

LAVACA COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
SEPTEMBER 30, 2019

LAVACA COUNTY, TEXAS
Annual Financial Report
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS

FINANCIAL SECTION

1. Independent Auditor's Report
3. Management's Discussion and Analysis

Basic Financial Statements:

Government-wide financial statements:

13. Statement of Net Position
14. Statement of Activities

Fund financial statements:

15. Balance Sheet - Governmental Funds
16. Reconciliation of the Government Funds
17. Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
18. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
19. Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund
21. Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Road and Bridge Fund
22. Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Debt Service Fund
23. Statement of Net Position – Proprietary Funds
24. Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
25. Statement of Cash Flows – Proprietary Funds
27. Statement of Fiduciary Net Position - Fiduciary Funds
28. Statement of Changes in Fiduciary Net Position - Fiduciary Funds
29. Notes to the Financial Statements

Required Supplementary Information:

79. Employees Retirement System Information
83. OPEB Information
85. Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis - Budget and Actual – Capital Improvement Fund

Combining and Individual Fund Statements and Schedules:

- 86. Combining Balance Sheet - General Funds
- 87. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – General Funds
- 88. Combining Balance Sheet - Road and Bridge Funds
- 90. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Road and Bridge Funds
- 92. Combining Balance Sheet - Non-major Governmental Funds
- 94. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds
- 96. Combined Fiduciary Net Position

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the County Judge and Commissioner's Court
Lavaca County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lavaca County, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lavaca County, Texas, as of September 30, 2019, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Road and Bridge fund, and the Debt Service fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, employees' retirement system information, and the OPEB system information on pages 3–12, 79-82, and 83–84 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 Lavaca County, Texas's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Beyer & Co.

BEYER & COMPANY
Certified Public Accountants
March 18, 2020

Management's Discussion and Analysis

As management of Lavaca County, Texas, we offer readers of Lavaca County, Texas' financial statements this narrative overview and analysis of the financial activities of Lavaca County, Texas for the fiscal year ended September 30, 2019.

Financial Highlights

- . The assets of Lavaca County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$26,019,053 (net position). Of this amount, \$2,054,230 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net position increased by \$2,829,910. This increase is the result of an increase in ad valorem taxes of \$1,353,151 and careful budget monitoring.
- . As of the close of the current fiscal year, Lavaca County, Texas' governmental funds reported combined ending fund balances of \$13,993,263, an increase of \$3,678,013 in comparison with the prior year. Approximately 31% of this total amount, \$4,365,653 is available for spending at the government's discretion (unassigned fund balance).
- . At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,365,653, or 56 percent of total general fund expenditures, the fund balance for the road and bridge fund was \$6,832,128, or 160 percent of total road and bridge fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Lavaca County, Texas' basic financial statements. Lavaca County, Texas' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Lavaca County, Texas' finances, in a manner like a private-sector business.

The statement of net position presents information on all of Lavaca County, Texas' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Lavaca County, Texas is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of Lavaca County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Lavaca County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Lavaca County, Texas include an ambulance fund, workmen's comp fund, and an unemployment insurance fund.

The government-wide financial statements include only Lavaca County, Texas itself (known as the primary government).

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Lavaca County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 inflows and outflows 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 a government'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 government'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.

Lavaca County, Texas maintains thirty-nine (39) 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 balances for the general fund, the road and bridge fund, the debt service fund, and the capital improvement fund, all of which are major funds. Data from the other thirty-five (35) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Lavaca County, Texas adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund, road and bridge fund, the debt service fund, and the capital improvement fund.

The basic governmental fund financial statements can be found on pages 15-22 of this report. The basic proprietary fund financial statements can be found on pages 23-26 of this report.

Lavaca County, Texas also has two agency funds and one trust fund presented in this report. Such funds are not included in the county wide statement but are shown separately on pages 27-28 and page 96.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-78 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Lavaca County, Texas' progress in funding its obligation to provide pension benefits to its employees and for major construction fund budgetary information. Required supplementary information can be found on pages 79-85 of this report.

The combining statements referred to earlier in connection with the general fund, the major road and bridge funds, and the nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 86-95 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Lavaca County, Texas, assets exceeded liabilities by \$26,019,053 at the close of the most recent fiscal year.

A large portion of Lavaca County, Texas' net position (55 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Lavaca County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Lavaca County, Texas' 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 capital assets themselves cannot be used to liquidate these liabilities.

**LAVACA COUNTY, TEXAS
NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$15,371,904	\$11,715,171	\$1,516,859	\$1,908,167	\$16,888,763	\$13,623,338
Capital Assets:	14,785,752	14,791,257	887,580	865,945	15,673,332	15,657,202
	30,157,656	26,506,428	2,404,439	2,774,112	32,562,095	29,280,540
Total Deferred Outflows of Resources	3,153,516	1,019,763	455,452	146,880	3,608,968	1,166,643
Total Assets	\$33,311,172	\$27,526,191	\$2,859,891	\$2,920,992	\$36,171,063	\$30,447,183
Long-Term Liabilities	8,617,985	5,648,131	969,273	540,860	9,587,258	6,188,991
Other Liabilities	494,711	430,528	40,594	45,427	535,305	475,955
Total Liabilities	9,112,696	6,078,659	1,009,867	586,287	10,122,563	6,664,946
Total Deferred Inflows of Resources	25,731	518,424	3,716	74,670	29,447	593,094
Invested in Capital Assets, Net of Related Debt	13,444,345	13,146,385	838,840	777,479	14,283,185	13,923,864
Restricted	9,681,638	7,549,967			9,681,638	7,549,967
Unrestricted	1,046,762	232,756	1,007,468	1,482,556	2,054,230	1,715,312
Total Net Position	\$24,172,745	\$20,929,108	\$1,846,308	\$2,260,035	\$26,019,053	\$23,189,143

An additional portion of Lavaca County, Texas' net position (37 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$2,054,230) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Lavaca County, Texas reported a positive balance in the governmental activities. For the current fiscal year, Lavaca County, Texas reported positive balances in net position, both for the government, as well as for its separate governmental activities. At the end of the prior fiscal year, Lavaca County, Texas reported positive balances in all three categories of net position for its governmental activities and business-type activities.

The government's total net position increased by \$2,829,910. This increase is the result of an increase in ad valorem taxes of \$1,353,151 and careful budget monitoring.

There was an increase of \$2,131,671 in restricted net position reported in connection with Lavaca County, Texas' government-type activities. This increase is the result of an increase in road and bridge reserve of \$2,089,748 for road construction.

