Printers									5,000	
Financial & Court Software										
Airport Capital Improvements							755,152	86,066	186,066	286,066
4-H Pens								1,000		
Ag Pickup								23,000		
TCDRS								50,000		

TABLE E-4 (cont)

JD Dozer Payoff						120,000																		
VFD Tire Fund						5,000						5,000												
Kermit Parks Vehicle						28,000																		
Wheel Loaders						120,000						120,000												
Golf Course Funds						58,000						116,000												
Wink Water Well						10,000						7,250												
Debt Service Hospital						858,427						695,825												
Sheriff Vehicles						96,200						223,500												
Survey Expense						5,000						5,000												
Tax Software						100,000						100,000												
Courthouse Improvements						66,583						262,056												
EMS Equip												76,000												
Law Library												10,000												
Kermit Parks Equipment												30,000												
Wink Parks Equipment												30,000												
County Day Travel												5,000												
Recreation Center Roof												100,000												
Wink VFD Suits												10,000												
Senior Citizens Building Lighting												5,000												
Agriculture Funds												59,846												
Wink VFD Pumper												3,320												
County Wide Fertilizer												1,700												
Precinct 2 Equipment- Water Tank												27,000												
Probation Storage												11,000												
Unassigned												20,000												
Total General Fund	\$	15,964,249	\$	18,292,452	\$	17,757,166	\$	19,638,273	\$	19,455,368	\$	21,716,635	\$	23,431,603	\$	17,370,723	\$	24,050,344	\$	24,653,614	\$	28,941,377		
All Other Governmental Funds																								
Reserved for Debt Service	\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$	
Reserved for Capital Projects																								
Unreserved, Reported In:																								
Special Revenue Funds																								
Capital Projects Funds																								
Debt Service Funds																								
Restricted For:																								
Debt Service																								
Public Safety																								
Legal Services																								
Judicial Services																								
General Administration																								
Total All Other Governmental Funds	\$	1,328,702	\$	1,351,261	\$	1,360,789	\$	1,434,610	\$	1,446,058	\$	1,445,337	\$	1,362,681	\$	1,425,828	\$	1,401,646	\$	1,401,646	\$	1,425,828	\$	1,401,646

* During the 2011 fiscal year, the County adopted GASB No. 54 which restructured fund balance classifications.

WINKLER COUNTY, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes:										
Ad Valorem Taxes	\$ 9,179,906	\$ 10,389,846	\$ 9,506,387	\$ 11,619,575	\$ 11,206,651	\$ 11,149,804	\$ 12,214,606	\$ 9,666,851	\$ 7,775,866	\$ 9,051,912
General Sales and Use Taxes	1,544,786	1,247,728	1,367,898	1,468,321	1,987,812	2,147,434	2,861,516	2,646,186	2,090,134	4,294,129
Licenses and Permits	271,446	268,234	265,775	266,167	266,941	268,098	269,306	258,474	257,905	262,451
Intergovernmental	629,122	194,694	280,720	283,424	277,076	311,590	355,773	636,570	687,687	699,652
Fines and Forfeitures	136,411	110,988	123,203	240,756	235,740	188,464	188,874	147,907	124,871	183,357
Fees	603,202	510,600	547,759	334,618	732,796	769,742	797,691	827,271	796,986	1,036,624
Investment Earnings	381,017	115,772	78,617	60,720	47,772	56,198	64,823	63,029	91,317	160,423
Jail Revenue	1,281,948	1,100,785	1,055,129	1,318,232	1,133,206	1,064,150	1,159,595	1,036,500	1,404,074	1,105,208
Other Revenue	382,876	298,878	348,138	451,183	315,951	455,798	827,672	552,791	439,963	528,100
Total Revenues	14,410,714	14,237,525	13,573,626	16,042,996	16,203,945	16,411,278	18,739,856	15,835,579	13,668,803	17,321,856
Expenditures										
Current:										
General Administration	3,610,176	3,603,792	3,524,371	4,242,280	4,265,426	3,869,713	3,808,436	3,388,105	3,180,502	3,555,678
Public Safety	1,702,042	1,797,432	1,807,309	1,902,846	2,027,819	2,033,020	2,038,464	2,537,317	2,453,225	2,535,928
Transportation	600,967	635,130	606,147	836,385	773,019	741,667	854,242	1,066,040	999,811	965,434
Health and Welfare	2,460,056	2,214,495	3,013,178	2,425,799	2,445,001	3,394,403	4,256,405	2,536,624	2,546,599	2,434,870
Culture and Recreation	690,591	662,789	755,151	784,044	888,972	935,435	902,899	1,052,754	1,116,632	1,055,469
Facilities	125,566	77,386	79,506	86,539	87,324	118,486	118,102	125,812	137,034	148,434
Judicial	285,304	294,427	313,722	311,361	312,244	342,590	378,320	517,573	466,877	533,198
Legal	226,234	265,049	246,103	276,320	269,750	284,669	292,460	355,185	349,375	320,818
Debt Service:										
Principal	2,090,000	426,690	295,000	310,000	325,000	363,902	413,847	431,000	541,250	515,000
Interest and Fiscal Charges	648,774	590,202	563,005	547,880	533,427	523,940	513,873	496,201	278,130	180,825
Bond Issuance Costs									189,859	300
Capital Outlay	11,338,188	1,075,591	2,895,891	2,364,614	1,980,122	2,332,212	2,923,371	5,232,200	849,933	1,392,373
Total Expenditures	23,777,898	11,642,983	14,099,383	14,088,068	13,908,104	14,940,037	16,500,419	17,738,811	13,109,227	13,638,327
Excess of Revenues										
Over (Under) Expenditures	(9,367,184)	2,594,542	(525,757)	1,954,928	2,295,841	1,471,241	2,239,437	(1,903,232)	559,576	3,683,529

