

ANNUAL FINANCIAL REPORT

of

BURLESON COUNTY, TEXAS

**For the Year Ended
September 30, 2018**

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BURLESON COUNTY, TEXAS

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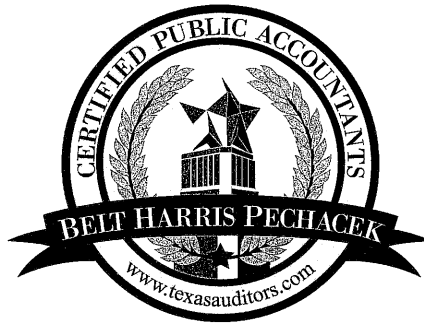
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 the County as of September 30, 2018, and the respective changes in financial position 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

In 2018, the County 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, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on 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 County's basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

*B*ELT *H*ARRIS *P*ECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
June 6, 2019

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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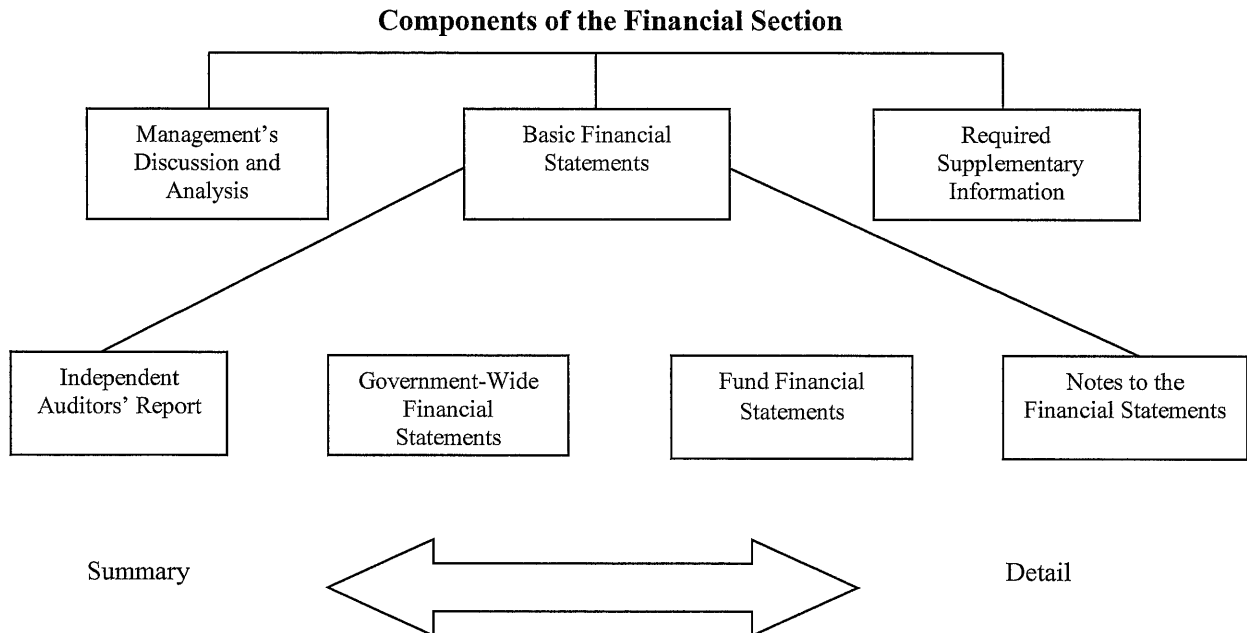
BURLESON COUNTY, TEXAS

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2018

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Burleson County, Texas (the "County") for the year ending September 30, 2018. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the County's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The County's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information for the County as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the County as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the County's financial statements, report information on the County's activities that enable the reader to understand the financial condition of the County. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the County's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County

BURLESON COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

is improving or deteriorating. Other nonfinancial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered to assess the overall health of the County.

The Statement of Activities presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows, using the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities present the County's financials in one type of activity:

1. *Governmental Activities* – The County's basic services are reported here such as general administration, financial administration, public facilities, judicial, public safety, health and welfare, public transportation, and legal services. Interest and fiscal charges on long-term debt are also reported here. Property tax, sales tax, charges for services, and intergovernmental revenue finance most of these activities.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the County. They are usually segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of County funds are governmental and fiduciary.

Governmental Funds

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

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

The County maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general, road and bridge, and lateral road and bridge fund which are considered to be major funds for reporting purposes. The debt service fund is not considered a major fund for reporting purposes, but the County has elected to present as major due to its significance.

BURLESON COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

The County adopts an annual appropriated budget for its general, road and bridge, lateral road and bridge, debt service, and certain special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County maintains nine fiduciary funds. The County's fiduciary activities are reported separately in a statement of fiduciary net position.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general, road and bridge, and lateral road and bridge funds, schedules of changes in net pension and total other postemployment benefits (OPEB) liability and related ratios, and schedule of contributions for the Texas County and District Retirement System, and schedule of changes in total OPEB liability and related ratios for postemployment healthcare benefits. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$17,271,430 as of September 30, 2018. This compares with \$15,917,740 for the prior fiscal year. A portion of the County's net position, 53%, reflects its investments in capital assets (e.g., land, buildings and improvements, equipment, and infrastructure), less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

BURLESON COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

		Governmental Activities	
		2018	2017
Current and other assets		\$ 11,500,785	\$ 10,277,780
Capital assets, net		13,131,579	13,348,622
Total Assets		24,632,364	23,626,402
Deferred outflows - pensions		343,431	931,488
Deferred outflows - OPEB		19,055	7,446
Total Deferred Outflows of Resources		362,486	938,934
Long-term liabilities		6,281,824	6,778,341
Other liabilities		998,699	1,561,072
Total Liabilities		7,280,523	8,339,413
Deferred inflows - pensions		437,110	308,183
Deferred inflows - OPEB		5,787	-
Total Deferred Inflows of Resources		442,897	308,183
Net Position:			
Net investment in capital assets		9,194,898	8,958,021
Restricted		6,471,187	6,030,582
Unrestricted		1,605,345	929,137
Total Net Position		\$ 17,271,430	\$ 15,917,740

A portion of the County's net position, \$6,471,187 or 38%, represents resources that are subject to external restriction on how they may be used. The County's unrestricted net position, \$1,605,345 or 9%, may be used to meet the County's ongoing obligation to citizens and creditors. The overall net position increased by \$1,353,690. Current assets increased \$1,223,005 mainly due to operating results. The deferred outflows of resources decreased by \$576,448 mainly due to the increase in investment earning on pension plan assets. The total liabilities decreased by \$1,058,890 mainly due to the decrease in pension and OPEB liabilities. The deferred inflows of resources increased by \$134,714 mainly due to the investment earnings on pension plan assets.

BURLESON COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

Statement of Activities

The following table provides a summary of the County's changes in net position:

	Governmental Activities	
	2018	2017
Revenues		
Program revenues:		
Charges for services	\$ 2,408,613	\$ 2,140,093
Operating grants and contributions	260,498	508,775
General revenues:		
Property taxes	8,425,865	7,573,415
Sales taxes	1,463,248	1,216,136
Other taxes	56,057	44,310
Interest income	165,069	64,099
Gain on sale of capital assets	86,485	-
Other revenues	2,021,737	1,425,904
Total Revenues	14,887,572	12,972,732
Expenses		
General administration	1,126,143	1,227,052
Judicial	1,188,730	1,111,519
Legal	567,947	582,217
Financial administration	693,522	653,281
Public facilities	597,632	295,090
Public safety	3,876,037	3,618,847
Public transportation	3,921,790	4,059,378
Health and welfare	117,686	113,630
Miscellaneous	1,325,102	1,189,438
Interest and fiscal agent fees	119,293	129,944
Total Expenses	13,533,882	12,980,396
Change in Net Position	1,353,690	(7,664)
Beginning net position	15,917,740	15,925,404
Ending Net Position	\$ 17,271,430	\$ 15,917,740

Total governmental revenues were comparable to the prior year, increasing \$1,914,840 or 15%. This increase is primarily due to an increase in property taxes of \$852,450 and other revenues of \$595,833, as well as increases in charges for services of \$268,520 and sales taxes of \$247,112. The increase in property taxes is mainly due to the assessed property value increase. Other revenues increased primarily due to insurance proceeds received for hail storm damage claim. The charges for services increased mainly due to more fees collected and sales tax revenue increased due to an increase in sales within the County. The increase in revenue was partly offset by the decrease in operating grants and contributions.

Governmental expenses increased from the prior year by \$553,486 or 4%. The increase is primarily due to increases in public safety, public facilities costs, and miscellaneous expenses. Public safety expenses increased as a result of costs related to rural fire protection and personnel. Public facilities expenses increased mainly due to repairs and maintenance of buildings. Miscellaneous expenses increased mainly due to health reimbursement and non-capital equipment costs.

BURLESON COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

The County's governmental funds reflect a combined fund balance of \$8,901,587. Of this, \$2,430,400 is unassigned and available for day-to-day operations of the County and \$6,471,187 is restricted for various purposes.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,430,400. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 31% of total general fund expenditures. The fund balance of the general fund reported an increase of \$669,210, mainly due to more property tax revenue for the increase of property values, an increase in sales tax collections, and an increase in other revenues for insurance reimbursement. The increase in revenue were partially offset by the increase in expenditures in capital outlay for equipment and vehicles.

The road and bridge fund reported an increase of \$443,305 in fund balance primarily due to an increase in road use contributions. All of the road and bridge fund balance, \$3,905,932, is restricted.

The lateral road and bridge fund reported a restricted fund balance of \$1,355,120, which is an increase of \$157,482 in fund balance.

The debt service fund reported a decrease of \$64,906 in fund balance. The decrease is due to the effort of Commissioners' Court to spend down the excess debt service fund balance. The current debt service fund balance of \$106,532 is restricted to payments of principal and interest on debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund's actual revenues were more than the final budget by \$710,383 during the year. This positive variance is largely the result of more property taxes, sales taxes, charges for services, and miscellaneous revenues than expected.