Governmental activities:

Governmental activities increased Lavaca County, Texas' net position by \$3,243,637, thereby accounting for 100 percent of the total increase in the net position of Lavaca County, Texas. This increase is the result of an increase in ad valorem taxes of \$1,353,151 and careful budget monitoring.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$2,278,860	\$2,224,437	\$735,620	\$1,062,237	\$3,014,480	\$3,286,674
Operating Grants and Contributions	355,812	253,622			355,812	253,622
Capital Grants and Contributions	34,232	34,304			34,232	34,304
General Revenues:						
Maintenance and Operations Taxes	13,161,139	11,807,988			13,161,139	11,807,988
Other Taxes	14,871	14,111			14,871	14,111
Unrestricted Investment Earnings	216,618	78,547	11,304	5,614	227,922	84,161
Miscellaneous	696,619	970,177			696,619	970,177
Total Revenue	16,758,151	15,383,186	746,924	1,067,851	17,505,075	16,451,037
Expenses:						
General Administration	2,252,266	2,210,352			2,252,266	2,210,352
Legal	332,436	320,940			332,436	320,940
Judicial	1,236,333	1,010,118			1,236,333	1,010,118
Financial Administration	1,202,839	1,075,573			1,202,839	1,075,573
Public Facilities	265,832	518,988			265,832	518,988
Public Safety	3,387,080	2,949,518			3,387,080	2,949,518
Public Transportation	4,278,570	4,636,649			4,278,570	4,636,649
Health and Welfare	179,129	164,942			179,129	164,942
Conservation - Agriculture	127,540	114,618			127,540	114,618
Interest and Fiscal Charges	51,964	29,824			51,964	29,824
Ambulance			1,361,176	1,261,919	1,361,176	1,261,919
Total Expenses	13,313,989	13,031,522	1,361,176	1,261,919	14,675,165	14,293,441
Increase in Net Position Before Transfers and Special Items	3,444,162	2,351,664	(614,252)	(194,068)	2,829,910	2,157,596
Transfers	(200,525)	(176,985)	200,525	176,985	0	0
Increase in Net Position	3,243,637	2,174,679	(413,727)	(17,083)	2,829,910	2,157,596
Net Position at 09/30/2018 (restated)	20,929,108	18,754,429	2,260,035	2,277,118	23,189,143	21,031,547
Net Position at 09/30/2019	\$24,172,745	\$20,929,108	\$1,846,308	\$2,260,035	\$26,019,053	\$23,189,143

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Government Activities:				
General Administration	\$2,252,266	\$465,903	\$77,616	
Legal	332,436	25,516	31,630	
Judicial	1,236,333	221,366	226,342	
Financial Administration	1,202,839	715,154		
Public Facilities	265,832			
Public Safety	3,387,080	99,453	19,865	
Public Transportation	4,278,570	751,468		34,232
Health and Welfare	179,129		359	
Conservation - Agriculture	127,540			
Interest and Fiscal Charges	51,964			
Total Government Activities	<u>\$13,313,989</u>	<u>\$2,278,860</u>	<u>\$355,812</u>	<u>\$34,232</u>

Revenues by Source - Governmental Activities

	Revenues	%
Charges for Services	\$2,278,860	14%
Operating Grants and Contributions	355,812	2%
Capital Grants and Contributions	34,232	0%
Maintenance and Operations Taxes	13,161,139	79%
Other Taxes	14,871	0%
Unrestricted Investment Earnings	216,618	1%
Miscellaneous	696,619	4%
	<u>\$16,758,151</u>	<u>100%</u>

Business-Type Activities:

Business-type activities (ambulance, workmen’s compensation, and unemployment funds) in Lavaca County represented 0 percent of the total increase in the net position of Lavaca County, Texas. A discussion regarding these is below.

Expenses and Program Revenues - Business Activities

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
Primary Government			
Business-Type Activities:			
Ambulance	\$1,361,176	\$735,620	\$0
Total Business-Type Activities	\$1,361,176	\$735,620	\$0

Revenues by Source - Business-Type Activities

	REVENUES	%
Charges for Services	\$735,620	98.49%
Unrestricted Investment Earnings	11,304	1.51%
	\$746,924	100.00%

Business-type activities:

Business-type activities decreased the County’s net position by \$413,727.

- . Demand for services for business-type activities decreased by \$326,617.
- . Total expenses increased by \$99,257.
- . The business-type activities received no operating or capital grants.

Financial Analysis of the Government's Funds

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

Governmental funds:

The focus of Lavaca County, Texas' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Lavaca County, Texas' financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Lavaca County, Texas' governmental funds reported combined ending fund balances of \$13,993,263, an increase of \$3,678,013 in comparison with the prior year. Approximately 31 percent of this total amount (\$4,365,653) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Lavaca County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,365,653, while total fund balance reached \$4,365,653. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 56 percent of total general fund expenditures, while total fund balance represents 56 percent of that same amount.

The fund balance of Lavaca County, Texas' general fund increased by \$1,546,300 during the current fiscal year. Key factors in this increase are as follows: This increase is attributable to an increase in ad valorem taxes of \$896,935 and careful budget management.

The road and bridge fund had a total fund balance of \$6,832,128. As a measure of the road and bridge fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 160 percent of that same amount. The fund balance of the road and bridge fund increased by \$2,089,748 during the current year. This increase is attributable to an increase in ad valorem taxes of \$696,483 and careful budget management.

The debt service fund was used to service debt only and the capital improvement fund is strictly for construction; so therefore, no analysis of these funds is necessary.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase of \$86,061. The major increase was in the sheriff departments which increased by \$78,213.

Capital Asset and Debt Administration

Capital assets:

Lavaca County, Texas' investment in capital assets for its governmental activities and business-type activities as of September 30, 2019, amounts to \$15,673,332 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total increase in Lavaca County, Texas' investment in capital assets for the current fiscal year was .10 percent (.04 percent decrease for governmental activities and 2.50 percent increase for business-type activities). The County had no major construction during the year ended September 30, 2019.

LAVACA COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Land	\$487,447	\$487,447	\$22,609	\$22,609	\$510,056	\$510,056
Building and Improvements	10,797,504	10,891,586	471,161	488,057	11,268,665	11,379,643
Machinery and Equipment	3,500,801	3,412,225	97,342	138,287	3,598,143	3,550,512
Infrastructure					0	0
Automotive			296,468	216,992	296,468	216,992
Total	\$14,785,752	\$14,791,258	\$887,580	\$865,945	\$15,673,332	\$15,657,203

Additional information on Lavaca County, Texas' capital assets can be found in note IV C on page 41 and 42 of this report.

Long-term debt:

At the end of the current fiscal year, Lavaca County, Texas had total bonded debt outstanding of \$700,000. Of this amount, \$700,000 comprises debt backed by the full faith and credit of Lavaca County, Texas.

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>	<u>Due After</u> <u>One Year</u>
<u>Governmental Activities:</u>						
General Obligation Bonds	\$925,000	\$0	\$225,000	\$700,000	\$225,000	\$475,000
	<u>925,000</u>	<u>0</u>	<u>225,000</u>	<u>700,000</u>	<u>225,000</u>	<u>475,000</u>
 Grand Total	 <u>\$925,000</u>	 <u>\$0</u>	 <u>\$225,000</u>	 <u>\$700,000</u>	 <u>\$225,000</u>	 <u>\$475,000</u>

Lavaca County, Texas' bonded long-term debt decreased by \$225,000 (24 percent) during the current fiscal year. The key factor in this decrease was the payment of debt principal on the jail facility bonds of \$225,000. Additional information on Lavaca County, Texas' Long-term debt can be found in note IV F on pages 44-46 of this report.

