

WINKLER COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

Winkler County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2018

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Introductory Section

WINKLER COUNTY, TEXAS
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2018

Principal Officials

<u>Name</u>	<u>Office</u>
<u>District Courts</u>	
John L Pool	District Judge
Sherry Terry	District Clerk
Amanda Navarette	District Attorney
<u>Commissioners' Court</u>	
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
<u>County and Precinct Officials</u>	
Thomas Duckworth, Jr.	County Attorney
Jeanna Wilhelm	County Auditor
Shethelia Reed	County Clerk
Minerva Soltero	Tax Assessor-Collector
Darin Mitchell	Sheriff
Geneva Baker	County Treasurer
Keri Jones	Justice of the Peace, Precinct 1
Glenda Mixon	Justice of the Peace, Precinct 2
Leon Stroud	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
CERTIFIED PUBLIC ACCOUNTANTS
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2018, Winkler County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the County's proportionate share of the net pension liability and schedule of County pension contributions, and schedule of the County's proportionate share of the net OPEB liability and schedule of County OPEB 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's 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 is 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 is 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 19, 2019 on our consideration of Winkler County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Winkler County, Texas's internal control over financial reporting and compliance.

Robison Johnston & Patten LLP

Lubbock, TX
June 19, 2019

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, 2018. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

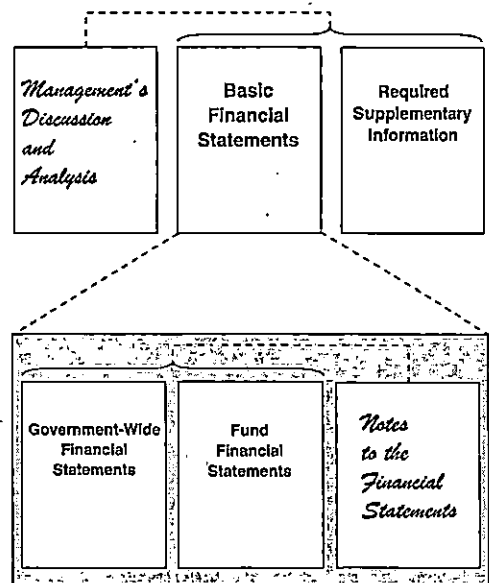
- The County's total combined net position was \$63,787,514 at December 31, 2018.
- During the year, the County's expenses were \$12,406,457 less than the \$25,134,189 generated in taxes and other revenues for governmental activities.
- The general fund reported a total fund balance this year of \$40,652,196, of which \$29,675,883 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.

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



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. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Summary ↔ Detail

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
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures & changes in fund balances	Statement of net position Statement of revenues, expenses and changes in fund net position Statement of cash flows	Statement of fiduciary net 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 asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
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, and legal. 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 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.

In fiscal year 2018, the County adopted the Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions- which superseded GASB Statement No. 45. Statement No. 75 establishes financial reporting standards and/or accounting standards for state and local government defined other postemployment benefit (OPEB) plans and defined contribution OPEB plans. Statement No. 75 requires that, at transition, a government recognizes a beginning deferred outflow of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. The effects of the adoption of this statement has no impact on the County's governmental fund financial statements. However, adoption has resulted in certain changes to the presentation of the County's government-wide financial statements. More information on the adoption of this statement and the County's OPEB plan is available in the notes to the financial statements.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's combined net position was \$63,787,514 at December 31, 2018.

	Governmental Activities		Percentage Change
	2018	2017	
Current assets:			
Cash and cash equivalents	\$33,172,368	\$21,865,096	51.71%
Receivables: (net of allowances)			
Accounts	1,627,087	1,628,256	.07%
Taxes	9,099,543	7,981,194	14.01%
Ambulance, Fines & Fees	1,516,919	1,186,971	27.80%
Total current assets:	45,415,917	32,661,517	
Noncurrent assets:			
Net Pension Asset	188,577	0	100%
Land	217,697	217,697	0%
Building and Improvements	24,211,201	23,873,556	1.41%
Furniture and Equipment	11,583,007	11,159,459	3.80%
Infrastructure	6,671,289	6,103,434	9.30%
Construction in Progress	380,982	514,459	25.95%
Less accumulated Depreciation	(24,628,181)	(23,439,290)	5.07%
Total noncurrent assets	18,624,572	18,429,315	
Total Assets	64,040,489	51,090,832	
Deferred Outflows:			
Unrealized Expenses	124,176	143,708	13.59%
Def. Outflow related to Pension	1,138,544	2,336,905	51.28%
Total Deferred Outflows	1,262,720	2,480,613	
Total Assets and Deferred Outflows	65,303,209	53,571,445	
Current liabilities:			
Accounts payable	410,659	404,500	1.52%
Building deposits	12,650	13,300	4.89%
Accrued payroll	170,762	132,694	28.69%
Total current liabilities	594,071	550,494	
Noncurrent liabilities:			
Net pension liability	0	1,251,861	100%
Other Post Empl Benefits	128,071	206,935	38.59%
Total Liabilities	128,071	2,009,290	
Deferred Inflows:			
Def. Inflows Related to OPEB	12,000	0	100%

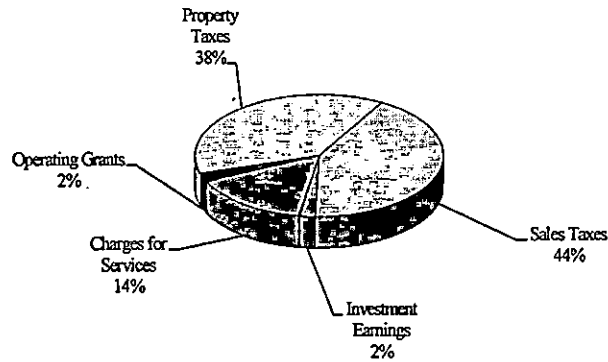
Def. Inflows Related to Pensions	781,553	260,658	199.84%
Total Deferred Inflows	<u>793,553</u>	<u>260,658</u>	
Net Position:			
Net Invest. in capital assets	18,435,995	18,429,315	.04%
Unrestricted	<u>45,351,519</u>	<u>32,872,182</u>	37.96%
Total Net Position	<u>63,787,514</u>	<u>51,301,497</u>	

The \$45,351,519 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 \$25,134,189. A significant portion, 44 percent, of the County's revenue comes from sales taxes. (See Figure A-3) 38 percent comes from property taxes, 14 percent comes from charges for services, 2 percent from operating grants, and 2 percent from investment earnings.

The total cost of all programs and services was \$12,727,732; 29.82 percent of these costs are for general administration.

Figure A-3 County Sources of Revenue for Fiscal Year 2018



	Governmental Activities		Total Percentage Change
	2018	2017	2017-2018
Program Revenues:			
Charges for services	3,827,507	3,179,791	20.37%
Operating Grants	589,540	789,265	25.31%
Property Taxes	9,545,370	8,864,434	7.68%
Sales Taxes	10,611,770	4,294,129	147.12%
Miscellaneous	82,612	146,661	43.67%
Investment Earnings	477,390	160,423	197.58%
Total Revenues	25,134,189	17,434,703	
Expenses:			
General administration	3,796,674	3,182,837	19.29%
Public safety	3,064,583	2,780,157	10.23%
Transportation	928,950	958,433	3.08%
Health and welfare	2,306,634	6,667,335	65.40%
Culture and recreation	1,437,577	1,374,199	4.61%
Facilities	236,391	231,022	2.32%
Judicial	561,546	527,420	6.47%
Legal	395,377	365,921	8.05%
Total Expenses	12,727,732	16,198,709	
Increase in net Assets	12,406,457	1,235,994	903.76%
Increase in Net Position	12,406,457	1,235,994	903.76%

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 \$12,727,732.
- The amount that our taxpayers paid for these activities through property taxes was \$9,545,370.
- Some of the cost was paid by those who directly benefited from the programs \$3,827,507 or
- By grants and contributions \$589,540.

Net Cost of Selected County Functions

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2018	2017		2018	2017	
General administration	3,796,674	3,182,837	19.29%	2,625,014	1,690,705	55.26%
Public Safety	3,064,583	2,780,157	10.23%	1,110,819	1,222,740	9.15%
Health & Welfare	2,306,634	6,667,335	65.40%	2,014,274	6,543,705	69.22%
Debt Service – Interest & Fiscal Charges	0	111,084	100%	0	111,084	100%

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 \$10,150,146. 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 \$1,789,625. 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 2018, the County had invested \$18,435,995 in a broad range of capital assets, including land, furniture and equipment, and buildings and improvements.

	Governmental Activities		Percentage Change 2017-2018
	2018	2017	
Land	\$217,697	\$217,697	0%
Buildings and improvements	24,211,201	23,873,556	1.41%
Furniture and Equipment	11,583,007	11,159,459	3.80%
Construction in Progress	380,982	514,459	25.95%
Infrastructure	6,671,289	6,103,434	9.30%
Totals at historical cost	43,064,176	41,868,605	
Total accumulated depreciation	(24,628,181)	(23,439,290)	5.07%
Net capital assets	<u>\$18,435,995</u>	<u>\$18,429,315</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 \$(60,506) in long term debt (assets) 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 2017-2018
	2018	2017	
Net Pension Liability/(Asset)	(188,577)	1,251,861	115.06%
Other Post Empl Benefits	128,071	206,935	38.11%
Total Long Term Debt	<u>\$(60,506)</u>	<u>\$1,458,796</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, 2018