The general fund expenditures were less than the final budget by \$376,740 mainly due less public safety expenditures than expected and the result of a County-wide effort to keep expenditures at or below budget.

BURLESON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

CAPITAL ASSETS

At the end of the year, the County's governmental activities had invested \$13,131,579 in a variety of capital assets and infrastructure, net of accumulated depreciation. This represents a net decrease of \$217,043.

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

- 8 Chevy Tahoes and 3 Ford trucks for public safety use - \$298,180
- 2 backhoes and 1 pneumatic for road and bridge use - \$198,587
- 2 Freightliners, 3 trucks, and 2 trailers for road and bridge use - \$143,880

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

LONG-TERM DEBT

At the end of the year, the County reported total certificates of obligation of \$3,370,000. The County also reported capital leases and time warrants issued for a total of \$91,880. The County has \$365,000 of refunding bonds outstanding.

More detailed information about the County's long-term liabilities is presented in note III.D. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economic condition is improving as seen in the increase in sales tax revenue. The County has continued the permanent road program to solidify the infrastructure of the County. The County has approved to increase the tax rate from \$0.55 to \$0.56 for the 2018/2019 fiscal year.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to the County Auditor's Office, Burleson County, 100 W. Buck Street, Suite 407, Caldwell, Texas 77836.

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BASIC FINANCIAL STATEMENTS

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BURLESON COUNTY, TEXAS

STATEMENT OF NET POSITION

September 30, 2018

	Governmental Activities
<u>Assets</u>	
Cash and cash equivalents	\$ 9,183,677
Receivables, net	2,050,668
Due from other units	266,440
	<u>11,500,785</u>
Capital assets:	
Nondepreciable	289,911
Depreciable capital assets, net	12,841,668
	<u>13,131,579</u>
Total Assets	<u>24,632,364</u>
<u>Deferred Outflows of Resources</u>	
Deferred outflows - pensions	343,431
Deferred outflows - OPEB	19,055
Total Deferred Outflows of Resources	<u>362,486</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	988,677
Due to other units	120
Accrued interest	9,902
Total Current Liabilities	<u>998,699</u>
Noncurrent liabilities:	
Long-term debt due within one year	501,426
Long-term debt due in more than one year	5,780,398
Total Noncurrent Liabilities	<u>6,281,824</u>
Total Liabilities	<u>7,280,523</u>
<u>Deferred Inflows of Resources</u>	
Deferred inflows - pensions	437,110
Deferred inflows - OPEB	5,787
Total Deferred Inflows of Resources	<u>442,897</u>
<u>Net Position</u>	
Net investment in capital assets	9,194,898
Restricted for:	
Road and bridge	3,905,932
Lateral road and bridge	1,355,120
Debt service	106,532
Grants	156,424
Special projects	947,179
Unrestricted	1,605,345
Total Net Position	<u>\$ 17,271,430</u>

See Notes to Financial Statements.

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BURLESON COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 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				
General administration	\$ 1,126,143	\$ 448,681	\$ 182,075	\$ (495,387)
Judicial	1,188,730	511,985	-	(676,745)
Legal	567,947	325	-	(567,622)
Financial administration	693,522	433,760	-	(259,762)
Public facilities	597,632	-	-	(597,632)
Public safety	3,876,037	21,516	-	(3,854,521)
Public transportation	3,921,790	725,863	78,423	(3,117,504)
Health and welfare	117,686	-	-	(117,686)
Miscellaneous	1,325,102	266,483	-	(1,058,619)
Interest and fiscal agent fees	119,293	-	-	(119,293)
Total Governmental Activities	<u>13,533,882</u>	<u>2,408,613</u>	<u>260,498</u>	<u>(10,864,771)</u>
Total Primary Government	<u>\$ 13,533,882</u>	<u>\$ 2,408,613</u>	<u>\$ 260,498</u>	<u>(10,864,771)</u>
General Revenues:				
				8,425,865
				1,463,248
				56,057
				165,069
				86,485
				2,021,737
			Total General Revenues	<u>12,218,461</u>
			Change in Net Position	1,353,690
			Beginning net position	<u>15,917,740</u>
			Ending Net Position	<u>\$ 17,271,430</u>

See Notes to Financial Statements.

BURLESON COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2018

	General	Road and Bridge	Lateral Road and Bridge	Debt Service
<u>Assets</u>				
Cash and cash equivalents	\$ 2,470,869	\$ 4,075,254	\$ 1,350,489	\$ 105,493
Receivables, net	1,477,854	373,941	148,968	28,334
Due from other funds	14,719	6,792	3,396	891
Due from other units	250,489	11,630	1,849	482
Total Assets	\$ 4,213,931	\$ 4,467,617	\$ 1,504,702	\$ 135,200
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 644,326	\$ 262,001	\$ 5,245	\$ 1,373
Due to other funds	-	-	-	-
Due to other units	120	-	-	-
Total Liabilities	644,446	262,001	5,245	1,373
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - fines	589,797	-	-	-
Unavailable revenue - property taxes	549,288	299,684	144,337	27,295
Total Deferred Inflows of Resources	1,139,085	299,684	144,337	27,295
<u>Fund Balances</u>				
Restricted:				
Road and bridge	-	3,905,932	-	-
Lateral road and bridge	-	-	1,355,120	-
Debt service	-	-	-	106,532
Grants	-	-	-	-
Special projects	-	-	-	-
Unassigned:				
General	2,430,400	-	-	-
Total Fund Balances	2,430,400	3,905,932	1,355,120	106,532
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,213,931	\$ 4,467,617	\$ 1,504,702	\$ 135,200

See Notes to Financial Statements.

Nonmajor Governmental	Total Governmental Funds
\$ 1,181,572	\$ 9,183,677
21,571	2,050,668
-	25,798
1,990	266,440
<u>\$ 1,205,133</u>	<u>\$ 11,526,583</u>
\$ 75,732	\$ 988,677
25,798	25,798
-	120
<u>101,530</u>	<u>1,014,595</u>
-	589,797
-	1,020,604
<u>-</u>	<u>1,610,401</u>
-	3,905,932
-	1,355,120
-	106,532
156,424	156,424
947,179	947,179
-	2,430,400
<u>1,103,603</u>	<u>8,901,587</u>
<u>\$ 1,205,133</u>	<u>\$ 11,526,583</u>

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BURLESON COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

September 30, 2018

Total fund balances for governmental funds \$ 8,901,587

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

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

Nondepreciable capital assets	289,911	
Depreciable capital assets	21,368,429	
Accumulated depreciation	<u>(8,526,761)</u>	
		13,131,579

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred or accrued in the governmental funds.

Unavailable revenue - fines	589,797	
Unavailable revenue - property taxes	<u>1,020,604</u>	
		1,610,401

Deferred outflows and deferred inflows related to the net pension and total other postemployment benefits (OPEB) liability are not reported in the governmental funds.

Deferred outflows - pensions	343,431	
Deferred inflows - pensions	(437,110)	
Deferred outflows - OPEB - GTLF	19,055	
Deferred inflows - OPEB - GTLF	(5,787)	
Net pension liability	(145,770)	
Total OPEB liability - GTLF	(318,488)	
Total OPEB liability - healthcare benefits	<u>(1,709,167)</u>	
		(2,253,836)

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

Long-term debt due within one year	(501,426)	
Long-term debt due in more than one year	(3,589,801)	
Accrued interest payable	(9,902)	
Compensated absences	<u>(17,172)</u>	
		<u>(4,118,301)</u>

Net Position of Governmental Activities	\$ <u>17,271,430</u>
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See Notes to Financial Statements.

BURLESON COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2018

	General	Road and Bridge	Lateral Road and Bridge	Debt Service
<u>Revenues</u>				
Property taxes	\$ 4,610,510	\$ 2,265,163	\$ 1,175,381	\$ 302,048
Sales taxes	1,463,248	-	-	-
Other taxes	10,142	-	-	-
Intergovernmental	53,327	78,423	-	-
Charges for services	877,824	-	-	-
Fines and forfeitures	511,985	-	-	-
Interest	65,697	65,372	15,281	3,189
Permits and licenses	-	725,863	-	-
Miscellaneous	760,409	1,200,061	23,116	-
Total Revenues	<u>8,353,142</u>	<u>4,334,882</u>	<u>1,213,778</u>	<u>305,237</u>
<u>Expenditures</u>				
Current:				
General administration	741,651	-	-	-
Judicial	1,100,766	-	-	-
Legal	570,057	-	-	-
Financial administration	644,644	-	-	-
Public facilities	275,049	-	-	-
Public safety	3,233,098	-	-	-
Public transportation	-	2,877,366	1,056,296	-
Health and welfare	110,794	-	-	-
Miscellaneous	728,941	339,770	-	-
Debt service:				
Principal	-	243,637	-	250,000
Interest and fiscal agent fees	-	5,312	-	120,143
Capital outlay	450,396	440,320	-	-
Total Expenditures	<u>7,855,396</u>	<u>3,906,405</u>	<u>1,056,296</u>	<u>370,143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>497,746</u>	<u>428,477</u>	<u>157,482</u>	<u>(64,906)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	148,627	-	-	-
Transfers (out)	-	(95,400)	-	-
Sale of capital assets	22,837	63,648	-	-
Capital leases	-	46,580	-	-
Total Other Financing Sources (Uses)	<u>171,464</u>	<u>14,828</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	669,210	443,305	157,482	(64,906)
Beginning fund balances	<u>1,761,190</u>	<u>3,462,627</u>	<u>1,197,638</u>	<u>171,438</u>
Ending Fund Balances	<u><u>\$ 2,430,400</u></u>	<u><u>\$ 3,905,932</u></u>	<u><u>\$ 1,355,120</u></u>	<u><u>\$ 106,532</u></u>

See Notes to Financial Statements.