Future Outlook

The County expects its finances to remain approximately the same as in the past. Inflation will play a factor but will affect both revenues and expenditures equally. There are no major events planned in the future.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's business office, at Lavaca County, Texas, 109 N. La Grange Street, Hallettsville, Texas 77964.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$14,532,409	\$706,126	\$15,238,535
Receivables (net of allowance for uncollectibles)	839,495	810,733	1,650,228
Capital Assets Not Being Depreciated:			
Land	487,447	22,609	510,056
Construction in Progress			0
Total Capital Assets Being Depreciated, Net			
Building and Improvements	10,797,504	471,161	11,268,665
Machinery and Equipment	3,500,801	393,810	3,894,611
Infrastructure			0
Total Assets	<u>\$30,157,656</u>	<u>\$2,404,439</u>	<u>\$32,562,095</u>
DEFERRED OUTFLOWS OF RESOURCES			
GASB 68			
Deferred Outflow of Resources-Contributions (after 12/31/18)	816,964	117,991	934,955
Differences Between Expected and Actual Experience	207,064	29,906	236,970
Net Difference Between Projected and Actual Earnings	2,035,005	293,909	2,328,914
Changes of assumptions	94,483	13,646	108,129
Total Deferred Outflows of Resources	<u>3,153,516</u>	<u>455,452</u>	<u>3,608,968</u>
LIABILITIES:			
Accounts Payable	\$145,664	\$2,758	\$148,422
Accrued Wages Payable	346,244	37,836	384,080
Accrued Interest Payable	2,803		2,803
Noncurrent Liabilities:			
Due Within One Year	623,726	58,206	681,932
Due in More Than One Year	7,994,259	911,067	8,905,326
Total Liabilities	<u>9,112,696</u>	<u>1,009,867</u>	<u>10,122,563</u>
DEFERRED INFLOWS OF RESOURCES			
GASB 75			
Differences Between Expected and Actual Experience	582	84	666
Changes of assumptions	25,149	3,632	28,781
Total Deferred Inflows of Resources	<u>25,731</u>	<u>3,716</u>	<u>29,447</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	13,444,345	838,840	14,283,185
Restricted			
Construction	1,142,913		1,142,913
Debt Service	29,616		29,616
General Administration	518,081		518,081
Health	14,830		14,830
Judicial	246,829		246,829
Legal	86,901		86,901
Public Safety	810,340		810,340
Public Transportation	6,832,128		6,832,128
Unrestricted	1,046,762	1,007,468	2,054,230
Total Net Position	<u>\$24,172,745</u>	<u>\$1,846,308</u>	<u>\$26,019,053</u>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Government Activities:							
General Administration	\$2,252,266	\$465,903	\$77,616		(\$1,708,747)	(\$1,708,747)	
Legal	332,436	25,516	31,630		(275,290)	(275,290)	
Judicial	1,236,333	221,366	226,342		(788,625)	(788,625)	
Financial Administration	1,202,839	715,154			(487,685)	(487,685)	
Public Facilities	265,832				(265,832)	(265,832)	
Public Safety	3,387,080	99,453	19,865		(3,267,762)	(3,267,762)	
Public Transportation	4,278,570	751,468		34,232	(3,492,870)	(3,492,870)	
Health and Welfare	179,129		359		(178,770)	(178,770)	
Conservation - Agriculture	127,540				(127,540)	(127,540)	
Interest and Fiscal Charges	51,964				(51,964)	(51,964)	
Total Government Activities	13,313,989	2,278,860	355,812	34,232	(10,645,085)	0	
Business-Type Activities:							
Ambulance	1,361,176	735,620		0	(625,556)	(625,556)	
Total Business-Type Activities:	1,361,176	735,620	0	0	0	(625,556)	
Total Primary Government	\$14,675,165	\$3,014,480	\$355,812	\$34,232	(10,645,085)	(625,556)	
General Revenues							
Property Taxes, Levies for General Purposes					13,161,139	13,161,139	
Other Taxes					14,871	14,871	
Unrestricted Investment Earnings					216,618	227,922	
Miscellaneous					696,619	696,619	
Transfers					(200,525)	200,525	
Total General Revenues and Transfers					13,888,722	14,100,551	
Change in Net Position					3,243,637	2,829,910	
Net Position - Beginning - Restated					20,929,108	23,189,143	
Net Position - Ending					\$24,172,745	\$26,019,053	

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

LAVACA COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	Road and Bridge	Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<i>ASSETS</i>						
Cash and Cash Equivalents	\$4,736,159	\$6,934,190	\$29,616	\$469,368	\$2,269,921	\$14,439,254
Receivables (net of allowance for uncollectibles)	202,922	59,327			56,825	319,074
Total Assets	<u>\$4,939,081</u>	<u>\$6,993,517</u>	<u>\$29,616</u>	<u>\$469,368</u>	<u>\$2,326,746</u>	<u>\$14,758,328</u>
 <i>LIABILITIES AND FUND BALANCES:</i>						
Accounts Payable	\$116,228	\$13,032			\$15,029	\$144,289
Bank Overdraft					12,283	12,283
Accrued Wages Payable	254,278	89,030			2,936	346,244
Total Liabilities	<u>370,506</u>	<u>102,062</u>	<u>0</u>	<u>0</u>	<u>30,248</u>	<u>502,816</u>
 <i>DEFERRED INFLOWS OF RESOURCES</i>						
Deferred Property Taxes	202,922	59,327				262,249
 <i>Fund Balances:</i>						
Restricted						
Construction				469,368	673,545	1,142,913
Debt Service			29,616			29,616
General Administration					464,053	464,053
Health					14,830	14,830
Judicial					246,829	246,829
Legal					86,901	86,901
Public Safety					810,340	810,340
Public Transportation		6,832,128				6,832,128
Unassigned	4,365,653					4,365,653
Total Fund Balance	<u>4,365,653</u>	<u>6,832,128</u>	<u>29,616</u>	<u>469,368</u>	<u>2,296,498</u>	<u>13,993,263</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$4,939,081</u>	<u>\$6,993,517</u>	<u>\$29,616</u>	<u>\$469,368</u>	<u>\$2,326,746</u>	<u>\$14,758,328</u>

The accompanying notes are an integral part of this statement.