	<u>Governmental Activities</u>
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 33,172,368
<i>Receivables (net of allowances for uncollectibles):</i>	
<i>Accounts</i>	1,627,087
<i>Taxes</i>	9,099,543
<i>Ambulance, Fines, Fees & Court Costs</i>	1,516,919
<i>Net Pension Asset</i>	188,577
<i>Capital Assets (net of accumulated depreciation):</i>	
<i>Land</i>	217,697
<i>Buildings and Improvements</i>	11,725,972
<i>Furniture and Equipment</i>	3,670,290
<i>Infrastructure</i>	2,441,054
<i>Construction in Progress</i>	380,982
<i>Total Assets</i>	<u>64,040,489</u>
DEFERRED OUTFLOWS:	
<i>Unrealized Expenses</i>	124,176
<i>Deferred Outflows Related to Pensions</i>	1,138,544
<i>Total Deferred Outflows</i>	<u>1,262,720</u>
<i>Total Assets and Deferred Outflows</i>	<u><u>65,303,209</u></u>
LIABILITIES:	
<i>Accounts Payable and Other Current Liabilities</i>	410,659
<i>Building Deposits</i>	12,650
<i>Accrued Payroll</i>	170,762
<i>Noncurrent Liabilities-</i>	
<i>Other Post Employment Benefits Obligation</i>	128,071
<i>Total Liabilities</i>	<u>722,142</u>
DEFERRED INFLOWS:	
<i>Deferred Inflows Related to Pensions</i>	781,553
<i>Deferred Inflows Related to OPEB</i>	12,000
<i>Total Deferred Inflows</i>	<u>793,553</u>
<i>Total Liabilities and Deferred Inflows</i>	<u><u>1,515,695</u></u>
NET POSITION:	
<i>Net Investment in Capital Assets</i>	18,435,995
<i>Unrestricted</i>	45,351,519
<i>Total Net Position</i>	<u><u>\$ 63,787,514</u></u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT:				
Governmental Activities:				
<i>General Administration</i>	\$ 3,796,674	\$ 883,938	\$ 287,722	\$ (2,625,014)
<i>Public Safety</i>	3,064,583	1,728,129	225,635	(1,110,819)
<i>Transportation</i>	928,950	570,391		(358,559)
<i>Health and Welfare</i>	2,306,634	286,560	5,800	(2,014,274)
<i>Culture and Recreation</i>	1,437,577	131,271		(1,306,306)
<i>Facilities</i>	236,391			(236,391)
<i>Judicial</i>	561,546	116,134	35,383	(410,029)
<i>Legal</i>	395,377	111,084	35,000	(249,293)
Total Governmental Activities	<u>12,727,732</u>	<u>3,827,507</u>	<u>589,540</u>	<u>(8,310,685)</u>
Total Primary Government	<u>\$ 12,727,732</u>	<u>\$ 3,827,507</u>	<u>\$ 589,540</u>	<u>(8,310,685)</u>
General Revenues:				
<i>Property Taxes</i>				9,545,370
<i>Sales Taxes</i>				10,611,770
<i>Miscellaneous</i>				82,612
<i>Unrestricted Investment Earnings</i>				477,390
Total General Revenues				<u>20,717,142</u>
Change in Net Assets				<u>12,406,457</u>
Net Assets - Beginning				51,301,500
Prior Period Adjustment				79,557
Net Assets - Ending				<u>\$ 63,787,514</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	<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>	\$ 31,085,279	\$ 877,933	\$ 31,963,212
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	1,620,435	6,652	1,627,087
<i>Taxes</i>	9,099,543		9,099,543
<i>Ambulance, Fines, Fees & Court Costs</i>	1,516,919		1,516,919
Total Assets	<u>43,322,176</u>	<u>884,585</u>	<u>44,206,761</u>
Total Assets and Deferred Outflows	<u>\$ 43,322,176</u>	<u>\$ 884,585</u>	<u>\$ 44,206,761</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable and Other Current Liabilities</i>	\$ 334,661	\$	\$ 334,661
<i>Deposits</i>	12,288		12,288
<i>Accrued Payroll</i>	170,762		170,762
<i>Due to Other Funds</i>	29,156		29,156
Total Liabilities	<u>546,867</u>		<u>546,867</u>
Deferred Inflows:			
<i>Taxes</i>	606,194		606,194
<i>Ambulance, Fines, Fees & Court Costs</i>	1,516,919		1,516,919
Total Deferred Inflows	<u>2,123,113</u>		<u>2,123,113</u>
Fund Balances:			
Restricted For:			
<i>Public Safety</i>		283,756	283,756
<i>Legal Services</i>		71,987	71,987
<i>Judicial Services</i>		254,627	254,627
<i>General Administration</i>		274,215	274,215
<i>Committed</i>	10,976,313		10,976,313
<i>Unassigned</i>	29,675,883		29,675,883
Total Fund Balance	<u>40,652,196</u>	<u>884,585</u>	<u>41,536,781</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 43,322,176</u>	<u>\$ 884,585</u>	<u>\$ 44,206,761</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, 2018

Total fund balances - governmental funds balance sheet	\$ 41,536,781
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.	18,435,995
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	606,194
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	1,161,952
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	1,516,919
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	124,176
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	188,577
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(781,553)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	1,138,544
Recognition of the County's proportionate share of the net OPEB liability is not reported in the funds.	(128,071)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	<u>(12,000)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 63,787,514</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, 2018**

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
<i>Ad Valorem Taxes</i>	\$ 9,340,871	\$	\$ 9,340,871
<i>General Sales and Use Taxes</i>	10,611,770		10,611,770
<i>License and Permits</i>	266,488		266,488
<i>Intergovernmental</i>	354,051	173,859	527,910
<i>Fines and Forfeitures</i>	452,845	10,375	463,220
<i>Fees</i>	838,323	439,676	1,277,999
<i>Investment Earnings</i>	475,583	1,807	477,390
<i>Jail Revenue</i>	1,259,013		1,259,013
<i>Other</i>	370,002	5,079	375,081
Total revenues	<u>23,968,946</u>	<u>630,796</u>	<u>24,599,742</u>
Expenditures:			
Current:			
<i>General Administration</i>	3,634,489		3,634,489
<i>Public Safety</i>	2,418,211	285,964	2,704,175
<i>Transportation</i>	666,203		666,203
<i>Health and Welfare</i>	2,162,347		2,162,347
<i>Culture and Recreation</i>	1,069,731		1,069,731
<i>Facilities</i>	140,775		140,775
<i>Judicial</i>	526,188	24,730	550,918
<i>Legal</i>	333,834	1,281	335,115
Capital Outlay	1,306,349	52,672	1,359,021
Total Expenditures	<u>12,258,127</u>	<u>364,647</u>	<u>12,622,774</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,710,819</u>	<u>266,149</u>	<u>11,976,968</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	11,710,819	266,149	11,976,968
Fund Balances - Beginning	28,941,377	618,436	29,559,813
Fund Balances - Ending	<u>\$ 40,652,196</u>	<u>\$ 884,585</u>	<u>\$ 41,536,781</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, 2018**

Net change in fund balances - total governmental funds	\$ 11,976,968
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,359,021
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,352,342)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	204,499
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	329,948
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(19,532)
The net revenue (expense) of internal service funds is reported with governmental activities.	199,406
Pension contributions made before the measurement date and during the previous FY were expended and reduced NPL.	(1,003,688)
Pension contributions made after the measurement date but in current FY were de-expended & recorded as deferred resource outflows.	861,200
The County's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	(587,579)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	451,252
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	(12,694)
Rounding difference	(2)
	<u>12,406,457</u>
Change in net position of governmental activities - Statement of Activities	\$ <u>12,406,457</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
DECEMBER 31, 2018

	Nonmajor Internal Service Fund <u>Employee Health Benefit Fund</u>
ASSETS AND DEFERRED OUTFLOWS:	
Current Assets:	
<i>Cash and Cash Equivalents</i>	\$ 1,209,156
<i>Due from other funds</i>	<u>29,156</u>
Total Assets	<u>1,238,312</u>
 Total Assets and Deferred Outflows	 \$ <u>1,238,312</u>
LIABILITIES:	
Current Liabilities:	
<i>Accounts payable</i>	\$ <u>76,360</u>
Total Current Liabilities	<u>76,360</u>
Total Liabilities	<u>76,360</u>
NET POSITION:	
<i>Restricted for Health Insurance Claims</i>	<u>1,161,952</u>
Total Net Position	<u>\$ 1,161,952</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Nonmajor Internal Service Fund <u>Employee Health Benefit Fund</u>
OPERATING REVENUES:	
<i>Insurance Premiums</i>	\$ 2,099,329
Total Operating Revenues	<u>2,099,329</u>
OPERATING EXPENSES:	
<i>Paid Claims</i>	1,914,219
Total Operating Expenses	<u>1,914,219</u>
Operating Income	<u>185,110</u>
NON-OPERATING REVENUES (EXPENSES):	
<i>Interest Income</i>	14,296
Total Non-operating Revenues (Expenses)	<u>14,296</u>
Income before Contributions and Transfers	<u>199,406</u>
Change in Net Position	<u>199,406</u>
Total Net Position - Beginning	962,546
Total Net Position - Ending	<u>\$ 1,161,952</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, 2018

	Nonmajor Internal Service Fund
	<u>Employee Health Benefit Fund</u>
Cash Flows from Operating Activities:	
<i>Interfund Services Provided</i>	\$ 2,099,329
<i>Cash Payments to Other Suppliers for Goods and Services</i>	<u>(1,912,141)</u>
Net Cash Provided (Used) by Operating Activities	<u>187,188</u>
Cash Flows from Investing Activities:	
<i>Investment Earnings</i>	14,296
Net Cash Provided (Used) for Investing Activities	<u>14,296</u>
Net Increase (Decrease) in Cash and Cash Equivalents	201,484
Cash and Cash Equivalents at Beginning of Year	1,007,672
Cash and Cash Equivalents at End of Year	<u>\$ 1,209,156</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ 185,110
Change in Assets and Liabilities:	
<i>Increase (Decrease) in Accounts Payable and Accrued Expenses</i>	<u>2,078</u>
Total Adjustments	<u>2,078</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 187,188</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018

	Agency Funds
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 3,573,052
Total Assets	<u>\$ 3,573,052</u>
LIABILITIES:	
<i>Accounts Payable</i>	\$ 183,399
<i>Due to Other Governments</i>	433,225
<i>Due to Trust Beneficiaries</i>	2,936,554
<i>Deposits</i>	13,062
<i>Other Liabilities</i>	6,812
Total Liabilities	<u>\$ 3,573,052</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, 2018

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.

The Winkler County Appraisal District has a separately appointed Board, with two positions 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.

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.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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 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.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

c. Inventories and Unrealized Expenses

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 unrealized expenses.

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

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.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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. Other Post-Employment Benefits (OPEB)

The total OPEB liability of the Winkler County Retiree Health Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. The Winkler County Retiree Health Care Plan is considered to be an unfunded OPEB Plan.

h. 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.

i. Use of Estimates

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

j. 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) reports 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 reports 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.

k. 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).