Nonmajor Governmental	Total Governmental Funds
\$ -	\$ 8,353,102
-	1,463,248
45,915	56,057
128,748	260,498
266,483	1,144,307
-	511,985
15,530	165,069
-	725,863
38,151	2,021,737
<u>494,827</u>	<u>14,701,866</u>
335,430	1,077,081
5,645	1,106,411
-	570,057
-	644,644
-	275,049
117,576	3,350,674
-	3,933,662
-	110,794
78,225	1,146,936
-	493,637
-	125,455
-	890,716
<u>536,876</u>	<u>13,725,116</u>
<u>(42,049)</u>	<u>976,750</u>
95,400	244,027
(148,627)	(244,027)
-	86,485
-	46,580
<u>(53,227)</u>	<u>133,065</u>
(95,276)	1,109,815
<u>1,198,879</u>	<u>7,791,772</u>
<u>\$ 1,103,603</u>	<u>\$ 8,901,587</u>

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BURLESON 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 September 30, 2018

Net changes in fund balances - total governmental funds \$ 1,109,815

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	890,716
Depreciation expense	(1,060,229)
Net effect of disposals	(47,530)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Changes in unavailable revenue - fines and fees	26,458
Changes in unavailable revenue - property taxes	72,763

Net pension and total other postemployment benefits (OPEB) liability and deferred outflows and deferred inflows related to the net pension and total OPEB liability are not reported in the governmental funds.

Net pension liability	797,788
Deferred outflows - pensions	71,369
Deferred inflows - pensions	(788,353)
Deferred outflows - OPEB - GTLF	11,609
Deferred inflows - OPEB - GTLF	(5,787)
Changes in total OPEB liability - GTLF	(18,598)
Changes in total OPEB liability - Healthcare benefits	(131,617)

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

Issuance of long-term debt	(46,580)
Changes in premium on bonds	6,863
Principal payments	493,637
Changes in accrued interest expense	(701)
Changes in compensated absences	(27,933)

Change in Net Position of Governmental Activities	\$ 1,353,690
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See Notes to Financial Statements.

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BURLESON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2018

	<u>Total Fiduciary Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 1,656,195
Investments	397,451
Due from other units	95
Total Assets	<u><u>\$ 2,053,741</u></u>
<u>Liabilities</u>	
Due to other units	\$ 2,053,741
Total Liabilities	<u><u>\$ 2,053,741</u></u>

See Notes to Financial Statements.

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BURLESON COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Burleson County, Texas (the “County”) is an independent government entity created by an act of the Texas Legislature. The County is governed by a Commissioners’ Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County’s financial statements include the accounts of all County operations. The County provides a vast array of services including financial administration, judicial, health and welfare, public facilities and transportation, general administration, public safety, and legal.

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

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The County has no business-type activities.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the County’s funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

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.

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund. The principal sources of revenues include local property taxes, sales tax, fines and forfeitures, and charges for services. Expenditures include general administration, financial administration, public facilities, judicial, public safety, health and welfare, and legal. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The primary source of revenue for debt service is local property taxes. The debt service fund did not meet the technical criteria to be presented as a major fund; however, due to its significance, the County has elected to present it as major.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The following special revenue funds are reported as major funds for reporting purposes:

Road and bridge fund and lateral road and bridge fund – These funds are used to account for revenues of property taxes levied and vehicle registration fees. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in these funds.

The remaining special revenue funds are considered nonmajor funds for reporting purposes.

Additionally, the County reports the following fund type:

Fiduciary funds are used to account for and report resources held for the benefit of parties outside the government. These funds are used to account for assets that the County holds for others in an agency capacity.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in a statewide investment pool, and short-term investments with original maturities of three months or less from the date of acquisition.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposits, are reported at cost.

The County has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the County is authorized to invest in the following:

Direct obligations of the U.S. Government or U.S. Government agencies
Fully collateralized certificates of deposit
Money market mutual funds that meet certain criteria
Bankers' acceptances
Statewide investment pools

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 to 40 years
Infrastructure	15 to 30 years
Equipment	3 to 30 years

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category on the government-wide Statement of Net Position. Deferred charges have been recognized as a result of the changes in actuarial assumptions related to the County's defined benefit pension plan and OPEB plan. These amounts are deferred and amortized over the average of the expected service lives of pension and OPEB plan members. Deferred charges have been recognized for employer pension and OPEB plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year. These amounts are deferred and recognized as a reduction to the net pension and total OPEB liability during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category in the government-wide Statement of Net Position. Deferred inflows of resources have been recognized as a result of differences between the actuarial expectations and the actual economic experience related to the County's defined benefit pension and OPEB plans. These amounts are deferred and amortized over the average of the expected service lives of pension and OPEB plan members. Deferred inflows of resources are recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. At the fund level, the County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fine. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Compensated Employee Absences

The County provides its employees with vacation and sick leave. Sick leave may be accumulated from year to year up to 16 weeks. Vacation is to be used prior to year end but may be carried over up to the limitations outlined by County policy. Exceptions to the maximum accruals can only be approved by the Commissioners' Court upon request of the employee's supervisor. Upon termination, any accumulated vacation time will be paid; however, no accumulated sick leave will be paid. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

6. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general, road and bridge, lateral road and bridge, and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with interest earned in the debt service fund.

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

7. 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 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.

8. 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.

9. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Commissioners' Court is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners' Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The County strives to maintain unrestricted fund balance at a level adequate to provide for unanticipated expenditures of a nonrecurring nature and to meet unexpected increases in service delivery costs. The target level for the general fund unrestricted fund balance is at least 20% of budgeted fund expenditures. The road and bridge funds have target levels of 18% to 25% of budgeted fund expenditures, but will be subject to a 50% unrestricted fund balance ceiling.

10. Estimates

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

11. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from 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.

12. Other Postemployment Benefits

The County participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by TCERS known as the Group Term Life Fund (GTLF). This is a voluntary program in which participating member counties may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The funding policy for the GTLF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. (GASB 75). Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the County's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TCERS from reports prepared by their consulting actuary.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

13. Postemployment Healthcare Benefit

The County provides medical benefits to eligible retirees and dependents through an unfunded single-employer defined benefit plan (the "Plan"). The employee must meet the rule of 75 (the sum of age and years of service equals at least 75) to be eligible for retirement. The employee must make application for service retirement pension payments with the TCDRS, and be approved for pension payments from TCDRS, prior to retirement. The retiree pays a percentage of the required contribution based on their age at retirement. The percentage is 75% for retirement prior to age 60 and 50% for age 60 and later. The retiree pays the full cost of additional dependent coverage elected less \$50 per month paid by the County. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. (GASB 75). Information about the County's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by the County's consulting actuary.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are recorded as revenue when levied for the current year and due, payable, and collected in the current year. Uncollected amounts at year end are reported as a deferred inflow of resources. Delinquent property taxes collected within 60 days subsequent to year end were not considered material.

The property tax calendar dates are:

Levy date and due date – October 1
Collection dates – October 1 through January 31
Lien date – February 1

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

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value, and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. The legal level of control is the department level in the general fund and road and bridge fund and the fund level for all other funds.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2018, the County had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
Certificates of deposit	\$ 397,451	0.55
Texas CLASS	2,310,635	0.00
Total	\$ 2,708,086	
Portfolio weighted average maturity		0.08

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

Credit risk. State law and the County's investment policy limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2018, the County's investments in investment pools were rated "AAAm" by Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2018, market values of pledged securities and FDIC insurance exceeded bank balances.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at www.texasclass.com.

B. Receivables

The following comprise receivable balances at year end:

	General	Road and Bridge	Lateral Road and Bridge	Debt Service	Nonmajor	Total
Property taxes	\$ 560,498	\$ 305,800	\$ 147,282	\$ 27,852	\$ -	\$ 1,041,432
Other taxes	-	33,955	4,631	1,039	-	39,625
Intergovernmental	332,846	39,849	-	-	3,441	376,136
Accounts	595,720	453	-	-	18,130	614,303
Less: allowance for uncollectible	(11,210)	(6,116)	(2,945)	(557)	-	(20,828)
	<u>\$ 1,477,854</u>	<u>\$ 373,941</u>	<u>\$ 148,968</u>	<u>\$ 28,334</u>	<u>\$ 21,571</u>	<u>\$ 2,050,668</u>

Capital Assets

A summary of changes in capital assets for the year ended September 30, 2018 is as follows:

	Beginning Balance	Increases	Decreases / Reclassifications	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 307,911	\$ -	\$ (18,000)	\$ 289,911
Total capital assets not being depreciated	<u>307,911</u>	<u>-</u>	<u>(18,000)</u>	<u>289,911</u>
Other capital assets:				
Buildings and improvements	11,776,920	89,000	-	11,865,920
Infrastructure	53,009	-	-	53,009
Equipment	9,166,359	801,716	(518,575)	9,449,500
Total other capital assets	<u>20,996,288</u>	<u>890,716</u>	<u>(518,575)</u>	<u>21,368,429</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,151,011)	(330,008)	-	(2,481,019)
Infrastructure	(17,862)	(1,601)	-	(19,463)
Equipment	(5,786,704)	(728,620)	489,045	(6,026,279)
Total accumulated depreciation	<u>(7,955,577)</u>	<u>(1,060,229)</u>	<u>489,045</u>	<u>(8,526,761)</u>
Other capital assets, net	<u>13,040,711</u>	<u>(169,513)</u>	<u>(29,530)</u>	<u>12,841,668</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 13,348,622</u>	<u>\$ (169,513)</u>	<u>\$ (47,530)</u>	<u>13,131,579</u>
			Less associated debt	<u>(3,936,681)</u>
			Net Investment in Capital Assets	<u>\$ 9,194,898</u>

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Depreciation was charged to governmental functions as follows:

General administration	\$ 62,075
Judicial	20,292
Financial administration	7,944
Public facilities	88,777
Public safety	323,344
Public transportation	553,604
Health/welfare	4,193
Total Governmental Activities Depreciation Expense	<u>\$ 1,060,229</u>

C. Long-Term Debt

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2018. These issues are direct obligations and pledge the full faith and credit of the County.