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

Total Fund Balances - governmental funds balance sheet	\$13,993,263
Amounts reported for governmental activities in the statement of net position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	14,785,752
Internal service funds are used by management to account for funds for self-insurance. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	50,035
Private purpose trust fund	54,028
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	3,648,206
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	262,249
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(8,620,788)
Net Position of Governmental Activities - statement of net position	<u>\$24,172,745</u>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Road and Bridge	Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>						
Taxes						
Property	\$7,834,198	\$5,258,355	\$172,617			\$13,265,170
Other	14,871					14,871
Intergovernmental	138,140	34,232			217,672	390,044
Licenses and Permits	48,700	751,468				800,168
Charges for Services	1,157,647				173,104	1,330,751
Fines and Forfeitures	49,882				6,744	56,626
Interest	83,136	94,519	1,959	6,556	28,896	215,066
Miscellaneous	245,094	148,860		110,496	177,756	682,206
Total Revenues	9,571,668	6,287,434	174,576	117,052	604,172	16,754,902
<i>EXPENDITURES</i>						
Current:						
General Administration	1,841,463				54,260	1,895,723
Legal	276,753				30,143	306,896
Judicial	979,728				206,132	1,185,860
Financial Administration	1,119,375					1,119,375
Public Facilities	150,931					150,931
Public Safety	3,016,952				36,800	3,053,752
Public Transportation		4,231,156			0	4,231,156
Health and Welfare	174,864					174,864
Conservation - Agriculture	117,567					117,567
Capital Projects -						
Capital Outlay and Other				241,841	42,201	284,042
Debt Service						
Principal Retirement	28,333	50,133	225,000			303,466
Interest Retirement	29,402	1,897	21,433			52,732
Total Expenditures	7,735,368	4,283,186	246,433	241,841	369,536	12,876,364
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,836,300	2,004,248	(71,857)	(124,789)	234,636	3,878,538
<i>OTHER FINANCING SOURCES (USES):</i>						
Operating Transfers In	0	101,000			204,500	305,500
Operating Transfers Out	(290,000)	(15,500)			(200,525)	(506,025)
Total Other Financing Sources (Uses)	(290,000)	85,500	0	0	3,975	(200,525)
Net Changes in Fund Balances	1,546,300	2,089,748	(71,857)	(124,789)	238,611	3,678,013
Fund Balances - Beginning	2,819,353	4,742,380	101,473	594,157	2,057,887	10,315,250
Fund Balances - Ending	\$4,365,653	\$6,832,128	\$29,616	\$469,368	\$2,296,498	\$13,993,263

The accompanying notes are an integral part of this statement.

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

Net Changes in Fund Balances - total governmental funds	\$3,678,013
Amounts reported for governmental activities in the statement of net position ("SNA") 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. This is the amount by which capital outlays exceeded depreciation in the current period.	(5,506)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	12,656
GASB 68	
Deferred Outflow of Resources-contribution. This is the change in these amounts this year.	26,626
Deferred Outflow-net difference between projected and actual earnings. This is the change in these amounts this year.	2,533,203
Deferred Outflow-changes of assumptions. This is the change in these amounts this year.	(120,038)
Deferred Outflow-Differences Between Expected and Actual Experience. This is the change in these amounts this year.	220,161
GASB 75	
Deferred Inflow-changes of assumptions. This is the change in these amounts this year.	(40,053)
Deferred Inflow-Differences Between Expected and Actual Experience. This is the change in these amounts this year.	6,547
(Increase) decrease in compensated absences from beginning of period to end of period.	(71,050)
(Increase) decrease in accrued interest payable from beginning of period to end of period.	769
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(104,031)
Private purpose trust fund net revenues.	(42)
Internal service funds are used by management to account for funds for self-insurance. The net revenue of certain activities of Internal service funds is reported with governmental activities.	5,186
(Increase) decrease in net pension liability from beginning of period to end of period.	(3,221,147)
(Increase) decrease in OPEB liability from beginning of period to end of period.	18,878
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	303,465
Change in Net Position of Governmental Activities - statement of activities.	<u>\$3,243,637</u>

The accompanying notes are an integral part of this statement.

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

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<i>REVENUES</i>				
Taxes				
Property	\$8,322,727	\$8,322,727	\$7,834,198	(\$488,529)
Other	8,000	8,000	14,871	6,871
Intergovernmental	148,700	148,700	138,140	(10,560)
Licenses and Permits	36,500	36,500	48,700	12,200
Charges for Services	906,200	906,200	1,153,852	247,652
Fines and Forfeitures	219,300	219,300	49,882	(169,418)
Interest	25,000	25,000	82,936	57,936
Miscellaneous	105,050	155,111	245,003	89,892
Total Revenues	9,771,477	9,821,538	9,567,582	(253,956)

EXPENDITURES

Current:

General Administration				
County Clerk	564,013	564,013	546,744	17,269
County Judge	442,285	442,285	430,061	12,224
Elections	275,310	275,309	230,174	45,135
Non-Departmental	622,036	580,236	575,020	5,216
Records Management	134,084	134,084	59,464	74,620
Legal				
County Attorney	330,199	330,199	276,753	53,446
Judicial				
Court	340,898	379,317	360,941	18,376
District Clerk	246,781	246,781	227,128	19,653
Justices of the Peace	402,639	402,639	391,659	10,980
Financial Administration				
County Auditor	344,809	344,808	342,070	2,738
County Treasurer	146,107	146,107	139,239	6,868
Tax Assessor-Collector	670,495	670,495	638,066	32,429
Public Facilities				
Annex	63,750	63,750	59,623	4,127
Courthouse	74,000	83,817	82,053	1,764
Office Buildings	8,200	9,618	9,255	363
Public Safety				
Constables	220,665	220,666	199,547	21,119
Jail	409,500	405,022	306,294	98,728
Sheriff	2,518,063	2,596,276	2,507,399	88,877

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and Welfare				
Public Welfare	\$173,300	\$177,772	\$174,864	\$2,908
Conservation - Agriculture				
Agriculture Extension Service	120,503	120,504	117,567	2,937
Debt Service				
Principal Retirement	28,333	28,333	28,333	0
Interest and Fiscal Charges	29,402	29,402	29,402	0
Total Expenditures	<u>8,165,372</u>	<u>8,251,433</u>	<u>7,731,656</u>	<u>519,777</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,606,105</u>	<u>1,570,105</u>	<u>1,835,926</u>	<u>265,821</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out	<u>(290,000)</u>	<u>(290,000)</u>	<u>(290,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(290,000)</u>	<u>(290,000)</u>	<u>(290,000)</u>	<u>0</u>
Net Changes in Fund Balances	1,316,105	1,280,105	1,545,926	265,821
Fund Balances - Beginning	2,794,857	2,794,857	2,794,857	
Fund Balances - Ending	<u>\$4,110,962</u>	<u>\$4,074,962</u>	<u>\$4,340,783</u>	<u>\$265,821</u>

The above budget includes only the General Fund and not the Jail Commissary Fund,
the Unclaimed Credits Fund, and the Election Service Fund.

The accompanying notes are an integral part of this statement.