TABLE E-5 (cont)

Other Financing Sources (Uses)										
Transfers In	67,188	186,674	25,502	3,408	6,286	9,646	8,757	11,600	7,610	
Refunding Bonds Issued									8,880,000	
Payment to Refunded Bond Escrow Agent									(9,118,383)	
Capital Leases	141,690					300,000				(178,979)
Transfers to Hospital District										
Premium or Discount										
On Issuance of Bonds									257,894	
Transfers Out	(67,188)	(430,455)	(25,502)	(3,408)	(6,286)	(9,646)	(8,757)	(11,600)	(7,610)	
Total Other Financing Sources (Uses)	141,690	(243,781)				300,000			19,511	(178,979)
Net Change in Fund Balances	\$ (9,225,494)	\$ 2,350,761	\$ (525,757)	\$ 1,954,928	\$ 2,295,841	\$ 1,771,241	\$ 2,239,437	\$ (1,903,232)	\$ 579,087	\$ 3,504,550
Debt Service As A Percentage Of Noncapital Expenditures	22.0%	9.6%	7.7%	7.3%	7.2%	7.0%	6.8%	7.4%	8.2%	5.7%

TABLE E-6

WINKLER COUNTY, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (1)

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Sales & Use Tax	Total
2008	\$ 9,179,906	\$ 1,544,786	\$ 10,724,692
2009	10,389,846	1,247,728	11,637,574
2010	9,506,387	1,367,898	10,874,285
2011	11,619,575	1,468,321	13,087,896
2012	11,206,651	1,987,812	13,194,463
2013	11,149,804	2,147,434	13,297,238
2014	12,214,606	2,861,516	15,076,122
2015	9,666,851	2,646,186	12,313,037
2016	7,775,866	2,090,134	9,866,000
2017	9,051,912	4,294,129	13,346,041

(1) Includes General Fund, Special Revenue Funds, and Debt Service Fund.

TABLE E-7

WINKLER COUNTY, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
 December 31, 2017

Taxpayer	2017		Percentage of Total County Taxable Assessed Value
	Taxable Assessed Value	Rank	
Duke-Notrees Wind Power LP	\$ 85,449,190	1	8.70%
Apache Corporation	44,880,091	2	4.57%
Whiting Oil & Gas Corp.	32,714,041	3	3.33%
Plains Pipeline LP- Basin Sys.	32,506,159	4	3.31%
Regency Field Services	29,345,957	5	2.99%
Plains Pipeline LP	23,731,660	6	2.42%
Bopco LP	22,106,306	7	2.25%
El Paso Natural Gas Co.	21,889,020	8	2.23%
Oncor Electric Delivery Co.	21,618,040	9	2.20%
XTO Energy Inc.	21,609,931	10	2.20%
Total	\$ 335,850,395		34.20%

WINKLER COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year	Taxes Levied for the Fiscal Year	Collected & Adjusted Within the Fiscal Year of the Levy		Collections & Adj In Subsequent Years	Total Collections and Adj to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 7,627,125	\$ 7,344,280	96.29%	\$ 270,614	\$ 7,614,894	99.84%
2008	9,550,008	9,257,265	96.93%	236,978	9,494,243	99.42%
2009	10,495,371	10,278,418	97.93%	186,805	10,465,223	99.71%
2010	10,548,757	10,404,780	98.64%	127,085	10,531,865	99.84%
2011	10,457,222	10,347,683	98.95%	92,871	10,440,554	99.84%
2012	11,316,322	11,182,491	98.82%	101,546	11,284,037	99.71%
2013	11,136,923	10,965,506	98.46%	109,946	11,075,452	99.45%
2014	11,837,123	11,657,804	98.49%	91,586	11,749,390	99.26%
2015	9,605,189	9,454,853	98.43%	54,462	9,509,315	99.00%
2016	7,853,033	7,673,040	97.71%		7,673,040	