	Beginning Balance	Additions	(Reductions)	Ending Balance	Due Within One Year
Governmental Activities:					
Refunding bonds, series 2014	\$ 455,000	\$ -	\$ (90,000)	\$ 365,000	* \$ 90,000
Certificates of obligation, series 2014	3,530,000	-	(160,000)	3,370,000	* 165,000
Premiums	116,664	-	(6,863)	109,801	* -
Capitalized lease obligations	288,937	46,580	(243,637)	91,880	* 91,880
Total OPEB liability - Healthcare benefits	1,577,550	131,617	-	1,709,167	-
Total OPEB liability - GTLF	299,890	18,598	-	318,488	-
Net pension liability	943,558	-	(797,788)	145,770	-
Compensated absences	143,785	195,533	(167,600)	171,718	154,546
Total Governmental Activities	<u>\$ 7,355,384</u>	<u>\$ 392,328</u>	<u>\$ (1,465,888)</u>	<u>\$ 6,281,824</u>	<u>\$ 501,426</u>
Long-term debt due in more than one year				<u>\$ 5,780,398</u>	
*Debt associated with governmental activities capital assets				<u>\$ 3,936,681</u>	

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences, total OPEB, and net pension liabilities are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Long-term debt of the County as of September 30, 2018 was comprised of the following:

	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>
Certificates of Obligation			
2014 Certificates of Obligation	3.00-3.50%	\$ 4,000,000	\$ 3,370,000
		Total Certificates of Obligation	\$ 3,370,000
General Obligation of Refunding Bonds			
General Obligation Refunding Bonds Series 2014	0.50-2.25%	\$ 710,000	\$ 365,000
		Total General Obligation of Refunding Bonds	\$ 365,000
Capital Leases			
2015 CP142 Roller	3.50%	\$ 46,580	\$ 46,580
2017 CAT 926M	3.50%	\$ 91,300	45,300
		Total Capital Leases	\$ 91,880

A summary of the County's debt service requirements, including interest, is as follows:

Fiscal Year Ending September 30	<u>Governmental Activities</u>		
	<u>General Certificates of Obligation 2014</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 165,000	\$ 106,700	\$ 271,700
2020	170,000	101,750	271,750
2021	175,000	96,650	271,650
2022	180,000	91,400	271,400
2023	190,000	86,000	276,000
2024-2028	1,030,000	341,500	1,371,500
2029-2033	1,195,000	172,200	1,367,200
2034	265,000	9,275	274,275
Total	\$ 3,370,000	\$ 1,005,475	\$ 4,375,475

Fiscal Year Ending September 30	<u>Governmental Activities</u>		
	<u>Refunding Bonds Series 2014</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 90,000	\$ 7,078	\$ 97,078
2020	90,000	5,638	95,638
2021	95,000	3,973	98,973
2022	90,000	2,025	92,025
Total	\$ 365,000	\$ 18,714	\$ 383,714

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

A summary of the County's capital leases requirements, including interest, is as follows:

Fiscal Year Ending September 30	Governmental Activities		
	Capital Leases		
	Principal	Interest	Total
2019	\$ 91,880	\$ 4,921	\$ 96,801
Total	\$ 91,880	\$ 4,921	\$ 96,801

The assets acquired through capital leases are as follows:

Equipment	\$ 212,900
Less: Accumulated depreciation	(22,584)
	<u>\$ 190,316</u>

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the County could result. The County will engage an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS as needed.

E. Interfund Transactions

The composition of interfund balances as of September 30, 2018 is as follows:

	Due From	Due To
General fund	\$ 14,719	\$ -
Road and bridge fund	6,792	-
Lateral road and bridge fund	3,396	-
Debt service fund	891	-
Nonmajor governmental funds	-	25,798
	<u>\$ 25,798</u>	<u>\$ 25,798</u>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Transfers between the primary government funds during the year were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 148,627	\$ -
Road and bridge fund	-	95,400
Nonmajor governmental funds	95,400	148,627
	<u>\$ 244,027</u>	<u>\$ 244,027</u>

Transfers are used to move revenues from unrestricted general fund revenues to finance various programs that must be accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs and governmental expenditures.

F. Restatement of Beginning Net Position

Due to the implementation of GASB 75, the County restated its beginning net position as follows:

	<u>Governmental Activities</u>
Beginning net position - as reported	\$ 16,609,556
Change in total OPEB liability - GTLF	(299,890)
Deferred outflows - contributions after measurement date - GTLF	7,446
OPEB obligation - healthcare benefits	1,178,178
Total OPEB liability - healthcare benefits	(1,577,550)
Beginning net position - as restated	<u>\$ 15,917,740</u>

G. Grants

1. Brazos Valley Council of Governments

Regional Solid Waste Grant

For fiscal year 2018, the County received funding from the Texas Commission on Environmental Quality through the Brazos Valley Council of Governments for \$11,808 to support community clean-up efforts and tire disposals. For fiscal year 2018, expenditures totaled \$11,800 leaving the remaining balance of \$8 unexpended.

2. Texas Indigent Defense Commission

Indigent Defense Formula Grant

A grant was awarded to the County in the amount of \$26,316 in January 2018 from the Texas Indigent Defense Commission (TIDC) to assist the County in continued implementation of the provisions of the Indigent Defense Act and the improvement of the indigent criminal defense services in the County. As of the year end, \$19,737 had been received and expended in compliance with grant requirements with the remaining balance processed in October 2018. An additional \$13,869 was noted as expended from the remaining fiscal year 2017 funding received in January 2018. For fiscal year 2018, TIDC expenditures totaled \$33,606.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

3. Texas Office of the Governor – Criminal Justice Division

Rifle-Resistant Body Armor Grant Program

In January 2018, the Texas Office of the Governor awarded a grant to the County for rifle-resistant body armor for law enforcement personnel in the amount of \$16,525, of which \$16,320 was received on a reimbursement basis. For fiscal year 2018, expenditures totaled \$16,320 leaving the remaining balance of \$205 unexpended.

4. Federal Emergency Management Agency

Texas Department of Emergency Management

Texas Severe Storms and Flooding - DR-4272

During June 2016, the County became eligible for federal funding under Disaster Relief 4272 for flooding. For fiscal year 2017, the County received \$322,170 in eligible disaster reimbursements from the Federal Emergency Management Agency through the Texas Department of Emergency Management. During fiscal year 2018, the County received \$78,423 in reimbursements for disaster expenditures.

Texas Hurricane Harvey - DR-4332

During August 2017, the County became eligible for federal funding under Disaster Relief 4332 for Hurricane Harvey. As of September 30, 2018, federal obligated funds totaled \$165,857 of which \$0 had been paid awaiting completion of projects.

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 380 other entities in the Texas Association of Counties (TAC) Workers' Compensation Self-Insurance Fund. TAC created this pool in 1974 to insure the County for workers' compensation related claims. The County also provides employee benefits, including medical and life insurance, which the County obtains through Scott and White for medical insurance and other vendors for life insurance. Coverages and workers' compensation and unemployment insurance are obtained from TAC (the "Pool"). This Pool purchases commercial insurance at group rates for participants in the Pool. The County has no additional risk or responsibility to the Pool, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

B. Contingent Liabilities

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

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payout and other economic and social factors. No claim liabilities are reported at year end.

C. Pension Plan

Texas County and District Retirement System

Plan Description

TCDRS is a statewide, agent multiple-employer, public employee retirement system. TCDRS serves 760 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Commissioners' Court of each employer, within the options available in the TCDRS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available Comprehensive Annual Financial Report that can be obtained at www.tcdrs.org.

All eligible employees (except temporary staff) of the County must be enrolled in TCDRS.

Benefits Provided

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

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

The Commissioners' Court adopted the rate of 7% as the contributed rate payable by the employee members for calendar year 2018. The Commissioners' Court may change the employee contribution rate and the County contribution rate within the options available in the TCDRS Act.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	73
Inactive employees entitled to, but not yet receiving, benefits	108
Active employees	143
Total	<u><u>324</u></u>

Contributions

A combination of three elements funds each employer's plan: employee deposits, employer contributions, and investment income.

- The deposit rate for employees is 4%, 5%, 6%, or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers "prefund" benefit increases, such as a cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions:

- (a) paying an elected contribution rate higher than the required rate and
- (b) making an extra lump-sum contribution to the employer account.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 6.66% and 6.73% in calendar years 2017 and 2018, respectively. The County contributions to TCDRS for the fiscal year ended September 30, 2018 were \$289,704 and were equal to the required contributions.

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 NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The actuarial assumptions that determined the TPL as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by Governmental Accounting Standards Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Key assumptions used in the December 31, 2017 actuarial valuation are as follows:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level of percentage of payroll, closed
Remaining Amortization Period	10.9 years
Smoothing Period	5 years
Recognition Method	Non-asymptotic
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career, including inflation
Investment Rate of Return	8%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Cost-of-Living Adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore, an assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

The long-term expected rate of return of TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation.

Changes in assumptions were related to new mortality assumptions and new annuity purchase rates.

There were no benefit changes during the year.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

The target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

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

Discount Rate

The discount rate used to measure the TPL 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 TPL.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 455,319	\$ -	\$ 455,319
Interest	1,130,985	-	1,130,985
Difference between expected and actual experience	(55,096)	-	(55,096)
Refund of contributions	-	-	-
Changes of assumptions	132,517	-	132,517
Contributions - employer	-	285,002	(285,002)
Contributions - employee	-	299,553	(299,553)
Net investment income	-	1,890,269	(1,890,269)
Benefit payments, including refunds of employee contributions	(846,766)	(846,766)	-
Administrative expense	-	(9,705)	9,705
Other changes	-	(3,606)	3,606
Net Changes	816,959	1,614,747	(797,788)
Balance at December 31, 2016	13,922,597	12,979,039	943,558
Balance at December 31, 2017	\$ 14,739,556	\$ 14,593,786	\$ 145,770

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the County, calculated using the discount rate of 8.10%, as well as what the County's NPL would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or one 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/(Asset)	\$ 1,952,204	\$ 145,770	\$ (1,383,247)

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.

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

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$208,901.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

At September 30, 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	\$ -	\$ (194,020)
Changes in actuarial assumptions	132,109	-
Difference between projected and actual investment earnings	-	(243,090)
Contributions subsequent to the measurement date	211,322	-
Total	\$ 343,431	\$ (437,110)

\$211,322 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 NPL for the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2019	\$ (40,692)
2020	37,649
2021	(131,976)
2022	(169,982)
Thereafter	-
Total	\$ (305,001)

D. Other Postemployment Benefits

1. Texas County and District Retirement System - Optional Group Term Life Fund

Plan Description

The County participates in a defined benefit OPEB plan administered by the TCDRS. TCDRS administers the defined benefit group-term life insurance plan known as the GTLF. This is a voluntary program in which participating member counties may elect, by ordinance, to provide group term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the GTLF by adopting an ordinance at any point during the year to be effective the following January 1.