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$5,571,927	\$5,571,927	\$5,258,355	(\$313,572)
Intergovernmental	34,000	34,000	34,232	232
Licenses and Permits	700,000	700,000	751,468	51,468
Interest	18,000	18,000	94,519	76,519
Miscellaneous	4,600	98,467	148,860	50,393
Total Revenues	6,328,527	6,422,394	6,287,434	(134,960)
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	8,740,954	8,834,820	4,231,156	4,603,664
Debt Service				
Principal Retirement	61,735	61,735	50,133	11,602
Interest and Fiscal Charges	5,327	5,327	1,897	3,430
Total Expenditures	8,808,016	8,901,882	4,283,186	4,618,696
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,479,489)	(2,479,488)	2,004,248	4,483,736
OTHER FINANCING SOURCES (USES):				
Other Financing Sources - Capital Lease	0	0	0	0
Operating Transfers In	101,000	101,000	101,000	0
Operating Transfers Out	(15,500)	(15,500)	(15,500)	0
Total Other Financing Sources (Uses)	85,500	85,500	85,500	0
Net Changes in Fund Balances	(2,393,989)	(2,393,988)	2,089,748	4,483,736
Fund Balances - Beginning	4,742,380	4,742,380	4,742,380	
Fund Balances - Ending	\$2,348,391	\$2,348,392	\$6,832,128	\$4,483,736

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

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$171,340	\$171,340	\$172,617	\$1,277
Interest			1,959	1,959
Total Revenues	<u>171,340</u>	<u>171,340</u>	<u>174,576</u>	<u>3,236</u>
EXPENDITURES				
Current:				
Debt Service				
Principal Retirement	225,000	225,000	225,000	0
Interest Retirement	21,433	21,433	21,433	0
Total Expenditures	<u>246,433</u>	<u>246,433</u>	<u>246,433</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,093)	(75,093)	(71,857)	3,236
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(75,093)	(75,093)	(71,857)	3,236
Fund Balances - Beginning	101,473	101,473	101,473	
Fund Balances - Ending	<u>\$26,380</u>	<u>\$26,380</u>	<u>\$29,616</u>	<u>\$3,236</u>

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

LAVACA COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total Proprietary Funds
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	
ASSETS							
Current Assets							
Cash and Cash Equivalents	\$706,126	\$1,056,864	\$33,852	\$30,157	\$16,183	\$14,556	\$756,161
Receivables (net of allowance for uncollectibles)	810,733	851,303					810,733
Total Current Assets	1,516,859	1,908,167	33,852	30,157	16,183	14,556	1,566,894
Noncurrent Assets							
Capital Assets							
Land	22,609	22,609					22,609
Automotive	967,674	878,946					967,674
Buildings and Improvements	675,942	675,942					675,942
Machinery and Equipment	330,982	373,992					330,982
Total Capital Assets	1,997,207	1,951,489	0	0	0	0	1,997,207
Less Accumulated Depreciation							
Total Capital Assets (net of accumulated depreciation)	(1,109,627)	(1,085,544)					(1,109,627)
Total Noncurrent Assets	887,580	865,945	0	0	0	0	887,580
TOTAL ASSETS	\$2,404,439	\$2,774,112	\$33,852	\$30,157	\$16,183	\$14,556	\$2,454,474
DEFERRED OUTFLOWS OF RESOURCES - GASB 68							
GASB 68							
Def. Outflow of Res.-Contributions (after 12/31/17)		113,835					0
Def. Outflow of Res.-Contributions (after 12/31/18)	117,991						117,991
Differences Between Expected and Actual Experience	29,906						29,906
Net Difference Between Projected and Actual Earnings	293,909						293,909
Changes of Assumptions	13,646	30,898					13,646
GASB 75							
Changes of Assumptions		2,147					0
Total Deferred Outflow of Resources	455,452	146,880	0	0	0	0	455,452
LIABILITIES, FUND EQUITY AND OTHER CREDITS							
Liabilities							
Current Liabilities (Payable from Current Assets)							
Accounts Payable	\$2,758	\$4,396					\$2,758
Accrued Wages Payable	37,836	41,031					37,836
Compensated Absences	30,576	25,099					30,576
Capital Leases - Current Portion	27,630	27,406					27,630
Total Current Liabilities	98,800	97,932	0	0	0	0	98,800
Noncurrent Liabilities							
Net Pension Liability	830,001	364,782					830,001
OPEB Payable	59,956	62,513					59,956
Capital Leases	21,110	61,060					21,110
Total Noncurrent Liabilities	911,067	488,355	0	0	0	0	911,067
TOTAL LIABILITIES	1,009,867	586,287	0	0	0	0	1,009,867
DEFERRED INFLOWS OF RESOURCES							
GASB 68							
Differences Between Expected and Actual Experience		1,886					0
Net Difference Between Projected and Actual Earnings		71,757					0
GASB 75							
Changes of Assumptions	3,632						3,632
Differences Between Expected and Actual Experience	84	1,027					84
Total Deferred Inflow of Resources	3,716	74,670	0	0	0	0	3,716
Invested in Capital Assets, Net of Related Debt	838,840	777,479					838,840
Unrestricted	1,007,468	1,482,556	33,852	30,157	16,183	14,556	1,057,503
TOTAL NET POSITION	\$1,846,308	\$2,260,035	\$33,852	\$30,157	\$16,183	\$14,556	\$1,896,343

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

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

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total Proprietary Funds
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
OPERATING REVENUES:							
Charges for Services	\$723,596	\$1,062,237	\$77,206	\$73,228	\$1,453	\$1,720	\$802,255
Miscellaneous	12,024	0					12,024
TOTAL OPERATING REVENUES	735,620	1,062,237	77,206	73,228	1,453	1,720	814,279
OPERATING EXPENSES							
Personal Services	1,072,461	933,747					1,072,461
Supplies	48,685	59,699					48,685
Other Services and Charges	100,866	138,936	74,307	75,652			175,173
Depreciation	133,340	123,290					133,340
TOTAL OPERATING EXPENSES	1,355,352	1,255,672	74,307	75,652	0	0	1,429,659
OPERATING INCOME (LOSS)	(619,732)	(193,435)	2,899	(2,424)	1,453	1,720	(615,380)
NON-OPERATING REVENUES (EXPENSES):							
Interest Income	11,304	5,614	660	226	174	76	12,138
Interest and Fiscal Charges	(5,824)	(6,247)					(5,824)
TOTAL NON-OPERATING REVENUES (EXPENSES)	5,480	(633)	660	226	174	76	6,314
Income Before Transfers	(614,252)	(194,068)	3,559	(2,198)	1,627	1,796	(609,066)
Contributions							0
Transfers In	200,525	176,985					200,525
Change in Net Position	(413,727)	(17,083)	3,559	(2,198)	1,627	1,796	(408,541)
Total Net Position - Beginning - Restated	2,260,035	2,277,118	30,293	32,355	14,556	12,760	2,304,884
Total Net Position - Ending	\$1,846,308	\$2,260,035	\$33,852	\$30,157	\$16,183	\$14,556	\$1,896,343
	0	0	0	0	0	0	0