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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	\$ 277,000
Kermit Parks Equipment	45,000
Phillips 66 Grant	56,000
Lateral Road	100,000
Hospital Support	1,072,257
Wink Volunteer Fire Department	5,000
Kermit Volunteer Fire Department	5,000
Wheel Loaders	70,000
Wink VFD Pumper	50,000
Capital Improvements	1,771,755
Golf Cart Shed	250,000
Golf Course Funds	135,575
Precinct 1 Equipment & Barn	321,500
Kermit Community Center	1,941,000
Community Center Equipment	250,000
Wink Community Center	550,000
Courthouse Improvements	100,000
Airport Capital Improvements	1,196,977
Jail Improvements	36,000
EMS Equipment	5,500
Wink Parks Equipment	200,000
Jail Equipment	2,860
EMS Station	2,534,889
	<u>\$ 10,976,313</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.

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.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

l. 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.

m. 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.

4. Change in Accounting Policies

In June, 2015 the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" (OPEB), which is effective for fiscal years beginning after June 15, 2017. The County has implemented the provisions of this Statement for the year ended December 31, 2018.

The Statement requires numerous new OPEB disclosures in the notes to the financial statements and new 10-year, pension-related charts as required supplementary information. Also, for the first time the County is required to recognize OPEB expense, report deferred outflows of resources and deferred inflows of resources related to OPEB.

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, 2018, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$36,745,420 and the bank balance was \$37,199,911. The County's cash deposits at December 31, 2018 and during the year ended December 31, 2018, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

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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 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.

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As of December 31, 2018, 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	\$6,305,397	17.16%	\$6,305,397			N/A
Certificates of Deposit	10,000,024	27.21%	9,750,025	249,999		N/A
	<u>16,305,421</u>	<u>44.37%</u>	<u>16,055,422</u>	<u>249,999</u>		
Investment Pools:						
TexPool	20,439,999	55.63%	20,439,999			AAAm
Total Investment Pools	<u>20,439,999</u>	<u>55.63%</u>	<u>20,439,999</u>			
Total Cash and Cash Equivalents	<u>\$36,745,420</u>	<u>100.00%</u>	<u>\$36,495,421</u>	<u>\$249,999</u>		

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	\$ 1,620,435	\$ 6,652	\$ 1,627,087
Taxes	9,773,221		9,773,221
Ambulance, Fines & Fees	3,057,272		3,057,272
Total Gross Receivables	<u>14,450,928</u>	<u>6,652</u>	<u>14,457,580</u>
Less: Allowance for Uncollectible Accounts			
Taxes	(673,678)		(673,678)
Ambulance, Fines & Fees	(1,540,353)		(1,540,353)
Net Total Receivables	<u>\$ 12,236,897</u>	<u>\$ 6,652</u>	<u>\$ 12,243,549</u>

WINKLER COUNTY, TEXAS
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D. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 217,697			\$ 217,697
Construction in progress	514,459	380,982	514,459	380,982
Total capital assets not being depreciated	<u>732,156</u>	<u>380,982</u>	<u>514,459</u>	<u>598,679</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	6,103,434	53,396	(514,459)	6,671,289
Buildings and improvements	23,873,556	337,645		24,211,201
Furniture and equipment	11,159,459	586,998	163,450	11,583,007
Total capital assets being depreciated	<u>41,136,449</u>	<u>978,039</u>	<u>(351,009)</u>	<u>42,465,497</u>
Less accumulated depreciation for:				
Infrastructure	(4,113,779)	(116,456)		(4,230,235)
Buildings and improvements	(11,979,135)	(506,094)		(12,485,229)
Furniture and equipment	(7,346,376)	(729,791)	(163,450)	(7,912,717)
Total accumulated depreciation	<u>(23,439,290)</u>	<u>(1,352,341)</u>	<u>(163,450)</u>	<u>(24,628,181)</u>
Total capital assets being depreciated, net	<u>17,697,159</u>	<u>(374,302)</u>	<u>(514,459)</u>	<u>17,837,316</u>
Governmental activities capital assets, net	<u>\$ 18,429,315</u>	<u>\$ 6,680</u>	<u>\$</u>	<u>\$ 18,435,995</u>

Depreciation was charged to functions as follows:

General Government	\$ 197,090
Public Safety	292,345
Transportation	252,796
Health	121,409
Culture and Recreation	346,586
Facilities	91,531
Legal	50,584
	<u>\$ 1,352,341</u>

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at December 31, 2018, 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.

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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, 2018, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Other Post Employ. Benefits*	\$ 206,935		\$ 78,864	\$ 128,071	
Net Pension Liability (Asset) *	1,251,861	4,856,106	6,296,544	(188,577)	
Total governmental activities	\$ 1,458,796	\$ 4,856,106	\$ 6,375,408	\$ (60,506)	

* 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.

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, 2018, as follows:

Year Ending December 31,	
2019	\$ 1,500
2020	1,500
2021	1,500
2022	1,500
2023	1,500
2024-2025	3,000
Total Minimum Rentals	\$ 10,500
 Rental Expenditures in 2018	 \$ 1,500

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, 2018, as follows:

Year Ending December 31,	
2018	\$ 3,600
2020	3,600
2021	3,600
2022	3,600
2023	3,600
2024	900
Total Minimum Rentals	\$ 18,900
 Rental Expenditures in 2018	 \$ 3,600

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,

WINKLER COUNTY, TEXAS
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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 2018, the County received a refund in the amount of \$3,747.

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.

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, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

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Inactive employees or beneficiaries currently receiving benefits	117
Inactive employees entitled to but not yet receiving benefits	202
Active employees	194
Total covered employees	<u>513</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 2018. The County's contributions to TCDRS for the year ended December 31 2018 were \$861,199, and were equal to the required contributions.

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2017, 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% 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 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.

Mortality rates for retirees and beneficiaries were based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Mortality rates for disabled retirees were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2013 through December 31, 2016. Assumptions are reviewed annually.

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.

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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 2018 information for a 10 year time horizon.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equities	11.50%	4.55%
Private Equity	16.00%	7.55%
Global Equities	1.50%	4.85%
International Equities-Developed	11.00%	4.55%
International Equities- Emerging	8.00%	5.55%
Investment-Grade Bonds	3.00%	.75%
Strategic Credit	8.00%	4.12%
Direct Lending	10.00%	8.06%
Distressed Debt	2.00%	6.30%
REIT Equities	2.00%	4.05%
Master Limited Partnerships (MLPs)	3.00%	6.00%
Private Real Estate Partnerships	6.00%	6.25%
Hedge Funds	18.00%	4.10%
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:

	2017
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.

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Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2016	\$ 36,103,105	\$ 33,970,492	\$ 2,132,613
Changes for the year			
Service cost	1,146,197		1,146,197
Interest	2,938,735		2,938,735
Effect of plan changes			
Effect of economic/ demographic gains or losses	(310,701)		(310,701)
Changes of assumptions	369,793		369,793
Contributions - employer		1,038,682	(1,038,682)
Contributions - employee		506,538	(506,538)
Net investment income		4,951,582	(4,951,582)
Refund of contributions	(160,236)	(160,236)	
Benefit payments, including refunds of employee contributions	(1,815,489)	(1,815,489)	
Administrative expense		(25,577)	25,577
Other changes		(6,011)	6,011
Net changes	\$ 2,168,299	\$ 4,489,489	\$ (2,321,190)
Balance at 12/31/2017	\$ 38,271,404	\$ 38,459,981	\$ (188,577)

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	\$ 4,542,756	\$ (188,577)	\$ (4,165,727)

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, 2018, the County recognized pension expense of \$1,035,411.

At December 31, 2018, 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	\$	\$ 408,111
Changes in actuarial assumptions	\$ 277,345	\$
Difference between projected and actual investment earnings	\$	\$ 373,442
Contributions subsequent to the measurement date	\$ 861,199	\$
Total	\$ 1,138,544	\$ 781,553

WINKLER COUNTY, TEXAS
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The \$861,199 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:		
2018	\$	117,449
2019	\$	206,869
2020	\$	(384,862)
2021	\$	(443,664)
2022	\$	
Thereafter	\$	

J. Other Post-Employment Benefits

1. Plan Description

The County provides certain health care benefits for retired employees. The Winkler County Retiree Health Care Plan is a single-employer defined benefit postretirement health care plan sponsored and administered by the County.

Winkler County provides other postemployment benefits (OPEB) for all of its employees if the employee is eligible for retirement under TCDRS; begins drawing their TCDRS retirement annuity immediately after retiring from Winkler County; has 10 years of continuous/unbroken service as a full-time employee of Winkler County and at least 60 years of age or an employee with at least 20 years of service and 75 points at the time they retire. No coverage is provided for retirees 65 and older.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

2. Benefits Provided

All employees of Winkler County, who are covered by Winkler County's medical insurance at the time they retire from service with Winkler County through the Texas County and District Retirement System (TCDRS) and have at least ten years of continuous service and at least 60 years of age or an employee with at least 20 years of service and 75 points at the time they retire, may be eligible to continue to participate in Winkler County's medical insurance program until they attain age 65 but will be required to pay 100% of the medical premiums. No coverage is provided for retirees 65 and older.

Retirees who continue medical insurance coverage with Winkler County may also continue to cover their eligible dependents. The eligible dependents who are covered by Winkler County's medical insurance at the time the employee retires from service with Winkler County through the Texas County and District Retirement System (TCDRS) and have been covered on the medical insurance for at least 10 years continuous coverage at the time the employee retires, may be eligible to continue to participate in Winkler County's medical insurance program. The retiree will be responsible for 100% of dependent cost.

Dependents will cease to be eligible when they or the retiree attains age 65 and/or discontinues coverage or upon death of the retiree. The dependent may be eligible for continuation of coverage under COBRA (Federal) guidelines. Dependents acquired after the employee retires are not eligible for coverage.

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Employees covered by benefit terms:

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

Inactive employees or beneficiaries currently receiving benefits	
Inactive employees entitled to but not yet receiving benefits	
Active employees	86
Total covered employees	<u>86</u>

3. Net OPEB Liability

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

Actuarial assumptions:

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation 3.00% per year

Discount Rate 3.64%

The Discount rate was based on a 20-year Municipal Bond Index as of December 31, 2018.