The member county contributes to the GTLF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as a basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy for the GTLF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

GASB 75. As such, the GTLF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the GTLF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TCDRS Act (the "Act") requires the PTF to allocate a portion of investment income to the GTLF on an annual basis each December 31 based on the fund value in the GTLF during the year.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$5,000. As the GTLF covers both active and retiree participants with no segregation of assets, the GTLF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the GTLF as of December 31, 2017 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to, but not yet receiving, benefits	33
Active employees	143
Total	<u><u>230</u></u>

Total OPEB Liability

The County's total OPEB liability of \$318,488 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Discount rate*	3.44%
Mortality - depositing members	90% of the RP-2014 Active Employee Mortality Table for male and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - service retirees	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 - disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

*The discount rate was based on 20 Year Bond GO Index published by bondbuyer.com as of December 28, 2017.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2013 to December 31, 2016.

Changes in the Total OPEB Liability

	<u>Increase (Decrease)</u> <u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 10,087
Interest	11,525
Change of benefit terms	-
Effect of economic/demographic (gains) or losses	(6,944)
Changes in assumptions	14,200
Benefit payments	(10,270)
Net Changes	<u>18,598</u>
Balance at December 31, 2016	299,890
Balance at December 31, 2017	<u><u>\$ 318,488</u></u>

The discount rate changed from 3.78% to 3.44%. New assumptions adopted are based on the January 1, 2013 – December 31, 2016 Investigation of Experience.

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

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<u>1% Decrease (2.44%)</u>	<u>Discount Rate (3.44%)</u>	<u>1% Increase (4.44%)</u>
County's Total OPEB Liability	\$ 378,135	\$ 318,488	\$ 272,147

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

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

For the year ended September 30, 2018, the County recognized OPEB expense of \$22,821. The County reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (5,787)
Changes in actuarial assumptions	11,833	-
Contributions subsequent to the measurement date	7,222	-
Total	\$ 19,055	\$ (5,787)

\$7,222 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2019. Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30	Pension Expense
2019	\$ 1,209
2020	1,209
2021	1,209
2022	1,209
2023	1,210
Thereafter	-
Total	\$ 6,046

2. Postemployment Healthcare Benefits

Plan Description

The County provides medical benefits to eligible retirees and dependents through an unfunded single-employer defined benefit plan (the "Plan"). The employee must meet the rule of 75 (the sum of age and years of service equals at least 75) to be eligible for retirement. The employee must make application for service retirement pension payments with the TCDRS, and be approved for pension payments from TCDRS, prior to retirement. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits

The retiree pays a percentage of the required contribution based on their age at retirement. The percentage is 75% for retirement prior to age 60 and 50% for age 60 and later. The retiree pays the full cost of additional dependent coverage elected less \$50 per month paid by the County.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Participation in the Plan as of September 30, 2018 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	8
Active employees and dependents	94
Total	<u><u>102</u></u>

Total OPEB Liability

The County's total OPEB liability of \$1,709,167 was measured as of September 30, 2018 and was determined by an actuarial valuation as of September 30, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal
Assets Backing OPEB Liability	\$0
Discount Rate*	4.06%
Salary Scale	3.50%
Measurement Date	9/30/2018
Mortality	RPH-2014 Total Table with Projection MP-2018
Disability	None assumed
Health Care Cost Trend	Level 5.00%
Percentage Participation	100.00% of all retirees who currently have healthcare coverage, 50% of all actives who currently have healthcare coverage, and 20% of actives with spouse coverage.
Retirement Rate	Rates were developed from the assumption used in the 2017 actuarial report for the TCDRS retirement plans.
Turn Over Assumption	Rates varying based on gender, age, and select ultimate at 15 years. Rates based on the TCDRS actuarial assumptions from 2017 retirement plan valuation report.

*The discount rate was based on the Bond Buyer GO Bond 20 Index.

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Changes in the Total OPEB Liability

	Increase (Decrease)
	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 108,041
Interest	67,542
Change of benefit terms	-
Changes in assumptions	-
Benefit payments	<u>(43,966)</u>
Net Changes	131,617
Balance at October 1, 2017	<u>1,577,550</u>
Balance at September 30, 2018	<u><u>\$ 1,709,167</u></u>

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

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

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (3.06%)	Discount Rate (4.06%)	1% Increase (5.06%)
County's Total OPEB Liability	<u>\$ 2,028,126</u>	<u>\$ 1,709,167</u>	<u>\$ 1,457,436</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Costs Trend Rate Assumptions

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using the assumed healthcare costs trend rates if that rate was one percentage point lower or one percentage point higher than the current healthcare costs trend rate:

	1% Decrease	Current Healthcare Costs Trend Rate Assumption	1% Increase
County's Total OPEB Liability	<u>\$ 1,422,213</u>	<u>\$ 1,709,167</u>	<u>\$ 2,086,374</u>

BURLESON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

OPEB Expense and Deferred Outflows/Inflows of Resources

For the year ended September 30, 2018, the County recognized OPEB expense of \$175,583. The County had no deferred items to report as of September 30, 2018 related to this OPEB plan.

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REQUIRED SUPPLEMENTARY INFORMATION

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BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenue</u>				
Property taxes	\$ 4,505,109	\$ 4,505,109	\$ 4,610,510	\$ 105,401
Sales taxes	1,100,000	1,100,000	1,463,248	363,248
Other taxes	5,000	5,000	10,142	5,142
Intergovernmental	53,260	53,260	53,327	67
Charges for services	775,130	775,590	877,824	102,234
Fines and forfeitures	500,000	500,000	511,985	11,985
Interest	46,000	46,000	65,697	19,697
Miscellaneous	440,400	657,800	760,409	102,609
Total Revenues	7,424,899	7,642,759	8,353,142	710,383
<u>Expenditures</u>				
Current:				
General administration	933,817	851,694	741,651	110,043
Judicial	1,090,149	1,124,753	1,100,766	23,987
Legal	574,541	574,541	570,057	4,484
Financial administration	563,449	644,644	644,644	-
Public facilities	221,533	275,061	275,049	12
Public safety	3,305,324	3,431,522	3,233,098	198,424
Health and welfare	108,426	111,671	110,794	877
Miscellaneous	771,839	765,786	728,941	36,845
Capital outlay	334,300	452,464	450,396	2,068
Total Expenditures	7,903,378	8,232,136	7,855,396	376,740
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(478,479)	(589,377)	497,746	1,087,123
<u>Other Financing Sources (Uses)</u>				
Transfers in	110,200	150,806	148,627	(2,179)
Sale of capital assets	-	21,937	22,837	900
Total Other Financing Sources	110,200	172,743	171,464	(1,279)
Net Change in Fund Balance	\$ (368,279)	\$ (416,634)	669,210	\$ 1,085,844
Beginning fund balance			1,761,190	
Ending Fund Balance			\$ 2,430,400	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property taxes	\$ 2,224,838	\$ 2,224,838	\$ 2,265,163	\$ 40,325
Interest	78,830	81,530	65,372	(16,158)
Permits and licenses	689,000	689,000	725,863	36,863
Intergovernmental	-	78,423	78,423	-
Miscellaneous	96,800	562,111	1,200,061	637,950
Total Revenues	3,089,468	3,635,902	4,334,882	698,980
Expenditures				
Current:				
Public transportation	3,225,915	3,716,008	2,877,366	838,642
Miscellaneous	405,169	400,169	339,770	60,399
Debt service:				
Principal	243,636	243,637	243,637	-
Interest and fiscal agent fees	7,059	7,058	5,312	1,746
Capital outlay	325,000	488,746	440,320	48,426
Total Expenditures	4,206,779	4,855,618	3,906,405	949,213
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,117,311)	(1,219,716)	428,477	1,648,193
Other Financing Sources (Uses)				
Transfers (out)	(95,400)	(95,400)	(95,400)	-
Sale of capital assets	-	60,825	63,648	2,823
Capital leases	-	-	46,580	46,580
Total Other Financing				
Sources (Uses)	(95,400)	(34,575)	14,828	49,403
Net Change in Fund Balance	\$ (1,212,711)	\$ (1,254,291)	443,305	\$ 1,697,596
Beginning fund balance			3,462,627	
Ending Fund Balance			\$ 3,905,932	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LATERAL ROAD AND BRIDGE FUND
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Property taxes	\$ 1,137,489	\$ 1,137,489	\$ 1,175,381	\$ 37,892
Interest income	12,500	12,500	15,281	2,781
Miscellaneous	-	-	23,116	23,116
Total Revenues	<u>1,149,989</u>	<u>1,149,989</u>	<u>1,213,778</u>	<u>63,789</u>
<u>Expenditures</u>				
Current:				
Public transportation	1,324,000	1,332,117	1,056,296	275,821
Total Expenditures	<u>1,324,000</u>	<u>1,332,117</u>	<u>1,056,296</u>	<u>275,821</u>
Net Change in Fund Balance	<u>\$ (174,011)</u>	<u>\$ (182,128)</u>	157,482	<u>\$ 339,610</u>
Beginning fund balance			<u>1,197,638</u>	
Ending Fund Balance			<u>\$ 1,355,120</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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BURLESON COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

For the Year Ended September 30, 2018

	Measurement Year *			
	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 455,319	\$ 457,350	\$ 430,776	\$ 394,299
Interest (on the total pension liability)	1,130,985	1,044,693	1,006,535	937,638
Changes of benefit terms	-	-	(52,012)	-
Difference between expected and actual experience	(55,096)	(29,288)	(552,217)	(40,434)
Changes of assumptions	132,517	-	130,885	-
Benefit payments, including refunds of employee contributions	(846,766)	(438,218)	(495,153)	(499,687)
Net Change in Total Pension Liability	816,959	1,034,537	468,814	791,815
Beginning total pension liability	13,922,597	12,888,060	12,419,246	11,627,431
Ending Total Pension Liability	14,739,556	\$ 13,922,597	\$ 12,888,060	\$ 12,419,246
Plan Fiduciary Net Position				
Contributions - employer	\$ 285,002	\$ 334,151	\$ 339,918	\$ 329,729
Contributions - employee	299,553	296,084	284,622	276,091
Net investment income	1,890,269	878,680	83,433	771,144
Benefit payment, including refunds of employee contributions	(846,766)	(438,218)	(495,153)	(499,688)
Administrative expense	(9,705)	(9,574)	(8,556)	(8,831)
Other	(3,606)	16,077	(177,068)	(46,075)
Net Change in Plan Fiduciary Net Position	1,614,747	1,077,200	27,197	822,370
Beginning plan fiduciary net position	12,979,039	11,901,839	11,874,642	11,052,272
Ending Plan Fiduciary Net Position	\$ 14,593,786	\$ 12,979,039	\$ 11,901,839	\$ 11,874,642
Net Pension Liability	\$ 145,770	\$ 943,558	\$ 986,221	\$ 544,604
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.01%	93.22%	92.35%	95.61%
Covered Payroll	\$ 4,279,330	\$ 4,229,776	\$ 4,066,024	\$ 3,944,162
Net Pension Liability as a Percentage of Covered Payroll	3.41%	22.31%	24.26%	13.81%

*Only four years of information is currently available. The County will build this schedule over the next six-year period.