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

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

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total Proprietary Funds
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	
Cash Flows from Operating Activities							
Receipts from Customers and Users	\$776,190	\$1,140,348	\$77,206	\$73,228	\$1,453	\$1,720	\$854,849
Payments to Suppliers	(151,189)	(197,351)	(74,307)	(75,652)	0	0	(225,496)
Payments to Employees	(987,043)	(960,331)	0	0	0	0	(987,043)
Net Cash Provided(Used) By Operating Activities:	(362,042)	(17,334)	2,899	(2,424)	1,453	1,720	(357,690)
Cash Flows from Non-Capital and Related Financing Activities							
Transfers In	200,525	176,985	0	0	0	0	200,525
Net Cash Provided (Used) By Non-Capital and Related Financing Activities	200,525	176,985	0	0	0	0	200,525
Cash Flows from Capital and Related State Grant	0	0	0	0	0	0	0
Net Cash Provided (Used) By Capital and Related Financing Activities	0	0	0	0	0	0	0
Cash Flows from Capital and Related Financing Activities							
Purchases of Capital Assets	(154,975)	(199,323)	0	0	0	0	(154,975)
Proceeds from Capital Debt							0
Principal Payment on Revenue Bonds, Notes and Capital Leases	(39,726)	(21,159)					(39,726)
Interest and Fiscal Charges	(5,824)	(6,247)	0	0	0	0	(5,824)
Net Cash Provided (Used) by Capital and Related Financing Activities	(200,525)	(226,729)	0	0	0	0	(200,525)
Cash Flows from Investing Activities							
Interest Received	11,304	5,614	660	226	174	76	12,138
Net Cash Provided(Used) by Investing Activities	11,304	5,614	660	226	174	76	12,138
Net Increase (Decrease) in Cash Equivalents	(350,738)	(61,464)	3,559	(2,198)	1,627	1,796	(345,552)
Cash and Cash Equivalents at Beginning of Year	1,056,864	1,118,328	30,293	32,355	14,556	12,760	1,101,713
Cash and Cash Equivalents at End of Year	\$706,126	\$1,056,864	\$33,852	\$30,157	\$16,183	\$14,556	\$756,161

(continued)

(continued)

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	Proprietary Funds
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities							
Operating Income (Loss)	(\$619,732)	(\$193,435)	\$2,899	(\$2,424)	\$1,453	\$1,720	(\$615,380)
Adjustments to Reconcile to Net Cash Flow							
Non-Cash Items Included in Net Income							
Depreciation	133,340	123,290	0	0	0	0	133,340
Changes in Current Items							
Decrease(Increase) in Accounts Receivable	40,570	78,111	0	0	0	0	40,570
GASB 68							
Decr(Incr) Deferred Outflow of Resources-Contr.	(4,156)	(25,120)					(4,156)
Incr(Decr)-dif. between expected and actual experience	(31,792)	(26,297)					(31,792)
Incr(Decr)-net dif. between projected and actual earnings	(365,666)	273,672					(365,666)
Decr(Incr)-changes of assumptions	17,252	(8,725)					17,252
GASB 75							
Decr(Incr)-changes of assumptions	5,779	(2,147)					5,779
Incr(Decr)-dif. between expected and actual experience	(943)	1,027					(943)
Increase(Decrease) in Accounts Payable	(1,638)	1,284	0	0	0	0	(1,638)
Increase(Decrease) in Accrued Wages Payable	(3,195)	11,599	0	0	0	0	(3,195)
Increase (Decrease) in Net pension Liability	465,219	(258,372)					465,219
Increase (Decrease) in OPEB Liability	(2,557)	4,090					(2,557)
Increase(Decrease) in Compensated Absences	5,477	3,689	0	0	0	0	5,477
Net Cash Provided (Used) by Operating Activities	(\$362,042)	(\$17,334)	\$2,899	(\$2,424)	\$1,453	\$1,720	(\$357,690)
	0	0	0	0	0	0	0
Noncash Investing, Capital and Financing Activities:							
Contributions	\$0	\$0					\$0
Capital Lease	0	0					0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note: The above funds are all Enterprise Funds

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

LAVACA COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 31, 2019

	Agency Funds	Historical Commission	Private Purpose Trust Funds	Total
ASSETS				
Cash and Cash Equivalents	\$3,491,675	\$55,403		\$55,403
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
Total Assets	<u>\$3,491,675</u>	<u>\$55,403</u>		<u>\$55,403</u>
LIABILITIES				
Accounts Payable	\$0	\$1,375		\$1,375
Due to Others	3,491,675	0		0
Total Liabilities	<u>3,491,675</u>	<u>1,375</u>		<u>1,375</u>
NET POSITION				
Held in Trust-Historical Purposes		54,028		54,028
Total Net Position	<u>\$0</u>	<u>\$54,028</u>		<u>\$54,028</u>
	0	0		0

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

LAVACA COUNTY, TEXAS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 31, 2019

	Private Purpose Trust Funds	
	Historical Commission	Total
ADDITIONS		
Contributions:		
Private Donations	\$14,413	\$14,413
Books		0
Total Contributions	<u>14,413</u>	<u>14,413</u>
Investment Earnings:		
Interest Received	718	718
Total Investment Earnings	<u>718</u>	<u>718</u>
Less Investment Expense	0	0
Net Investment Earnings	<u>718</u>	<u>718</u>
TOTAL ADDITIONS	<u>15,131</u>	<u>15,131</u>
DEDUCTIONS		
Culture and Recreation-History	15,173	15,173
Total Deductions	<u>15,173</u>	<u>15,173</u>
Change in Net Position	(42)	(42)
Net Position-Beginning	54,070	54,070
Net Position-Ending	<u>\$54,028</u>	<u>\$54,028</u>

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

LAVACA COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

I. Summary of Significant Accounting Policies

A. Reporting entity

Lavaca County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. The accounting policies of Lavaca County, Texas, (the County) conform to generally accepted accounting principles. The County also applies all relevant Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

The accounts of the County are organized based on funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

B. Government-Wide and Fund Financial Statements

The County’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the County accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all the County’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities, which are presented as internal balances and eliminated in the total primary government column. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, intergovernmental revenues and charges for services. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The road and bridge fund accounts for the activities of the government's road and bridge operations.

The debt service fund accounts for ad valorem monies used to service the bonded debt.

The capital improvement fund accounts for monies used for construction.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Ambulance fund is ambulance run fees. The principal operating revenues of the Internal Service Fund are charges to the various funds for workmen's compensation premiums and unemployment tax charges. Operating expenses for enterprise funds include workmen's compensation premiums, unemployment taxes, and ambulance expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The government reports the following major proprietary funds:

The ambulance fund is used for emergency medical transportation. The workmen's compensation fund and the unemployment insurance are used to facilitate the process of providing workmen's compensation insurance and discharging the unemployment obligation.

C. Fiduciary Funds

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide statements. The County's fiduciary funds include the following: The County Officer Accounts and Clerk Draw fund are both used to account for the fines and fees collected and remitted by the County Officers during their operations. The Historical Commission fund is used as to administer monies for Lavaca County's history.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 40 percent of the current and delinquent outstanding property taxes at September 30, 2019. Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for in the Balance Sheet. In the General Fund, disbursements for supplies and materials are expenditures at the time of purchase. There were no inventory items at September 30, 2019. Certain payments to vendors reflect costs applicable to future accounting periods. There were no prepaid items at September 30, 2019. There were no costs recorded as prepaid items at September 30, 2019.