Mortality Rates- RP-2014 Mortality Table projected with MP-2018

Changes in Total OPEB Liability

Balance at 12/31/2017	\$ 127,378
Changes for the year	
Service cost	10,997
Interest on total OPEB liability	4,637
Change of benefit terms	
Difference between expected and actual experience	(14,941)
Changes of assumptions or other inputs	
Benefit payments	
Net changes	<u>693</u>
Balance at 12/31/2018	<u>\$ 128,071</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the County, calculated using the discount rate of 3.64%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current rate.

	1% Decrease in Discount Rate 2.64%	Discount Rate 3.64%	1% Increase in Discount Rate 4.64%
County's total OPEB liability	\$ 140,101	\$ 128,071	\$ 117,568

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5. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the County recognized OPEB expense of \$12,693.

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 12,000
Changes in actuarial assumptions	\$	\$
Contributions subsequent to the measurement date	\$	\$
Total	<u>\$</u>	<u>\$ 12,000</u>
Year ended Dec. 31:		
2019	\$ (2,941)	
2020	(2,941)	
2021	(2,941)	
2022	(2,941)	
2023	(236)	
Thereafter	<u>\$ (12,000)</u>	

K. 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, 2018, the amount of claims incurred and reported and estimated incurred but not reported was \$76,360.

The contract between the County and the third party administrator is renewable October 1, 2019, and terms of coverage and contribution costs are included in the contractual provisions.

L. 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,

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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.

M. Prior Period Adjustment

During fiscal year 2018, the County adopted GASB Statement No. 75 for Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 establishes accounting and financial reporting requirements for state and local government employers that provide their employees with postemployment benefits other than pensions. Adoption of GASB 75 required a prior period adjustment to report the effect of GASB 75 retroactively. The prior period adjustment totaled \$79,557. This amount included \$(127,378) to report the beginning OPEB liability as calculated under GASB 75 and \$206,935 to remove the prior year OPEB liability as reported under GASB 45. The restated beginning net position is \$51,381,057.

N. Subsequent Events

Subsequent events were evaluated through June 19, 2019, 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, 2018

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>	\$ 8,154,968	\$ 8,175,968	\$ 8,785,372	\$ 609,404
<i>General Sales and Use Taxes</i>	1,500,000	2,609,400	10,504,759	7,895,359
<i>License and Permits</i>	328,300	328,300	260,711	(67,589)
<i>Intergovernmental</i>	65,000	77,099	293,144	216,045
<i>Fines and Forfeitures</i>	85,000	88,384	455,948	367,564
<i>Fees</i>	353,200	353,200	843,846	490,646
<i>Investment Earnings</i>	60,000	60,000	475,583	415,583
<i>Jail Revenue</i>	1,035,000	1,035,000	1,178,659	143,659
<i>Other</i>	172,858	290,393	369,868	79,475
Total revenues	<u>11,754,326</u>	<u>13,017,744</u>	<u>23,167,890</u>	<u>10,150,146</u>
Expenditures:				
Current:				
<i>General Administration</i>				
<i>Agriculture</i>	79,876	83,206	77,053	6,153
<i>County Auditor</i>	199,541	206,877	205,173	1,704
<i>Courthouse & Substation</i>	234,570	234,613	214,428	20,185
<i>Taxes & Insurance</i>	1,492,136	1,522,421	1,399,057	123,364
<i>Nondesignated Expense</i>	604,516	379,175	197,740	181,435
<i>Airport</i>	54,187	59,186	48,897	10,289
<i>Human Resources</i>	53,382	52,936	52,414	522
<i>Data Processing</i>	148,500	148,500	124,263	24,237
<i>Commissioners</i>	313,443	313,143	286,031	27,112
<i>County Clerk</i>	269,213	277,996	277,546	450
<i>Tax Assessor/Collector</i>	295,370	316,370	286,448	29,922
<i>Appraisal District</i>	119,704	122,610	122,609	1
<i>County Treasurer</i>	77,898	78,770	78,231	539
<i>District Clerk</i>	182,212	182,212	179,519	2,693
Total General Administration	<u>4,124,548</u>	<u>3,978,015</u>	<u>3,549,409</u>	<u>428,606</u>
<i>Public Safety</i>				
<i>Fire Department- Kermit</i>	43,748	43,748	29,591	14,157
<i>Fire Department- Wink</i>	36,305	36,305	34,154	2,151
<i>Probation Department</i>	113,414	113,414	110,526	2,888
<i>Fire Marshal</i>	736	736		736
<i>Juvenile Probation</i>	183,354	184,033	180,541	3,492
<i>County Sheriff</i>	2,092,020	2,119,904	2,009,859	110,045
<i>Constables</i>	28,010	28,010	13,118	14,892
Total Public Safety	<u>2,497,587</u>	<u>2,526,150</u>	<u>2,377,789</u>	<u>148,361</u>
<i>Transportation</i>				
<i>County Barn- Kermit</i>	164,608	152,213	135,728	16,485
<i>Area 1 Road Maintenance</i>	253,597	253,597	155,344	98,253
<i>Area 2 Road Maintenance</i>	226,681	233,648	152,944	80,704
<i>Lateral Road</i>	272,400	238,779	223,079	15,700
Total Transportation	<u>917,286</u>	<u>878,237</u>	<u>667,095</u>	<u>211,142</u>
<i>Health and Welfare</i>				
<i>Meals Department</i>	153,006	153,006	124,021	28,985
<i>Health & Sanitation</i>	15,100	15,100	12,514	2,586
<i>Veterans Service</i>	5,064	6,164	6,049	115
<i>Emergency Ambulance Service</i>	896,659	948,171	896,131	52,040
<i>Welfare Department</i>	35,200	35,200	7,578	27,622
<i>Memorial Hospital</i>		1,181,657	1,109,397	72,260

WINKLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

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>1,105,029</u>	<u>2,339,298</u>	<u>2,155,690</u>	<u>183,608</u>
<i>Culture and Recreation</i>				
Community Center- Kermit	32,238	30,838	26,982	3,856
Westside Community Center	5,500	5,500	4,774	726
Community Center- Wink	8,700	13,300	11,337	1,963
Exhibition Building Wink	19,200	26,714	25,389	1,325
Swimming Pool- Kermit	96,578	96,438	48,267	48,171
Kermit Parks- Area 1	257,913	268,096	212,259	55,837
Recreation Center	23,500	18,715	14,578	4,137
Swimming Pool- Wink	29,555	29,555	19,369	10,186
Wink Parks- Area 2	196,131	196,203	178,813	17,390
Golf Course	269,624	297,024	278,463	18,561
Kermit Library	124,664	124,714	119,316	5,398
Wink Library	43,100	49,091	48,282	809
Senior Citizen Center	80,693	83,263	79,386	3,877
<i>Total Culture and Recreation</i>	<u>1,187,396</u>	<u>1,239,451</u>	<u>1,067,215</u>	<u>172,236</u>
<i>Facilities</i>				
Maintenance Engineer	69,774	69,824	68,378	1,446
Safety/ Loss Control	72,278	78,607	72,096	6,511
<i>Total Facilities</i>	<u>142,052</u>	<u>148,431</u>	<u>140,474</u>	<u>7,957</u>
<i>Judicial</i>				
District Court	74,877	91,077	87,487	3,590
District Court Reporter	37,518	44,753	43,709	1,044
Juvenile Court	8,641	8,811	8,419	392
County Court	29,100	29,100	4,231	24,869
County Judge	161,362	160,848	159,480	1,368
Justice of the Peace Precinct 1	69,749	69,749	67,538	2,211
Justice of the Peace Precinct 2	56,349	59,743	58,112	1,631
Justice Court	30,000	86,150	86,141	9
District Court Jury	14,300	14,300	4,533	9,767
County & Justice Courts	1,400	1,400	840	560
<i>Total Judicial</i>	<u>483,296</u>	<u>565,931</u>	<u>520,490</u>	<u>45,441</u>
<i>Legal</i>				
Law Library	15,000	15,131	15,130	1
County Attorney	184,319	184,319	175,282	9,037
District Attorney	139,632	144,013	139,811	4,202
<i>Total Legal</i>	<u>338,951</u>	<u>343,463</u>	<u>330,223</u>	<u>13,240</u>
Capital Outlay	958,181	1,836,840	1,257,805	579,035
<i>Total Expenditures</i>	<u>11,754,326</u>	<u>13,855,815</u>	<u>12,066,190</u>	<u>1,789,625</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>(838,071)</u>	<u>11,101,700</u>	<u>11,939,771</u>
<i>Other Financing Sources (Uses):</i>				
<i>Total Other Financing Sources (Uses)</i>				
Net Change in Fund Balances		(838,071)	11,101,700	11,939,711
Fund Balances - Beginning	19,566,185	19,566,185	19,566,185	
Fund Balances - Ending	<u>\$ 19,566,185</u>	<u>\$ 18,728,114</u>	<u>\$ 30,667,885</u>	<u>\$ 11,939,711</u>

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service Cost	\$ 1,146,197	\$ 1,262,467	\$ 1,081,444	\$ 1,077,342	\$	\$	\$	\$	\$	\$
Interest (on the total pension liability)	2,938,735	2,766,361	2,612,407	2,445,238						
Effect of plan changes			(173,596)							
Effect of assumption changes	369,793		431,748							
Effect of economic/demographic gain or losses	(310,701)	(525,254)	(308,027)	(23,689)						
Benefit payments, including refunds of employee contributions	(1,975,725)	(1,832,578)	(1,583,260)	(1,544,790)						
Net Change in Total Pension Liability	2,168,299	1,670,996	2,060,716	1,954,101						
Total Pension Liability- Beginning	36,103,106	34,432,110	32,371,394	30,417,293						
Total Pension Liability- Ending (a)	\$ 38,271,405	36,103,106	34,432,110	32,371,394						
Plan Fiduciary Net Position										
Contributions- Employer	\$ 1,038,682	\$ 1,186,168	\$ 924,482	\$ 849,960	\$	\$	\$	\$	\$	\$
Contributions- Employee	506,538	552,129	558,359	611,330						
Net Investment Income	4,951,582	2,350,887	(322,792)	2,051,462						
Benefit payments, including refunds of employee contributions	(1,975,725)	(1,832,578)	(1,583,260)	(1,544,790)						
Administrative Expense	(25,577)	(25,610)	(23,083)	(24,140)						
Other	(6,011)	(118,622)	(24,793)	31,332						
Net Change in Plan Fiduciary Net Position	\$ 4,489,489	\$ 2,112,374	\$ (471,087)	\$ 1,975,154	\$	\$	\$	\$	\$	\$
Plan Fiduciary Net Position- Beginning	33,970,493	31,858,119	32,329,206	30,354,052						
Plan Fiduciary Net Position- Ending (b)	\$ 38,459,982	33,970,493	31,858,119	32,329,206						
Net Pension Liability- Ending (a) - (b)	\$ (188,577)	\$ 2,132,613	\$ 2,573,991	\$ 42,188	\$	\$	\$	\$	\$	\$
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.49%	94.09%	92.52%	99.87%						
County's covered-employee payroll	\$ 7,236,231	\$ 7,887,558	\$ 7,976,552	\$ 7,333,561	\$	\$	\$	\$	\$	\$
Net Pension Liability as a Percentage of Covered Employee Payroll	-2.61%	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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 861,199	\$ 1,310,682	\$ 914,168	\$ 924,482	\$	\$	\$	\$	\$	\$
Contributions in relation to the contractually required contribution	(861,199)	(1,310,682)	(914,168)	(924,482)						
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
County's covered-employee payroll	\$ 4,756,005	\$ 7,236,231	\$ 7,887,533	\$ 7,977,564	\$	\$	\$	\$	\$	\$
Contributions as a percentage of covered-employee payroll	18.11%	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, 2017- December 31, 2017.