BURLESON COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2018

	Fiscal Year*			
	2018	2017	2016	2015
Actuarially determined contribution	\$ 289,704	\$ 299,031	\$ 336,358	\$ 335,942
Contributions in relation to the actuarially determined contribution	289,704	299,031	336,358	335,942
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,316,910	\$ 4,272,157	\$ 4,191,799	\$ 4,018,450
Contributions as a percentage of covered payroll	6.71%	7.00%	8.02%	8.36%

*Only five years of information is currently available. The County will build this schedule over the next five-year period.

Notes to Required Supplementary Information:

Changes in assumptions were related to new mortality assumptions and new annuity purchase rates.

There were no benefit changes during the year.

Fiscal Year*
2014

\$	315,184
----	---------

	315,184
\$	-

\$	3,795,853
----	-----------

8.30%

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BURLESON COUNTY, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

For the Year Ended September 30, 2018

	Measurement Year * <u>2017</u>
Total OPEB Liability	
Service cost	\$ 10,087
Interest (on the total OPEB liability)	11,525
Changes of benefit terms	-
Effect of economic/demographic experience	(6,944)
Change of assumptions	14,200
Benefit payments, including refunds of employee contributions **	(10,270)
Net Change in Total OPEB Liability	<u>18,598</u>
Beginning total OPEB liability	<u>299,890</u>
Ending Total OPEB Liability	<u><u>\$ 318,488</u></u>
Covered Payroll	<u>\$ 4,279,330</u>

**Total OPEB Liability as a Percentage
of Covered Payroll**

7.44%

* Only one year of information is currently available. The County will build this schedule over the next nine-year period.

** Due to the GTLF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Discount rate	3.44%
Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale
Mortality - service retirees	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
Mortality - disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The discount rate was based on 20 Year Bond GO Index published by bondbuyer.com as of December 28, 2017.

There were no benefit changes during the year.

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BURLESON COUNTY, TEXAS
SCHEDULE OF CHANGES TOTAL OPEB LIABILITY AND RELATED RATIOS
POSTEMPLOYMENT HEALTHCARE BENEFITS

For the Year Ended September 30, 2018

	Measurement Year* <u>2018</u>
Total OPEB Liability	
Service cost	\$ 108,041
Interest	67,542
Change in assumptions	-
Benefits payments	<u>(43,966)</u>
Net Change in Total OPEB Liability	<u>131,617</u>
 Beginning Total OPEB liability	 <u>1,577,550</u>
 Ending Total OPEB Liability	 <u>\$ 1,709,167</u>
 Covered Payroll	 \$ 3,084,620
 Total OPEB Liability as a Percentage of Covered Payroll	 55.41%

* Only one year of information is currently available. The County will build this schedule over the next nine-year period.

Notes to Required Supplementary Information:

Changes of assumptions

There were no changes in assumptions that affected measurement of the total OPEB liability during the measurement period.

Changes of Benefits

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

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***COMBINING STATEMENTS
AND SCHEDULES***

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BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenue</u>				
Property taxes	\$ 288,686	\$ 288,686	\$ 302,048	\$ 13,362
Interest	1,950	1,950	3,189	1,239
Total Revenues	<u>290,636</u>	<u>290,636</u>	<u>305,237</u>	<u>14,601</u>
<u>Expenditures</u>				
Current:				
Debt service:				
Principal	250,000	250,000	250,000	-
Interest and fiscal agent fees	122,193	122,193	120,143	2,050
Total Expenditures	<u>372,193</u>	<u>372,193</u>	<u>370,143</u>	<u>2,050</u>
Net Change in Fund Balance	<u>\$ (81,557)</u>	<u>\$ (81,557)</u>	<u>(64,906)</u>	<u>\$ 16,651</u>
Beginning fund balance			<u>171,438</u>	
Ending Fund Balance			<u><u>\$ 106,532</u></u>	

BURLESON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (page 1 of 2)
September 30, 2018

Special Revenue Funds				
	County Law Library	Courthouse Security	Right of Way Acquisition	Record Mgmt. and Preservation Dist. & Co.
<u>Assets</u>				
Cash and cash equivalents	\$ 129,455	\$ 5,919	\$ 46,893	\$ 437,235
Receivables, net	-	-	-	-
Due from other units	-	-	-	-
Total Assets	\$ 129,455	\$ 5,919	\$ 46,893	\$ 437,235
<u>Liabilities</u>				
Accounts payable	\$ 428	\$ -	\$ -	\$ 207
Due to other funds	-	-	-	-
Total Liabilities	428	-	-	207
<u>Fund Balances</u>				
Restricted:				
Grants	-	-	-	-
Special projects	129,027	5,919	46,893	437,028
Total Fund Balances	129,027	5,919	46,893	437,028
Total Liabilities and Fund Balances	\$ 129,455	\$ 5,919	\$ 46,893	\$ 437,235

Special Revenue Funds

Jail Commissary	Attorney Fee Account	Sheriff's Office Donation Equipment	Sheriff's Forfeiture	State Salary Supplement	Sheriff's Office Awarded Restitution
\$ 2,062	\$ 129	\$ 27,773	\$ 54,560	\$ 40,251	\$ 21,464
-	-	-	-	1,042	-
1,990	-	-	-	-	-
<u>\$ 4,052</u>	<u>\$ 129</u>	<u>\$ 27,773</u>	<u>\$ 54,560</u>	<u>\$ 41,293</u>	<u>\$ 21,464</u>
\$ 213	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
3,839	129	27,773	54,560	41,293	21,464
3,839	129	27,773	54,560	41,293	21,464
<u>\$ 4,052</u>	<u>\$ 129</u>	<u>\$ 27,773</u>	<u>\$ 54,560</u>	<u>\$ 41,293</u>	<u>\$ 21,464</u>

BURLESON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (page 2 of 2)
September 30, 2018

Special Revenue Funds				
	Justice Court Technology	LEOSE	Miscellaneous Grants	Economic Development
Assets				
Cash and cash equivalents	\$ 7,328	\$ 24,745	\$ 129,520	\$ 109,233
Receivables, net	-	-	2,897	8,361
Due from other units	-	-	-	-
Total Assets	\$ 7,328	\$ 24,745	\$ 132,417	\$ 117,594
Liabilities				
Accounts payable	\$ -	\$ 100	\$ 638	\$ 1,500
Due to other funds	-	-	-	-
Total Liabilities	-	100	638	1,500
Fund Balances				
Restricted:				
Grants	-	24,645	131,779	-
Special projects	7,328	-	-	116,094
Total Fund Balances	7,328	24,645	131,779	116,094
Total Liabilities and Fund Balances	\$ 7,328	\$ 24,745	\$ 132,417	\$ 117,594

Special Revenue Funds

Election Services	County and District Technology	Vehicle Inventory	County Attorney Pretrial Diversion	Total Nonmajor Governmental Funds
\$ 3,483	\$ 6,933	\$ 124,060	\$ 10,529	\$ 1,181,572
2,399	-	6,692	180	21,571
-	-	-	-	1,990
<u>\$ 5,882</u>	<u>\$ 6,933</u>	<u>\$ 130,752</u>	<u>\$ 10,709</u>	<u>\$ 1,205,133</u>
\$ -	\$ -	\$ 72,186	\$ 460	\$ 75,732
440	-	25,358	-	25,798
<u>440</u>	<u>-</u>	<u>97,544</u>	<u>460</u>	<u>101,530</u>
-	-	-	-	156,424
<u>5,442</u>	<u>6,933</u>	<u>33,208</u>	<u>10,249</u>	<u>947,179</u>
<u>5,442</u>	<u>6,933</u>	<u>33,208</u>	<u>10,249</u>	<u>1,103,603</u>
<u>\$ 5,882</u>	<u>\$ 6,933</u>	<u>\$ 130,752</u>	<u>\$ 10,709</u>	<u>\$ 1,205,133</u>

BURLESON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (page 1 of 2)
For the Year Ended September 30, 2018

	Special Revenue Funds			
	County Law Library	Courthouse Security	Right of Way Acquisition	Record Mgmt and Preservation Dist. & Co.
Revenues				
Other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	13,545	22,309	-	205,370
Intergovernmental	-	-	-	-
Investment income	1,488	220	557	7,275
Miscellaneous	-	-	-	-
Total Revenues	<u>15,033</u>	<u>22,529</u>	<u>557</u>	<u>212,645</u>
Expenditures				
Current:				
General administration	1,442	-	-	231,907
Judicial	-	84	-	-
Public safety	-	-	95,400	-
Miscellaneous	-	-	-	-
Total Expenditures	<u>1,442</u>	<u>84</u>	<u>95,400</u>	<u>231,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13,591</u>	<u>22,445</u>	<u>(94,843)</u>	<u>(19,262)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	95,400	-
Transfers (out)	(10,000)	(30,000)	-	(7,821)
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(30,000)</u>	<u>95,400</u>	<u>(7,821)</u>
Net Change in Fund Balances	<u>3,591</u>	<u>(7,555)</u>	<u>557</u>	<u>(27,083)</u>
Beginning fund balances	<u>125,436</u>	<u>13,474</u>	<u>46,336</u>	<u>464,111</u>
Ending Fund Balances	<u>\$ 129,027</u>	<u>\$ 5,919</u>	<u>\$ 46,893</u>	<u>\$ 437,028</u>