4. Restricted Assets - There were no restricted assets at September 30, 2019.

5. 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. Capital assets are defined by the government as assets with an initial, individual cost as follows 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. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation; but donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

Assets not exceeding the following threshold amounts are inventoried for security purposes in the Fixed Asset System but not capitalized for depreciation purposes.

Buildings/Building improvements	\$5,000
Improvements Other Than Buildings	\$5,000
Infrastructure	\$100,000
Machinery, Equipment, and Other Assets	\$5,000
Leasehold Improvements	\$5,000
Land	\$0

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County had no major construction during the year ended September 30, 2019. Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings	40
Building Improvements	20
Paved Roads/Bridges	30
Vehicles	7
Office Equipment	10
Older/Used Equipment	15
Law Enforcement/EMS Vehicles	3
New Equipment	20
Gravel Roads	20

6. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused comp. time, vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay and comp. time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

7. 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, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. Fund Balances – Governmental Funds

As of September 30, 2019, fund balances of the governmental funds are classified as follows:

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Unassigned — all other spendable amounts.

As of September 30, 2019, fund balances are composed of the following:

Fund Balances:	
Restricted	
Construction	\$1,142,913
Debt Service	29,616
General Administration	464,053
Health	14,830
Judicial	246,829
Legal	86,901
Public Safety	810,340
Public Transportation	6,832,128
Unassigned	<u>4,365,653</u>
Total Fund Balance	<u>\$13,993,263</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions.

In fiscal year 2011, the Commissioners' Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least equal to 18 to 25 percent of the subsequent year's budgeted General Fund expenditures.

9. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

10. 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 as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category. They are deferred under GASB 68 and GASB 75.

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 government has two items that qualify for reporting in this category. They are deferred under GASB 68 and GASB 75.

The County reports unearned revenue on its fund financial statements. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the County and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized. Pursuant to GASB 65 we have included deferred ad valorem taxes as deferred inflows in the fund financial statements.

11. Net position flow assumption

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

II. Reconciliation of Government-Wide and Fund Financial Statements

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$8,620,788 difference are as follows:

Bonds Payable	\$700,000
Notes Payable	641,407
Accrued Interest Payable	2,803
Compensated Absences	366,375
OPEB Liability	415,135
Net Pension Liability	<u>6,495,068</u>
	<u>\$8,620,788</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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. The details of this \$14,785,752 difference are as follows:

Capital assets not being depreciated	\$487,447
Capital assets being depreciated	27,637,398
Depreciation expense	(13,339,093)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in Net Position of governmental activities	<u>\$14,785,752</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectible.)" The details of this \$262,249 difference are as follows:

Property Taxes Receivable	\$437,083
Allowance for Doubtful Accounts	<u>(174,834)</u>
Net	<u>\$262,249</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$3,648,206 difference are as follows:

Fines Receivable	\$1,040,842
Allowance for Doubtful Accounts	(520,421)
GASB 68	
Deferred Outflow of Resources-Contributions (after 12/31/18)	816,964
Deferred Outflow-Net difference between projected and actual earnings	2,035,005
Deferred Outflow-Changes of assumptions	94,483
Deferred Outflow-Differences Between Expected and Actual Experience	207,064
GASB 75	
Deferred Inflow-Changes of assumptions	(25,149)
Deferred Inflow-Differences Between Expected and Actual Experience	<u>(582)</u>
Net	<u>\$3,648,206</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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."

The details of this (\$5,506) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$0
Capital Outlay - Additions - Being Depreciated (Net)	937,833
Capital Outlay - Deletions	(17,882)
Depreciation Expense	(925,457)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u><u>(\$5,506)</u></u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court. The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires if the amended figures do not exceed the County Auditor's estimate of revenues and available cash. When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the line item. Budgets for the 2019 fiscal year were adopted for the General Fund, the Road and Bridge Funds, the Debt Service fund, and the Capital Improvement fund.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2019, expenditures did not exceed appropriations in any funds.

C. Deficit fund equity

The county had no deficit fund balances at September 30, 2019.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments:

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

Policies Governing Deposits and Investments:

The County has adopted a deposit and investment policy and the county addresses the following risks:

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2019, the government's bank balance of \$19,254,569 was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$30,429,622 and the FDIC coverage is \$250,000.

The County had no investments at September 30, 2019.

B. Receivables

Receivables as of September 30, 2019 for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Road and Bridge	Other Governmental Funds	Ambulance	Total
<u>Receivables</u>					
Taxes	\$338,204	\$98,879			\$437,083
Accounts				2,800,801	2,800,801
Intergovernmental			56,825		56,825
Fines	1,040,842				1,040,842
Gross Receivables	1,379,046	98,879	56,825	2,800,801	4,335,551
Less: Allowance for Uncollectibles	655,703	39,552		1,990,068	2,685,323
Net Total Receivables	\$723,343	\$59,327	\$56,825	\$810,733	\$1,650,228

C. Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

Governmental Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$487,447	\$0	\$0	\$487,447
Total capital assets not being depreciated:	487,447	0	0	487,447
Capital assets being depreciated:				
Infrastructure	2,980,510	0	0	2,980,510
Building and Improvements	14,403,729	271,697	0	14,675,426
Machinery, Equipment and Vehicles	9,403,327	666,136	88,001	9,981,462
Total capital assets being depreciated:	26,787,566	937,833	88,001	27,637,398
Less: Accumulated Depreciation for:				
Infrastructure	2,980,510	0	0	2,980,510
Building and Improvements	3,512,143	365,779		3,877,922
Machinery, Equipment and Vehicles	5,991,102	559,678	70,119	6,480,661
Total Accumulated Depreciation	12,483,755	925,457	70,119	13,339,093
Total Capital Assets Depreciated, Net	14,303,811	12,376	17,882	14,298,305
Governmental Activities capital assets, Net	\$14,791,258	\$12,376	\$17,882	\$14,785,752

Business-type Activities:	Beginning			Ending
	Balances	Increases	Decreases	Balances
Capital assets not being depreciated:				
Land	\$22,609			\$22,609
Total capital assets not being depreciated:	22,609	0	0	22,609
Capital assets being depreciated:				
Automotive	878,946	154,975	66,247	967,674
Building and Improvements	675,942			675,942
Machinery and Equipment	373,992		43,010	330,982
Total capital assets being depreciated:	1,928,880	154,975	109,257	1,974,598
Less: Accumulated Depreciation for:				
Automotive	661,954	75,499	66,247	671,206
Building and Improvements	187,885	16,896		204,781
Machinery and Equipment	235,705	40,945	43,010	233,640
Total Accumulated Depreciation	1,085,544	133,340	109,257	1,109,627
Total Capital Assets Depreciated, Net	843,336	21,635	0	864,971
Business-type Activities capital assets, Net	\$865,945	\$21,635	\$0	\$887,580

Construction commitments

The County had no major construction during the year ended September 30, 2019.