* 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
SCHEDULE OF NET OPEB LIABILITY
WINKLER COUNTY RETIREE HEALTH CARE PLAN
LAST TEN FISCAL YEARS *

	Measurement Year Ended									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total OPEB Liability										
Service Cost	\$ 10,997	\$	\$	\$	\$	\$	\$	\$	\$	\$
Interest on total OPEB liability	4,637									
Differences between expected and actual experience	(14,941)									
Net Change in OPEB Liability	\$ 693	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total OPEB liability- beginning	127,378									
Total OPEB liability- ending	\$ 128,071	\$	\$	\$	\$	\$	\$	\$	\$	\$
County's covered payroll **	\$ 0	\$	\$	\$	\$	\$	\$	\$	\$	\$
County's total OPEB liability as a percentage of its covered payroll	0%									

* 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.

** The actuarially calculated OPEB liability is comprised of unfunded costs for certain retired employees whose actual covered payroll is not determinable.

WINKLER COUNTY, TEXAS

*SCHEDULE OF THE COUNTY'S OPEB CONTRIBUTIONS
WINKLER COUNTY RETIREE HEALTH CARE PLAN
LAST TEN FISCAL YEARS **

	Fiscal Year Ended									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Statutorily or contractually required County contribution	\$ 0	\$	\$	\$	\$	\$	\$	\$	\$	\$
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	0									
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
County's covered payroll **	\$ 0	\$	\$	\$	\$	\$	\$	\$	\$	\$
Contributions as a percentage of covered-employee payroll	0%									

* 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.

** The actuarially calculated OPEB liability is comprised of unfunded costs for certain retired employees whose actual covered payroll is not determinable.

WINKLER COUNTY, TEXAS**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018****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	6.9 years (based on contribution rate calculated in 12/31/17 valuation)
Asset Valuation Method	5-year Smoothed Market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation
Investment Rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Other Information:

Changes in Assumptions and Methods	New mortality assumptions were reflected.
Changes in Plan Provisions	New Annuity Purchase Rates were reflected for benefits earned after 2017.

Note 2: OPEB Information**Valuation Date:**

December 31, 2018

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal with Normal Cost as a level percent of pay
Asset Valuation Method	5-year Smoothed Market
Inflation	3.00%
Salary Increases	Varies by age and service.

WINKLER COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

Retirement Age Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age.

Mortality RP-2014 Mortality Table projected with MP-2018

Other Information:

Changes in Assumptions and Methods

The discount rate was determined based on a 20-year Municipal Bond Index.

The method changed to Entry Age Normal as a percent payroll instead of projected unit credit.

Note 3: 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.

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.

WINKLER COUNTY, TEXAS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 4: Reconciliation of Differences Between Budgetary Comparison Schedule and Statement of Revenues,
Expenditures and Changes in Fund Balance**

	<u>General Fund</u>
Revenues:	
Actual amount (budgetary basis) "Total revenues" from the budgetary comparison schedule (Exhibit B-1)	\$ 23,167,890
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.	(112,409)
Outstanding taxes at fiscal year end are not considered current year revenues for budgetary purposes.	913,851
The County budgets for licenses and permits, fees, and other revenues on the cash basis, rather than on the modified accrual basis.	<u>(386)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds (Exhibit A-5)	\$ <u><u>23,968,946</u></u>

	<u>General Fund</u>
Expenditures:	
Actual amount (budgetary basis) "Total expenditures" from the budgetary comparison schedule (Exhibit B-1)	\$ 12,066,190
The County budgets for supplies, equipment, and services on the cash basis, rather than on the modified accrual basis.	111,995
The County budgets for salaries and wages on the cash basis, rather than on the modified accrual basis.	38,068
The County does not budget for Juvenile Probation CCAP and State Aid grants.	<u>41,874</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds (Exhibit A-5)	\$ <u><u>12,258,127</u></u>

WINKLER COUNTY, TEXAS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Beginning Fund Balances:

Actual amount (budgetary basis) "Fund balances-beginning" \$ 19,566,185
from the budgetary comparison schedule (Exhibit B-1).

Outstanding taxes at fiscal year end are not considered current year revenues for budgetary purposes. This amount represents the taxes outstanding at December 31, 2017 less the allowance for uncollectible taxes. 7,579,498

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. 1,620,820

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 2017. 432,901

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. (125,333)

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. (132,694)

Beginning fund balance as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5). \$ 28,941,377

*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, 2018

	Special Revenue Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS AND DEFERRED OUTFLOWS		
Assets:		
<i>Cash and Cash Equivalents</i>	\$ 877,933	\$ 877,933
<i>Receivables (net of allowances for uncollectibles):</i>		
<i>Accounts</i>	6,652	6,652
Total Assets	<u>884,585</u>	<u>884,585</u>
Total Assets and Deferred Outflows	<u>\$ 884,585</u>	<u>\$ 884,585</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:		
Liabilities:		
Fund Balances:		
Restricted For:		
<i>Public Safety</i>	\$ 283,756	\$ 283,756
<i>Legal Services</i>	71,987	71,987
<i>Judicial Services</i>	254,627	254,627
<i>General Administration</i>	274,215	274,215
Total Fund Balance	<u>884,585</u>	<u>884,585</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 884,585</u>	<u>\$ 884,585</u>

WINKLER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:		
<i>Intergovernmental</i>	\$ 173,859	\$ 173,859
<i>Fines and Forfeitures</i>	10,375	10,375
<i>Fees</i>	439,676	439,676
<i>Investment Earnings</i>	1,807	1,807
<i>Other</i>	5,079	5,079
Total revenues	<u>630,796</u>	<u>630,796</u>
Expenditures:		
Current:		
<i>Public Safety</i>	285,964	285,964
<i>Judicial</i>	24,730	24,730
<i>Legal</i>	1,281	1,281
Capital Outlay	52,672	52,672
Total Expenditures	<u>364,647</u>	<u>364,647</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>266,149</u>	<u>266,149</u>
Other Financing Sources (Uses):		
Total Other Financing Sources (Uses)		
Net Change in Fund Balances	266,149	266,149
Fund Balances - Beginning	618,436	618,436
Fund Balances - Ending	<u>\$ 884,585</u>	<u>\$ 884,585</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018

	<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>	\$ 13,358	\$ 114,318	\$ 2,289	\$ 4,516
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>				
Total Assets	<u>13,358</u>	<u>114,318</u>	<u>2,289</u>	<u>4,516</u>
Total Assets and Deferred Outflows	<u>\$ 13,358</u>	<u>\$ 114,318</u>	<u>\$ 2,289</u>	<u>\$ 4,516</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$ 13,358	\$ 114,318	\$	\$ 4,516
<i>Legal Services</i>			2,289	
<i>Judicial Services</i>				
<i>General Administration</i>				
Total Fund Balance	<u>13,358</u>	<u>114,318</u>	<u>2,289</u>	<u>4,516</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 13,358</u>	<u>\$ 114,318</u>	<u>\$ 2,289</u>	<u>\$ 4,516</u>

<u>Juvenile Probation Fee Fund</u>	<u>County Attorney Hot Check Fund</u>	<u>District Attorney Hot Check Fund</u>	<u>District Attorney Victims Assistance Fund</u>	<u>CSCD Fund</u>
\$ 6,464	\$ 765	\$ 205	\$ 68,728	\$ 54,079
<u>6,464</u>	<u>765</u>	<u>205</u>	<u>68,728</u>	<u>54,079</u>
<u>\$ 6,464</u>	<u>\$ 765</u>	<u>\$ 205</u>	<u>\$ 68,728</u>	<u>\$ 54,079</u>
\$ 6,464	\$ 765	\$ 205	\$ 68,728	\$ 54,079
<u>6,464</u>	<u>765</u>	<u>205</u>	<u>68,728</u>	<u>54,079</u>
<u>\$ 6,464</u>	<u>\$ 765</u>	<u>\$ 205</u>	<u>\$ 68,728</u>	<u>\$ 54,079</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018

	<u>County Clerk Records Mgt/Preser Fund</u>	<u>County Records Mgt/Preservation Fund</u>	<u>Courthouse Security Fund</u>	<u>Justice Court Technology Fund</u>
ASSETS AND DEFERRED OUTFLOWS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 101,255	\$ 55,684	\$ 50,958	\$ 43,722
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>	3,020	134	351	
Total Assets	<u>104,275</u>	<u>55,818</u>	<u>51,309</u>	<u>43,722</u>
Total Assets and Deferred Outflows	<u>\$ 104,275</u>	<u>\$ 55,818</u>	<u>\$ 51,309</u>	<u>\$ 43,722</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$	\$	\$ 51,309	\$
<i>Legal Services</i>				
<i>Judicial Services</i>				43,722
<i>General Administration</i>	104,275	55,818	51,309	43,722
Total Fund Balance	<u>104,275</u>	<u>55,818</u>	<u>51,309</u>	<u>43,722</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 104,275</u>	<u>\$ 55,818</u>	<u>\$ 51,309</u>	<u>\$ 43,722</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
\$ 12,522	\$ 64,178	\$ 7,845	\$ 22,426	\$ 8,683
<u>12,522</u>	3,010 <u>67,188</u>	17 <u>7,862</u>	103 <u>22,529</u>	<u>8,683</u>
<u>\$ 12,522</u>	<u>\$ 67,188</u>	<u>\$ 7,862</u>	<u>\$ 22,529</u>	<u>\$ 8,683</u>
\$ 12,522	\$	\$	\$	\$
<u>12,522</u>	67,188 <u>67,188</u>	7,862 <u>7,862</u>	22,529 <u>22,529</u>	8,683 <u>8,683</u>
<u>\$ 12,522</u>	<u>\$ 67,188</u>	<u>\$ 7,862</u>	<u>\$ 22,529</u>	<u>\$ 8,683</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018