Special Revenue Funds

Jail Commissary	Attorney Fee Account	Sheriff's Office Donation Equipment	Sheriff's Forfeiture	State Salary Supplement	Sheriff's Office Awarded Restitution
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	61,242	-
32	2	352	579	551	273
7,304	275	4,350	5,450	-	-
<u>7,336</u>	<u>277</u>	<u>4,702</u>	<u>6,029</u>	<u>61,793</u>	<u>273</u>
-	723	-	-	1,644	3,283
-	-	-	-	-	-
-	-	-	220	-	-
8,781	-	7,719	-	-	-
<u>8,781</u>	<u>723</u>	<u>7,719</u>	<u>220</u>	<u>1,644</u>	<u>3,283</u>
<u>(1,445)</u>	<u>(446)</u>	<u>(3,017)</u>	<u>5,809</u>	<u>60,149</u>	<u>(3,010)</u>
-	-	-	-	-	-
-	-	-	-	(60,200)	-
-	-	-	-	(60,200)	-
(1,445)	(446)	(3,017)	5,809	(51)	(3,010)
5,284	575	30,790	48,751	41,344	24,474
<u>\$ 3,839</u>	<u>\$ 129</u>	<u>\$ 27,773</u>	<u>\$ 54,560</u>	<u>\$ 41,293</u>	<u>\$ 21,464</u>

BURLESON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (page 2 of 2)
For the Year Ended September 30, 2018

Special Revenue Funds				
	Justice Court Technology	LEOSE	Miscellaneous Grants	Economic Development
Revenues				
Other taxes	\$ -	\$ -	\$ -	\$ 45,915
Charges for services	10,063	-	-	-
Intergovernmental	-	5,781	61,725	-
Investment income	117	284	1,783	1,164
Miscellaneous	-	-	20,772	-
Total Revenues	10,180	6,065	84,280	47,079
Expenditures				
Current:				
General administration	-	-	73,847	22,584
Judicial	-	-	-	-
Public safety	16,667	5,289	-	-
Miscellaneous	-	-	-	60,000
Total Expenditures	16,667	5,289	73,847	82,584
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,487)	776	10,433	(35,505)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	(40,606)	-
Total Other Financing Sources (Uses)	-	-	(40,606)	-
Net Change in Fund Balances	(6,487)	776	(30,173)	(35,505)
Beginning fund balances	13,815	23,869	161,952	151,599
Ending Fund Balances	\$ 7,328	\$ 24,645	\$ 131,779	\$ 116,094

Special Revenue Funds

Election Services	County and District Technology	Vehicle Inventory	County Attorney Pretrial Diversion	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 45,915
5,341	855	-	9,000	266,483
-	-	-	-	128,748
27	73	640	113	15,530
-	-	-	-	38,151
<u>5,368</u>	<u>928</u>	<u>640</u>	<u>9,113</u>	<u>494,827</u>
-	-	-	-	335,430
-	-	-	5,561	5,645
-	-	-	-	117,576
<u>1,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,225</u>
<u>1,725</u>	<u>-</u>	<u>-</u>	<u>5,561</u>	<u>536,876</u>
3,643	928	640	3,552	(42,049)
-	-	-	-	95,400
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,627)</u>
-	-	-	-	(53,227)
3,643	928	640	3,552	(95,276)
<u>1,799</u>	<u>6,005</u>	<u>32,568</u>	<u>6,697</u>	<u>1,198,879</u>
<u>\$ 5,442</u>	<u>\$ 6,933</u>	<u>\$ 33,208</u>	<u>\$ 10,249</u>	<u>\$ 1,103,603</u>

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 1 of 8)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

COUNTY LAW LIBRARY

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for services	\$ 13,000	\$ 13,000	\$ 13,545	\$ 545
Investment income	1,200	1,200	1,488	288
Total Revenues	14,200	14,200	15,033	833
Expenditures				
Current:				
General administration	13,000	3,000	1,442	1,558
Total Expenditures	13,000	3,000	1,442	1,558
Excess of Revenues				
Over Expenditures	1,200	11,200	13,591	2,391
Other Financing Sources (Uses)				
Transfers (out)	(10,000)	(10,000)	(10,000)	-
Total Other Financing (Uses)	(10,000)	(10,000)	(10,000)	-
Net Change in Fund Balance	\$ (8,800)	\$ 1,200	3,591	\$ 2,391
Beginning fund balance			125,436	
Ending Fund Balance			\$ 129,027	

COURTHOUSE SECURITY

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for services	\$ 19,800	\$ 19,800	\$ 22,309	\$ 2,509
Investment income	600	600	220	(380)
Total Revenues	20,400	20,400	22,529	2,129
Expenditures				
Current:				
Judicial	6,800	6,800	84	6,716
Total Expenditures	6,800	6,800	84	6,716
Excess of Revenues				
Over Expenditures	13,600	13,600	22,445	8,845
Other Financing Sources (Uses)				
Transfers (out)	(30,000)	(30,000)	(30,000)	-
Total Other Financing (Uses)	(30,000)	(30,000)	(30,000)	-
Net Change in Fund Balance	\$ (16,400)	\$ (16,400)	(7,555)	\$ 8,845
Beginning fund balance			13,474	
Ending Fund Balance			\$ 5,919	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 2 of 8)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

RIGHT OF WAY ACQUISITION

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Investment income	\$ 200	\$ 200	\$ 557	\$ 357
Total Revenues	<u>200</u>	<u>200</u>	<u>557</u>	<u>357</u>
<u>Expenditures</u>				
Current:				
Public safety	95,400	95,400	95,400	-
Total Expenditures	<u>95,400</u>	<u>95,400</u>	<u>95,400</u>	<u>-</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(95,200)</u>	<u>(95,200)</u>	<u>(94,843)</u>	<u>357</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	95,400	95,400	95,400	-
Total Other Financing Sources	<u>95,000</u>	<u>95,000</u>	<u>95,400</u>	<u>400</u>
Net Change in Fund Balance	<u>\$ 200</u>	<u>\$ 200</u>	<u>557</u>	<u>\$ 757</u>
Beginning fund balance			46,336	
Ending Fund Balance			<u>\$ 46,893</u>	

RECORD MANAGEMENT AND PRESERVATION DISTRICT AND COUNTY

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 166,060	\$ 175,920	\$ 205,370	\$ 29,450
Investment income	-	5,210	7,275	2,065
Total Revenues	<u>166,060</u>	<u>181,130</u>	<u>212,645</u>	<u>31,515</u>
<u>Expenditures</u>				
Current:				
General administration	261,299	286,122	231,907	54,215
Capital outlay	50,000	38,894	-	38,894
Total Expenditures	<u>311,299</u>	<u>325,016</u>	<u>231,907</u>	<u>93,109</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(145,239)</u>	<u>(143,886)</u>	<u>(19,262)</u>	<u>124,624</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(5,000)	(7,821)	(7,821)	-
otal Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(7,821)</u>	<u>(7,821)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (150,239)</u>	<u>\$ (151,707)</u>	<u>(27,083)</u>	<u>\$ 124,624</u>
Beginning fund balance			464,111	
Ending Fund Balance			<u>\$ 437,028</u>	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 3 of 8)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

SHERIFF'S OFFICE DONATION - EQUIPMENT

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Investment income	\$ 300	\$ 300	\$ 352	\$ 52
Miscellaneous	-	-	4,350	4,350
Total Revenues	300	300	4,702	4,402
<u>Expenditures</u>				
Current:				
Miscellaneous	12,500	12,500	7,719	4,781
Total Expenditures	12,500	12,500	7,719	4,781
Net Change in Fund Balance	\$ (12,200)	\$ (12,200)	(3,017)	\$ 9,183
Beginning fund balance			30,790	
Ending Fund Balance			\$ 27,773	

SHERIFF'S FORFEITURE

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Investment income	\$ 650	\$ 650	\$ 579	\$ (71)
Miscellaneous	-	-	5,450	5,450
Total Revenues	650	650	6,029	5,379
<u>Expenditures</u>				
Current:				
Public safety	12,500	12,500	220	12,280
Total Expenditures	12,500	12,500	220	12,280
Net Change in Fund Balance	\$ (11,850)	\$ (11,850)	5,809	\$ 17,659
Beginning fund balance			48,751	
Ending Fund Balance			\$ 54,560	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 4 of 8)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

STATE SALARY SUPPLEMENT

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 61,700	\$ 61,700	\$ 61,242	\$ (458)
Investment income	560	560	551	(9)
Total Revenues	62,260	62,260	61,793	(467)
Expenditures				
Current:				
General administration	4,560	4,560	1,644	2,916
Total Expenditures	4,560	4,560	1,644	2,916
Excess of Revenues				
Over Expenditures	57,700	57,700	60,149	2,449
Other Financing Sources (Uses)				
Transfers (out)	(60,200)	(60,200)	(60,200)	-
Total Other Financing (Uses)	(60,200)	(60,200)	(60,200)	-
Net Change in Fund Balance	\$ (2,500)	\$ (2,500)	(51)	\$ 2,449
Beginning fund balance			41,344	
Ending Fund Balance			\$ 41,293	

SHERIFF'S OFFICE AWARDED RESTITUTION

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Investment income	\$ 250	\$ 250	\$ 273	\$ 23
Total Revenues	250	250	273	23
Expenditures				
Current:				
General administration	7,000	7,000	3,283	3,717
Total Expenditures	7,000	7,000	3,283	3,717
Net Change in Fund Balance	\$ (6,750)	\$ (6,750)	(3,010)	\$ 3,740
Beginning fund balance			24,474	
Ending Fund Balance			\$ 21,464	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 5 of 8)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