	<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>	\$ 1,334	\$ 1,570	\$ 200,331	\$ 1,800
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>	17			
Total Assets	<u>1,351</u>	<u>1,570</u>	<u>200,331</u>	<u>1,800</u>
 Total Assets and Deferred Outflows	 <u>\$ 1,351</u>	 <u>\$ 1,570</u>	 <u>\$ 200,331</u>	 <u>\$ 1,800</u>
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
 Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$	\$	\$	\$ 1,800
<i>Legal Services</i>				
<i>Judicial Services</i>	1,351		200,331	
<i>General Administration</i>		1,570		
Total Fund Balance	<u>1,351</u>	<u>1,570</u>	<u>200,331</u>	<u>1,800</u>
 Total Liabilities, Def Inflows and Fund Balance	 <u>\$ 1,351</u>	 <u>\$ 1,570</u>	 <u>\$ 200,331</u>	 <u>\$ 1,800</u>

<u>Centennial Fund</u>	<u>District Court Technology Fund</u>	<u>Cty & Dist Court Tech Fund</u>	<u>Drug Dog Fund</u>	<u>Judicial Education Fund</u>
\$ 2,169	\$ 10,026	\$ 2,778	\$ 1,000	\$ 540
<u>2,169</u>	<u>10,026</u>	<u>2,778</u>	<u>1,000</u>	<u>540</u>
<u>\$ 2,169</u>	<u>\$ 10,026</u>	<u>\$ 2,778</u>	<u>\$ 1,000</u>	<u>\$ 540</u>
\$	\$	\$	\$ 1,000	\$
<u>2,169</u>	<u>10,026</u>	<u>2,778</u>	<u>1,000</u>	<u>540</u>
<u>2,169</u>	<u>10,026</u>	<u>2,778</u>	<u>1,000</u>	<u>540</u>
<u>\$ 2,169</u>	<u>\$ 10,026</u>	<u>\$ 2,778</u>	<u>\$ 1,000</u>	<u>\$ 540</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018

	<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>	\$ 2,873	\$ 21,517	\$ 877,933
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>			6,652
Total Assets	<u>2,873</u>	<u>21,517</u>	<u>884,585</u>
Total Assets and Deferred Outflows	<u>\$ 2,873</u>	<u>\$ 21,517</u>	<u>\$ 884,585</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
Fund Balances:			
Restricted For:			
<i>Public Safety</i>	\$ 2,873	\$ 21,517	\$ 283,756
<i>Legal Services</i>			71,987
<i>Judicial Services</i>			254,627
<i>General Administration</i>			274,215
Total Fund Balance	<u>2,873</u>	<u>21,517</u>	<u>884,585</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 2,873</u>	<u>\$ 21,517</u>	<u>\$ 884,585</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	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>	2,754	150,602		
<i>Investment Earnings</i>		906	40	
<i>Other</i>				
Total revenues	<u>2,754</u>	<u>151,508</u>	<u>40</u>	<u></u>
Expenditures:				
Current:				
<i>Public Safety</i>	2,226	39,367		
<i>Judicial</i>				
<i>Legal</i>			1,281	
Capital Outlay				
Total Expenditures	<u>2,226</u>	<u>39,367</u>	<u>1,281</u>	<u></u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>528</u>	<u>112,141</u>	<u>(1,241)</u>	<u></u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	<u></u>	<u></u>	<u></u>	<u></u>
Net Change in Fund Balances	528	112,141	(1,241)	
Fund Balances - Beginning	12,830	2,177	3,530	4,516
Fund Balances - Ending	<u>\$ 13,358</u>	<u>\$ 114,318</u>	<u>\$ 2,289</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
\$	\$	\$	\$	\$
1,026	210			98,316
				10,375
				88,720
				686
<u>1,026</u>	<u>210</u>			<u>198,097</u>
				182,589
				<u>182,589</u>
<u>1,026</u>	<u>210</u>			<u>15,508</u>
<u>1,026</u>	<u>210</u>			<u>15,508</u>
<u>5,438</u>	<u>555</u>	<u>205</u>	<u>68,728</u>	<u>38,571</u>
<u>\$ 6,464</u>	<u>\$ 765</u>	<u>\$ 205</u>	<u>\$ 68,728</u>	<u>\$ 54,079</u>

WINKLER COUNTY, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

	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>	42,850	2,657	12,433	9,600
<i>Investment Earnings</i>				
<i>Other</i>				
Total revenues	<u>42,850</u>	<u>2,657</u>	<u>12,433</u>	<u>9,600</u>
Expenditures:				
Current:				
<i>Public Safety</i>			1,979	
<i>Judicial</i>				
<i>Legal</i>				
Capital Outlay				
Total Expenditures			<u>1,979</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>42,850</u>	<u>2,657</u>	<u>10,454</u>	<u>9,600</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	42,850	2,657	10,454	9,600
Fund Balances - Beginning	61,425	53,161	40,855	34,122
Fund Balances - Ending	<u>\$ 104,275</u>	<u>\$ 55,818</u>	<u>\$ 51,309</u>	<u>\$ 43,722</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
\$ 4,901	\$	\$	\$	\$
175	42,260	350	2,456	2,278
<u>5,076</u>	<u>42,260</u>	<u>350</u>	<u>2,456</u>	<u>2,278</u>
1,105				
<u>1,105</u>	<u>52,672</u>			
3,971	(10,412)	350	2,456	2,278
<u>3,971</u>	<u>(10,412)</u>	<u>350</u>	<u>2,456</u>	<u>2,278</u>
8,551	77,600	7,512	20,073	6,405
<u>\$ 12,522</u>	<u>\$ 67,188</u>	<u>\$ 7,862</u>	<u>\$ 22,529</u>	<u>\$ 8,683</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	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>	98	370	77,435	1,500
<i>Investment Earnings</i>				
<i>Other</i>				
Total revenues	<u>98</u>	<u>370</u>	<u>77,435</u>	<u>1,500</u>
Expenditures:				
Current:				
<i>Public Safety</i>				
<i>Judicial</i>			24,730	
<i>Legal</i>				
Capital Outlay				
Total Expenditures			<u>24,730</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>98</u>	<u>370</u>	<u>52,705</u>	<u>1,500</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	98	370	52,705	1,500
Fund Balances - Beginning	1,253	1,200	147,626	300
Fund Balances - Ending	<u>\$ 1,351</u>	<u>\$ 1,570</u>	<u>\$ 200,331</u>	<u>\$ 1,800</u>

Centennial Fund	District Court Technology Fund	Cty & Dist Court Tech Fund	Drug Dog Fund	Judicial Education Fund
\$	\$	\$	\$	\$
	1,672	235		170
	<u>1,672</u>	<u>235</u>		<u>170</u>
	1,672	235		170
	1,672	235		170
2,169	8,354	2,543	1,000	370
<u>\$ 2,169</u>	<u>\$ 10,026</u>	<u>\$ 2,778</u>	<u>\$ 1,000</u>	<u>\$ 540</u>

WINKLER COUNTY, TEXAS
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Juvenile Rec Center Fund	Prevention Grant Rec Center	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
<i>Intergovernmental</i>	\$	\$ 70,642	\$ 173,859
<i>Fines and Forfeitures</i>			10,375
<i>Fees</i>			439,676
<i>Investment Earnings</i>			1,807
<i>Other</i>	5,079		5,079
Total revenues	<u>5,079</u>	<u>70,642</u>	<u>630,796</u>
Expenditures:			
Current:			
<i>Public Safety</i>	4,236	54,462	285,964
<i>Judicial</i>			24,730
<i>Legal</i>			1,281
Capital Outlay			52,672
Total Expenditures	<u>4,236</u>	<u>54,462</u>	<u>364,647</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>843</u>	<u>16,180</u>	<u>266,149</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	843	16,180	266,149
Fund Balances - Beginning	2,030	5,337	618,436
Fund Balances - Ending	<u>\$ 2,873</u>	<u>\$ 21,517</u>	<u>\$ 884,585</u>

WINKLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2018

	<u>Sheriff Forfeiture Holding</u>	<u>County Attorney</u>	<u>County Clerk</u>
ASSETS:			
<i>Cash and Cash Equivalents</i>	\$ 124	\$ 4,057	\$ 113,611
Total Assets	<u>\$ 124</u>	<u>\$ 4,057</u>	<u>\$ 113,611</u>
LIABILITIES:			
<i>Accounts Payable</i>	\$	\$	\$ 30,366
<i>Due to Other Governments</i>	124	4,057	
<i>Due to Trust Beneficiaries</i>			76,433
<i>Deposits</i>			
<i>Other Liabilities</i>			6,812
Total Liabilities	<u>\$ 124</u>	<u>\$ 4,057</u>	<u>\$ 113,611</u>

<u>District Clerk</u>	<u>Tax Assessor Collector</u>	<u>Sheriff Inmate Trust</u>	<u>Sheriff Commissary Fund</u>
\$ <u>2,861,743</u>	\$ <u>562,346</u>	\$ <u>9,816</u>	\$ <u>10,600</u>
\$ <u>2,861,743</u>	\$ <u>562,346</u>	\$ <u>9,816</u>	\$ <u>10,600</u>
\$ 1,622	\$ 130,937	\$ 9,816	\$ 10,600
2,860,121	418,347		
	13,062		
\$ <u>2,861,743</u>	\$ <u>562,346</u>	\$ <u>9,816</u>	\$ <u>10,600</u>

WINKLER COUNTY, TEXAS**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS**

DECEMBER 31, 2018

	District Attorney Forfeiture Holding Account	Sheriff Fee Fund	Total Agency Funds (See Exhibit A-10)
ASSETS:			
<i>Cash and Cash Equivalents</i>	\$ 10,697	\$ 58	\$ 3,573,052
Total Assets	<u>\$ 10,697</u>	<u>\$ 58</u>	<u>\$ 3,573,052</u>
LIABILITIES:			
<i>Accounts Payable</i>	\$	\$ 58	\$ 183,399
<i>Due to Other Governments</i>	10,697		433,225
<i>Due to Trust Beneficiaries</i>			2,936,554
<i>Deposits</i>			13,062
<i>Other Liabilities</i>			6,812
Total Liabilities	<u>\$ 10,697</u>	<u>\$ 58</u>	<u>\$ 3,573,052</u>

WINKLER COUNTY, TEXAS

EXHIBIT C-6

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
SHERIFF FORFEITURE HOLDING				
ASSETS				
Cash & Cash Equivalents	\$	\$ 47,826	\$ 47,702	\$ 124
Total Assets	\$	\$ 47,826	\$ 47,702	\$ 124
LIABILITIES				
Accounts Payable	\$	\$	\$	\$
Due to Other Governments		47,826	47,702	124
Total Liabilities	\$	\$ 47,826	\$ 47,702	\$ 124
COUNTY ATTORNEY				
ASSETS				
Cash & Cash Equivalents	\$ 2,095	\$ 2,296	\$ 334	\$ 4,057
Total Assets	\$ 2,095	\$ 2,296	\$ 334	\$ 4,057
LIABILITIES				
Accounts Payable	\$	\$	\$	\$
Due to Other Governments	2,095	2,296	334	4,057
Total Liabilities	\$ 2,095	\$ 2,296	\$ 334	\$ 4,057
COUNTY CLERK				
ASSETS				
Cash & Cash Equivalents	\$ 100,029	\$ 106,376	\$ 92,794	\$ 113,611
Total Assets	\$ 100,029	\$ 106,376	\$ 92,794	\$ 113,611
LIABILITIES				
Accounts Payable	\$ 33,643	\$ 58,903	\$ 62,180	\$ 30,366
Due to Trust Beneficiaries	61,593	23,131	8,291	76,433
Other Liabilities	4,793	24,342	22,323	6,812
Total Liabilities	\$ 100,029	\$ 106,376	\$ 92,794	\$ 113,611
DISTRICT CLERK				
ASSETS				
Cash & Cash Equivalents	\$ 641,236	\$ 2,220,507	\$	\$ 2,861,743
Total Assets	\$ 641,236	\$ 2,220,507	\$	\$ 2,861,743
LIABILITIES				
Accounts Payable	\$ 1,622	\$	\$	\$ 1,622
Due to Trust Beneficiaries	639,614	2,220,507		2,860,121
Total Liabilities	\$ 641,236	\$ 2,220,507	\$	\$ 2,861,743
TAX ASSESOR/COLLECTOR				
ASSETS				
Cash & Cash Equivalents	\$ 881,286	\$ 2,714,446	\$ 3,033,386	\$ 562,346
Total Assets	\$ 881,286	\$ 2,714,446	\$ 3,033,386	\$ 562,346
LIABILITIES				
Accounts Payable	\$ 372,397	\$ 993,501	\$ 1,234,961	\$ 130,937
Due to Other Governments	497,221	1,707,883	1,786,757	418,347
Deposits	11,668	13,062	11,668	13,062
Total Liabilities	\$ 881,286	\$ 2,714,446	\$ 3,033,386	\$ 562,346

WINKLER COUNTY, TEXAS

EXHIBIT C-6

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
SHERIFF INMATE				
ASSETS				
Cash & Cash Equivalents	\$ 10,608	\$ 38,110	\$ 38,902	\$ 9,816
Total Assets	<u>\$ 10,608</u>	<u>\$ 38,110</u>	<u>\$ 38,902</u>	<u>\$ 9,816</u>
LIABILITIES				
Accounts Payable	\$ 10,608	\$ 38,110	\$ 38,902	\$ 9,816
Total Liabilities	<u>\$ 10,608</u>	<u>\$ 38,110</u>	<u>\$ 38,902</u>	<u>\$ 9,816</u>
SHERIFF COMMISSARY				
ASSETS				
Cash & Cash Equivalents	\$ 8,809	\$ 25,380	\$ 23,589	\$ 10,600
Total Assets	<u>\$ 8,809</u>	<u>\$ 25,380</u>	<u>\$ 23,589</u>	<u>\$ 10,600</u>
LIABILITIES				
Accounts Payable	\$ 8,809	\$ 25,380	\$ 23,589	\$ 10,600
Total Liabilities	<u>\$ 8,809</u>	<u>\$ 25,380</u>	<u>\$ 23,589</u>	<u>\$ 10,600</u>
CDA FORFEITURE HOLDING				
ASSETS				
Cash & Cash Equivalents	\$ 10,538	\$ 159		\$ 10,697
Total Assets	<u>\$ 10,538</u>	<u>\$ 159</u>		<u>\$ 10,697</u>
LIABILITIES				
Due to Other Governments	\$ 10,538	\$ 159		\$ 10,697
Total Liabilities	<u>\$ 10,538</u>	<u>\$ 159</u>		<u>\$ 10,697</u>
SHERIFF FEES				
ASSETS				
Cash & Cash Equivalents	\$	\$ 69	\$ 11	\$ 58
Total Assets	<u>\$</u>	<u>\$ 69</u>	<u>\$ 11</u>	<u>\$ 58</u>
LIABILITIES				
Accounts Payable	\$	\$ 69	\$ 11	\$ 58
Total Liabilities	<u>\$</u>	<u>\$ 69</u>	<u>\$ 11</u>	<u>\$ 58</u>
TOTAL AGENCY FUNDS:				
ASSETS				
Cash & Cash Equivalents	\$ 1,654,601	\$ 5,155,169	\$ 3,236,718	\$ 3,573,052
Total Assets	<u>\$ 1,654,601</u>	<u>\$ 5,155,169</u>	<u>\$ 3,236,718</u>	<u>\$ 3,573,052</u>
LIABILITIES				
Accounts Payable	\$ 427,079	\$ 1,115,963	\$ 1,359,643	\$ 183,399
Due to Other Governments	509,854	1,758,164	1,834,793	433,225
Deposits	11,668	13,062	11,668	13,062
Due to Trust Beneficiaries	701,207	2,243,638	8,291	2,936,554
Other Liabilities	4,793	24,342	22,323	6,812
Total Liabilities	<u>\$ 1,654,601</u>	<u>\$ 5,155,169</u>	<u>\$ 3,236,718</u>	<u>\$ 3,573,052</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.

Robison Johnston & Patton, LLP
CERTIFIED PUBLIC ACCOUNTANTS
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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, each major fund, and the aggregate remaining fund information of Winkler County, Texas, as of and for the year ended December 31, 2018, 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 19, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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's 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, CPA UP

Lubbock, TX
June 19, 2019

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.

Contents	Page
Financial Trends	72-78
<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	79-81
<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.

TABLE E-1

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment										
in Capital Assets	\$ 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	\$ 18,435,995
Restricted	975,444	952,844	993,328	966,130	967,809	968,524	962,838	812,000		
Unrestricted	<u>19,885,584</u>	<u>19,480,600</u>	<u>20,864,241</u>	<u>23,665,143</u>	<u>25,735,454</u>	<u>28,138,787</u>	<u>27,357,744</u>	<u>27,813,936</u>	<u>32,872,182</u>	<u>45,351,519</u>
Total Governmental Activities Net Position	\$ <u>31,232,046</u>	\$ <u>32,830,744</u>	<u>35,726,250</u>	\$ <u>39,573,630</u>	\$ <u>42,330,452</u>	\$ <u>46,499,000</u>	\$ <u>50,039,144</u>	\$ <u>50,065,502</u>	\$ <u>51,301,497</u>	\$ <u>63,787,514</u>
Business-type Activities										
Net Investment										
in Capital Assets	\$ 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		
Unrestricted	<u>1,248,507</u>	<u>1,183,106</u>	<u>562,991</u>	<u>253,228</u>	<u>1,133,697</u>	<u>1,857,113</u>	<u>2,332,404</u>	<u>2,767,266</u>		
Total Business-type Activities Net Position	\$ <u>1,352,799</u>	\$ <u>1,274,363</u>	<u>672,501</u>	\$ <u>434,105</u>	\$ <u>1,269,623</u>	\$ <u>1,898,717</u>	\$ <u>2,371,017</u>	\$ <u>2,805,155</u>	\$	\$
Primary Government										
Net Investment										
in Capital Assets	\$ 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	\$ 18,435,995
Restricted	975,444	952,844	993,328	991,630	993,309	994,024	988,338	837,500		
Unrestricted	<u>21,134,091</u>	<u>20,663,706</u>	<u>21,427,232</u>	<u>23,918,371</u>	<u>26,869,151</u>	<u>29,995,900</u>	<u>29,690,148</u>	<u>30,581,202</u>	<u>32,872,182</u>	<u>45,351,519</u>
Total Primary Govt Net Position	\$ <u>32,584,845</u>	\$ <u>34,105,107</u>	<u>36,398,751</u>	\$ <u>40,007,735</u>	\$ <u>43,600,075</u>	\$ <u>48,397,717</u>	\$ <u>52,410,161</u>	\$ <u>52,870,657</u>	\$ <u>51,301,497</u>	\$ <u>63,787,514</u>