JUSTICE COURT TECHNOLOGY

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for services	\$ 10,700	\$ 10,700	\$ 10,063	\$ (637)
Investment income	50	50	117	67
Total Revenues	<u>10,750</u>	<u>10,750</u>	<u>10,180</u>	<u>(570)</u>
Expenditures				
Current:				
Public safety	16,600	16,694	16,667	27
Total Expenditures	<u>16,600</u>	<u>16,694</u>	<u>16,667</u>	<u>27</u>
Net Change in Fund Balance	<u>\$ (5,850)</u>	<u>\$ (5,944)</u>	(6,487)	<u>\$ (543)</u>
Beginning fund balance			13,815	
Ending Fund Balance			<u>\$ 7,328</u>	

LEOSE GRANT

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 6,005	\$ 6,005	\$ 5,781	\$ (224)
Investment income	150	150	284	134
Total Revenues	<u>6,155</u>	<u>6,155</u>	<u>6,065</u>	<u>(90)</u>
Expenditures				
Current:				
Public safety	23,300	23,300	5,289	18,011
Total Expenditures	<u>23,300</u>	<u>23,300</u>	<u>5,289</u>	<u>18,011</u>
Net Change in Fund Balance	<u>\$ (17,145)</u>	<u>\$ (17,145)</u>	776	<u>\$ 17,921</u>
Beginning fund balance			23,869	
Ending Fund Balance			<u>\$ 24,645</u>	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 6 of 8)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

MISCELLANEOUS GRANTS

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 61,726	\$ 61,725	\$ (1)
Investment income	1,500	1,500	1,783	283
Miscellaneous	-	7,773	20,772	12,999
Total Revenues	<u>1,500</u>	<u>70,999</u>	<u>84,280</u>	<u>13,281</u>
Expenditures				
Current:				
General administration	188,918	217,760	73,847	143,913
Total Expenditures	<u>188,918</u>	<u>217,760</u>	<u>73,847</u>	<u>143,913</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(187,418)</u>	<u>(146,761)</u>	<u>10,433</u>	<u>157,194</u>
Other Financing Sources (Uses)				
Transfers (out)	-	(40,606)	(40,606)	-
Total Other Financing (Uses)	<u>-</u>	<u>(40,606)</u>	<u>(40,606)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (187,418)</u>	<u>\$ (187,367)</u>	<u>(30,173)</u>	<u>\$ 157,194</u>
Beginning fund balance			161,952	
Ending Fund Balance			<u>\$ 131,779</u>	

ECONOMIC DEVELOPMENT

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other taxes	\$ 38,000	\$ 38,000	\$ 45,915	\$ 7,915
Investment income	1,500	1,500	1,164	(336)
Total Revenues	<u>39,500</u>	<u>39,500</u>	<u>47,079</u>	<u>7,579</u>
Expenditures				
Current:				
General administration	32,000	32,000	22,584	9,416
Miscellaneous	60,000	60,000	60,000	-
Total Expenditures	<u>92,000</u>	<u>92,000</u>	<u>82,584</u>	<u>9,416</u>
Net Change in Fund Balance	<u>\$ (52,500)</u>	<u>\$ (52,500)</u>	<u>(35,505)</u>	<u>\$ 16,995</u>
Beginning fund balance			151,599	
Ending Fund Balance			<u>\$ 116,094</u>	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 7 of 8)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

COUNTY AND DISTRICT TECHNOLOGY

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for services	\$ 1,050	\$ 1,050	\$ 855	\$ (195)
Investment income	50	50	73	23
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>928</u>	<u>(172)</u>
Expenditures				
Current:				
General administration	3,500	3,500	-	3,500
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Net Change in Fund Balance	<u>\$ (2,400)</u>	<u>\$ (2,400)</u>	928	<u>\$ 3,328</u>
Beginning fund balance			6,005	
Ending Fund Balance			<u>\$ 6,933</u>	

ELECTION SERVICES

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for services	\$ 14,150	\$ 14,000	\$ 5,341	\$ (8,659)
Investment income	-	50	27	(23)
Total Revenues	<u>14,150</u>	<u>14,050</u>	<u>5,368</u>	<u>(8,682)</u>
Expenditures				
Current:				
Miscellaneous	18,000	18,000	1,725	16,275
Total Expenditures	<u>18,000</u>	<u>18,000</u>	<u>1,725</u>	<u>16,275</u>
Net Change in Fund Balance	<u>\$ (3,850)</u>	<u>\$ (3,950)</u>	3,643	<u>\$ 7,593</u>
Beginning fund balance			1,799	
Ending Fund Balance			<u>\$ 5,442</u>	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 8 of 8)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

COUNTY ATTORNEY PRETRIAL DIVERSION

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Charges for services	\$ 12,000	\$ 12,000	\$ 9,000	\$ (3,000)
Investment income	250	250	113	(137)
Total Revenues	<u>12,250</u>	<u>12,250</u>	<u>9,113</u>	<u>(3,137)</u>
<u>Expenditures</u>				
Current:				
Judicial	5,500	5,562	5,561	1
Total Expenditures	<u>5,500</u>	<u>5,562</u>	<u>5,561</u>	<u>1</u>
Net Change in Fund Balance	<u>\$ 6,750</u>	<u>\$ 6,688</u>	3,552	<u>\$ (3,136)</u>
Beginning fund balance			<u>6,697</u>	
Ending Fund Balance			<u>\$ 10,249</u>	

BURLESON COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2018

	<u>Tax Assessor/ Collector</u>	<u>District Clerk</u>	<u>County Clerk</u>	<u>Jail Inmate</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 487,132	\$ 904,418	\$ 22,709	\$ 5,325
Investments	-	397,451	-	-
Due from other units	75	-	-	-
Total Assets	<u>\$ 487,207</u>	<u>\$ 1,301,869</u>	<u>\$ 22,709</u>	<u>\$ 5,325</u>
<u>Liabilities</u>				
Due to other units	\$ 487,207	\$ 1,301,869	\$ 22,709	\$ 5,325
Total Liabilities	<u>\$ 487,207</u>	<u>\$ 1,301,869</u>	<u>\$ 22,709</u>	<u>\$ 5,325</u>

See Notes to Financial Statements.

State of Texas Transfer Accounts	County Attorney	County Sheriff	Sheriff Seizure	Unclaimed Money	Total Fiduciary Funds
\$ 96,740	\$ 2,518	\$ 84,976	\$ 34,566	\$ 17,811	\$ 1,656,195
-	-	-	-	-	397,451
20	-	-	-	-	95
<u>\$ 96,760</u>	<u>\$ 2,518</u>	<u>\$ 84,976</u>	<u>\$ 34,566</u>	<u>\$ 17,811</u>	<u>\$ 2,053,741</u>
\$ 96,760	\$ 2,518	\$ 84,976	\$ 34,566	\$ 17,811	\$ 2,053,741
<u>\$ 96,760</u>	<u>\$ 2,518</u>	<u>\$ 84,976</u>	<u>\$ 34,566</u>	<u>\$ 17,811</u>	<u>\$ 2,053,741</u>

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BURLESON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS

For the Year Ended September 30, 2018

		Beginning Balance	Additions	(Deductions)	Ending Balance
Tax Assessor/Collector					
Assets	Cash and cash equivalents	\$ 325,867	\$ 161,265	\$ -	\$ 487,132
Assets	Due from other units	\$ 186	\$ -	\$ (111)	\$ 75
Liabilities	Due to other units	\$ 326,053	\$ 161,154	\$ -	\$ 487,207
District Clerk					
Assets	Cash and cash equivalents	\$ 780,225	\$ 124,193	\$ -	\$ 904,418
Assets	Investments	\$ 397,451	\$ -	\$ -	\$ 397,451
Assets	Due from other units	\$ 1,732	\$ -	\$ -	\$ -
Liabilities	Due to other units	\$ 1,179,408	\$ 122,461	\$ -	\$ 1,301,869
County Clerk					
Assets	Cash and cash equivalents	\$ 11,251	\$ 11,458	\$ -	\$ 22,709
Liabilities	Due to other units	\$ 11,251	\$ 11,458	\$ -	\$ 22,709
Jail Inmate					
Assets	Cash and cash equivalents	\$ 4,253	\$ 1,072	\$ -	\$ 5,325
Liabilities	Due to other units	\$ 4,253	\$ 1,072	\$ -	\$ 5,325
State of Texas Transfer Accounts					
Assets	Cash and cash equivalents	\$ 80,689	\$ 16,051	\$ -	\$ 96,740
Assets	Due from other units	\$ 50	\$ -	\$ (30)	\$ 20
Liabilities	Due to other units	\$ 80,739	\$ 16,021	\$ -	\$ 96,760
County Attorney					
Assets	Cash and cash equivalents	\$ 6,031	\$ -	\$ (3,513)	\$ 2,518
Liabilities	Due to other units	\$ 6,031	\$ -	\$ (3,513)	\$ 2,518
County Sheriff					
Assets	Cash and cash equivalents	\$ 65,206	\$ 19,770	\$ -	\$ 84,976
Liabilities	Due to other units	\$ 65,206	\$ 19,770	\$ -	\$ 84,976
Sheriff Seizure					
Assets	Cash and cash equivalents	\$ 18,443	\$ 16,123	\$ -	\$ 34,566
Liabilities	Due to other units	\$ 18,443	\$ 16,123	\$ -	\$ 34,566
Unclaimed Money					
Assets	Cash and cash equivalents	\$ 17,440	\$ 371	\$ -	\$ 17,811
Liabilities	Due to other units	\$ 17,440	\$ 371	\$ -	\$ 17,811
Total Fiduciary Funds					
Assets	Cash and cash equivalents	\$ 1,706,856	\$ 350,303	\$ (3,513)	\$ 1,656,195
Investment		\$ 397,451	\$ -	\$ -	\$ 397,451
Assets	Due from other units	\$ 1,968	\$ -	\$ (141)	\$ 95
Liabilities	Due to other units	\$ 1,708,824	\$ 348,430	\$ (3,513)	\$ 2,053,741

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