TABLE E-2

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Administration	\$ 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	\$ 3,796,674
Public Safety	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	3,064,583
Transportation	750,770	771,587	965,590	846,019	1,024,722	1,102,060	924,885	1,009,112	958,433	928,950
Health and Welfare	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	2,306,634
Culture and Recreation	823,508	920,228	999,740	1,126,394	1,187,690	1,166,633	1,321,231	1,462,990	1,374,199	1,437,577
Facilities	93,944	92,334	102,279	141,999	192,382	193,613	200,849	215,506	231,022	236,391
Judicial	296,027	314,789	311,361	311,744	342,850	378,196	507,003	471,453	527,420	561,546
Legal	265,049	246,103	276,320	269,750	284,903	296,145	361,121	405,648	365,921	395,377
Interest on Long-Term Debt	558,256	532,849	519,406	507,442	499,151	490,168	473,471	114,162	111,084	
Bond Issuance Costs	25,054	22,960	21,130	19,541	166,091			189,859	300	
Total Governmental Activities Exp	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	12,727,732
Business-type Activities:										
Memorial Hospital	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	7,605,315	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	\$ 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	\$ 12,727,732
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 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	\$ 3,827,507
Operating Grants and Contrib.	348,041	354,821	400,705	381,294	420,307	507,865	813,582	841,247	789,265	589,540
Capital Grants and Contributions										
Total Governmental Act Prog Rev.	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	4,417,047
Business-type Activities:										
Charges for Services	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.	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.	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.	\$ 10,381,079	\$ 10,270,341	\$ 10,149,825	\$ 10,975,675	\$ 12,331,671	\$ 12,833,611	\$ 12,509,991	\$ 13,219,784	\$ 3,969,056	\$ 4,417,047
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (8,310,685)
Business-type Activities	296,802	(79,385)	(602,289)	(263,896)	810,018	603,594	151,285	432,097		
Total Primary Govt Net Expense	\$ (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)	\$ (8,310,685)

TABLE E-3

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental Activities	\$ (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)\$	(8,310,685)
Business-type Activities	296,802	(79,385)	(602,289)	(263,896)	810,018	603,594	151,285	432,097		
Total Primary Government Net Exp	\$ (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)\$	(8,310,685)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 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 \$	9,545,370
Sales Taxes	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	10,611,770
Bingo Tax Proceeds	1,921	1,763	1,156		5,496					
Insurance Recovery										
Investment Earnings	115,772	78,617	60,720	47,772	56,198	64,823	63,029	33,050	160,423	477,390
Donations				2,972						
Miscellaneous	39,203	85,866	39,527	43,488	74,800	264,636	99,962	91,317	146,661	82,612
Total Governmental Activities	\$ 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 \$	20,717,142
Business-type Activities:										
Investment Earnings	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:	222	949	427	25,500	25,500	25,500	327	2,041		
Total Primary Government	\$ 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 \$	20,717,142
Change in Net Position										
Governmental Activities	\$ 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 \$	12,406,457
Business-type Activities	297,024	(78,436)	(601,862)	(238,396)	835,518	629,094	151,612	434,138		
Total Primary Government	\$ 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 \$	12,406,457

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

	FISCAL									
	2009	2010	2011*	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 1,400,074	\$ 1,614,151								
Unreserved	16,892,378	16,143,015								
Committed For:										
Park Improvements			108,601	238,189	320,000	250,306	183,748	177,747	143,656	277,000
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	1,454,082	1,454,082	1,454,082	1,771,755
Lateral Road			218,266	100,000	191,302	91,903	498,616	496,112	796,112	100,000
Medicial & 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	5,000
Kermit Vol. Fire Dept										5,000
Jail Improvements			20,000	50,000				15,000	71,351	38,860
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 Equipment			11,088							5,500
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			300,000	500,000	500,000	
TCDRS Funding				300,000				272,000		
Community Buildings					58,815	108,558	726,863	837,663	2,737,663	
Computer Equipment & Software					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	200,000	425,611	234,848	151,910	
Precinct 1 Equipment & Barn							13,700	13,700	13,700	321,500
Precinct 2 Equipment & Barn							13,700	68,741	36,336	
Sheriff OT							20,000			
Copiers & Printers							62,000	5,000		
Financial & Court Software						755,152				
Airport Capital Improvements							86,066	186,066	286,066	1,196,977
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	5,000	
Kermit Parks Equipment							28,000			45,000
Wheel Loaders							120,000	120,000	120,000	70,000
Golf Course Funds							58,000	116,000	127,000	385,575
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	612,488	100,000
EMS Equip	88,738							76,000	38,800	
Law Library								10,000	10,000	
Kermit Parks Equipment								30,000	30,000	
Wink Parks Equipment								30,000	19,250	200,000
County Day Travel								5,000		
Recreation Center Roof								100,000	59,846	
Wink VFD Suits								10,000	3,320	
Senior Citizens Building Lighting								5,000	1,700	
Agriculture Funds								3,500		
Wink VFD Pumper								27,000	27,000	50,000
County Wide Fertilizer								11,000		
Precinct 2 Equipment- Water Tank								20,000	20,000	
EMS Station										2,534,889
Hospital Support										1,072,257
Kermit Community Center & Equipment										2,191,000
Wink Community Center										550,000
Phillips 66 Grant										56,000
Probation Storage								3,000		
Unassigned			14,821,035	19,455,368	21,716,635	23,431,603	17,370,723	16,701,470	20,242,646	29,675,883
Total General Fund	\$ 18,292,452	\$ 17,757,166	\$ 19,638,273	\$ 21,922,665	\$ 23,694,628	\$ 26,016,722	\$ 24,050,344	\$ 24,653,614	\$ 28,941,377	\$ 40,652,196
All Other Governmental Funds										
Reserved for Debt Service	\$ 975,444	\$ 952,844								
Reserved for Capital Projects										
Unreserved, Reported In:										
Special Revenue Funds	375,817	407,945								
Capital Projects Funds										
Debt Service Funds										
Restricted For:										
Debt Service			993,328	966,130	967,809	968,524	962,838	812,000		
Public Safety			167,106	164,589	130,355	127,843	87,449	113,579	121,603	283,756
Legal Services			74,639	71,565	72,454	72,428	73,205	72,587	73,019	71,987
Judicial Services			41,982	49,453	50,342	74,422	129,458	166,671	189,775	254,627
General Administration			157,555	194,321	224,377	119,464	172,878	236,809	234,037	274,215
Total All Other Governmental Funds	\$ 1,351,261	\$ 1,360,789	\$ 1,434,610	\$ 1,446,058	\$ 1,445,337	\$ 1,362,681	\$ 1,425,828	\$ 1,401,646	\$ 618,434	\$ 884,585

* 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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes:										
Ad Valorem Taxes	\$ 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	\$ 9,340,871
General Sales and Use Taxes	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	10,611,770
Licenses and Permits	268,234	265,775	266,167	266,941	268,098	269,306	258,474	257,905	262,451	266,488
Intergovernmental	194,694	280,720	283,424	277,076	311,590	355,773	636,570	687,687	699,652	527,910
Fines and Forfeitures	110,988	123,203	240,756	235,740	188,464	188,874	147,907	124,871	183,357	463,220
Fees	510,600	547,759	334,618	732,796	769,742	797,691	827,271	796,986	1,036,624	1,277,999
Investment Earnings	115,772	78,617	60,720	47,772	56,198	64,823	63,029	91,317	160,423	477,390
Jail Revenue	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	1,259,013
Other Revenue	298,878	348,138	451,183	315,951	455,798	827,672	552,791	439,963	528,100	375,081
Total Revenues	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	24,599,742
Expenditures										
Current:										
General Administration	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	3,634,489
Public Safety	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	2,704,175
Transportation	635,130	606,147	836,385	773,019	741,667	854,242	1,066,040	999,811	965,434	666,203
Health and Welfare	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	2,162,347
Culture and Recreation	662,789	755,151	784,044	888,972	935,435	902,899	1,052,754	1,116,632	1,055,469	1,069,731
Facilities	77,386	79,506	86,539	87,324	118,486	118,102	125,812	137,034	148,434	140,775
Judicial	294,427	313,722	311,361	312,244	342,590	378,320	517,573	466,877	533,198	550,918
Legal	265,049	246,103	276,320	269,750	284,669	292,460	355,185	349,375	320,818	335,115
Debt Service:										
Principal	426,690	295,000	310,000	325,000	363,902	413,847	431,000	541,250	515,000	
Interest and Fiscal Charges	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	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	1,359,021
Total Expenditures	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	12,622,774
Excess of Revenues										
Over (Under) Expenditures	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	11,976,968

TABLE E-5 (cont)

Other Financing Sources (Uses)										
Transfers In	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					300,000					
Transfers to Hospital District									(178,979)	
Premium or Discount On Issuance of Bonds								257,894		
Transfers Out	(430,455)	(25,502)	(3,408)	(6,286)	(9,646)	(8,757)	(11,600)	(7,610)		
Total Other Financing Sources (Uses)	(243,781)				300,000			19,511	(178,979)	
Net Change in Fund Balances	\$ 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	\$ 11,976,968
Debt Service As A Percentage Of Noncapital Expenditures	9.6%	7.7%	7.3%	7.2%	7.0%	6.8%	7.4%	8.2%	5.7%	

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
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
2018	9,340,871	10,611,770	19,952,641

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

TABLE E-7

WINKLER COUNTY, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
 December 31, 2018

Taxpayer	Tax Year 2018		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Duke-Notrees Wind Power LP	\$ 82,411,785	1	5.10%
Southern Union Gas	67,617,592	2	4.18%
University of Texas	62,646,205	3	3.87%
Mewbourne Oil Company	56,753,073	4	3.51%
Oncor Electric Delivery Co.	48,577,808	5	3.00%
Western Refining Southwest Inc.	45,370,886	6	2.81%
Felix Energy Holdings II LLC	43,381,646	7	2.68%
Plains Pipeline LP	34,108,151	8	2.11%
XTO Energy Inc.	33,920,976	9	2.10%
Apache Corporation	33,337,729	10	2.06%
Total	\$ 508,125,851		31.42%

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
2008	\$ 9,550,008	\$ 9,257,265	96.93%	\$ 238,560	\$ 9,495,825	99.43%
2009	10,495,371	10,278,418	97.93%	188,339	10,466,757	99.73%
2010	10,548,757	10,404,780	98.64%	128,599	10,533,379	99.85%
2011	10,457,222	10,347,683	98.95%	95,261	10,442,944	99.86%
2012	11,316,322	11,182,491	98.82%	106,045	11,288,536	99.75%
2013	11,136,923	10,965,506	98.46%	116,736	11,082,242	99.51%
2014	11,837,123	11,657,804	98.49%	100,764	11,758,568	99.34%
2015	9,605,189	9,454,853	98.43%	72,122	9,526,975	99.19%
2016	7,853,033	7,673,040	97.71%	49,777	7,722,817	98.34%
2017	8,783,960	8,652,659	98.51%		8,652,659	98.51%