Capital asset depreciation for the year ended September 30, 2019 was as follows:

Governmental Activities	
General Administration	\$203,256
Legal	2,317
Financial Administration	7,843
Public Facilities	102,556
Public Safety	221,779
Public Transportation	387,706
Total Depreciation Expense - Governmental Activities	<u>\$925,457</u>
Business-Type Activities	
Ambulance	<u>\$133,340</u>
Total Depreciation Expense - Business-Type Activities	<u>\$133,340</u>

Interfund Receivables, Payables, and Transfers

Due to/from other funds:

There were no due to/from other funds at September 30, 2019.

There were no advances at September 30, 2019.

The following are transfers for the year ended September 30, 2019.

INTRAFUND	TRANSFER IN			
	ROAD AND BRIDGE FUND	UTILITY FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
TRANSFER OUT				
GENERAL FUND	\$90,000		\$200,000	\$290,000
ROAD AND BRIDGE FUND	11,000		4,500	15,500
NON-MAJOR GOVERNMENTAL FUNDS		200,525		200,525
TOTALS	\$101,000	\$200,525	\$204,500	\$506,025

The above transfers are non-recurring transfers. All transfers were to provide operating capital.

E. Leases

Operating Leases:

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$11,221 for the year ended September 30, 2019. Rent expenditures were \$16,200 for the year ended September 30, 2019. Rental income was \$14,575 for the year ended September 30, 2019. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2020	\$16,077
2021	10,976
2022	8,471
2023	<u>5,365</u>
Total	<u>\$40,889</u>

F. Long-Term Debt

Certificates of Obligation

The government issued Refunding Certificates of Obligation, Series 2012 in the Amount of \$1,965,000. The Certificates of Obligation are serviced by the debt service fund.

PURPOSE	RATE	ORIGINAL AMOUNTS	CURRENT AMOUNTS	SERIES	MATURITY DATE	COVENANTS	SECURITY
Governmental activities	.75-2.50%	\$1,965,000	\$700,000	2012	2022	Sinking Fund	Ad Valorem Tax
Total		<u>\$1,965,000</u>	<u>\$700,000</u>				

Annual debt service requirements to maturity for the Certificates of Obligation are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2020	\$225,000	\$16,820
2021	235,000	11,757
2022	240,000	6,000
TOTALS	<u>\$700,000</u>	<u>\$34,577</u>

Notes Payable

The City implemented an Emergency Conservation Project on March 24, 2015 for a cost of \$733,029 and financed the project with notes payable. The amount of the notes was \$733,029 and was payable through the year 2030. The rate of interest is 4.39% and the payments vary from year to year. The outstanding balance at September 30, 2019 is \$641,407.

Year Ending September 30,	Total	
	Principal	Interest
2020	\$32,350	\$28,158
2021	36,628	26,737
2022	41,179	25,130
2023	46,018	23,322
2024	51,161	21,302
2025	56,623	19,056
2026	62,421	16,570
2027	68,572	13,830
2028	75,098	10,819
2029	82,014	7,522
2030	89,343	3,922
TOTALS	<u>\$641,407</u>	<u>\$196,368</u>

Capital Leases

The Capital Leases consists of the following: The County entered a capital lease to purchase Ambulance Equipment. The total amount of debt is \$48,740. The security pledged for the capital lease is the equipment financed. The debt will be serviced by the Ambulance fund.

The following for the above debt is a schedule of the future minimum lease payments and the present value of net minimum lease payments at September 30, 2019.

The accumulated depreciation of the above equipment is as follows:

ASSET	Business-Type Activities	
	AMBULANCE FUND AMBULANCE LIFEPACKS	Total Amount
COST	\$137,031	\$137,031
ACCUMULATED DEPRECIATION	41,109	41,109
NET ASSET	\$95,922	\$95,922

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019, were as follows:

YEAR	Business-Type Activities	
	AMBULANCE FUND AMBULANCE LIFEPACKS	Total Amount
2020	\$33,454	\$33,454
2021	33,454	33,454
Total Minimum Lease Payments	66,908	66,908
Less: Amount Representing Interest	18,168	18,168
Present Value of Net Minimum Lease Payments	\$48,740	\$48,740

Changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<u>Governmental Activities:</u>						
General Obligation Bonds	\$925,000	\$0	\$225,000	\$700,000	\$225,000	\$475,000
Total Bonds Payable	925,000	0	225,000	700,000	225,000	475,000
Capital Leases	50,132		50,132	0		0
Notes Payable	669,740		28,333	641,407	32,351	609,056
Net Pension Liability	3,273,921	3,221,147		6,495,068		6,495,068
OPEB Liability	434,013		18,878	415,135		415,135
Compensated Absences	295,325	366,375	295,325	366,375	366,375	0
Total Governmental Activities	5,648,131	3,587,522	617,668	8,617,985	623,726	7,994,259
<u>Business-Type Activities:</u>						
Net Pension Liability	364,782	465,219		830,001		830,001
OPEB Liability	62,513		2,557	59,956		59,956
Capital Leases	88,466		39,726	48,740	27,630	21,110
Compensated Absences	25,099	30,576	25,099	30,576	30,576	0
Total Business-Type Activities	540,860	495,795	67,382	969,273	58,206	911,067
Grand Total	\$6,188,991	\$4,083,317	\$685,050	\$9,587,258	\$681,932	\$8,905,326

The general fund, the road and bridge fund, and the ambulance funds are used to service the compensated absences. The estimated amount due in the 2019-20 year is \$396,951.

The government-wide statement of activities includes \$681,932 as "noncurrent liabilities, due within one year".

The general fund, the road and bridge fund, and the ambulance funds are used to service the net pension liability. The net pension liability is discussed in note F below.

V. 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; injuries to employees; and natural disasters.

Claim liabilities are estimated considering the effects of inflation, recent claim settlement trends (including frequency and amounts of payouts) and other economic and social factors (including the effects of specific, incremental claim adjustment expense, salvage and subrogation).

Changes in accrued liabilities for these claims follow:

	Year ended <u>09/30/18</u>	Year ended <u>09/30/19</u>
Unpaid claims, beginning of fiscal year	\$ -0-	\$ -0-
Incurred claims (including IBNRs)		
Claim payments	<u>-0-</u>	<u>-0-</u>
Unpaid claims, end of fiscal year	<u>\$ -0-</u>	<u>\$ -0-</u>

1. General Liability Insurance

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

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

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

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

2. Property and Casualty Insurance

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

3. Workers' Compensation Insurance

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

4. Group Health and Life Insurance

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

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Workforce Commission (TWC).

B. Related Party Transaction

There were no related party transactions requiring disclosure.

C. Subsequent Events

On December 23, 2019, the County approved and acknowledged the receipt of \$181,275 from the Dickson-Allen Foundation to the Lavaca County Rescue Service EMS.

On January 13, 2020, the County approved the acceptance of Judge Tramer Woytek's letter of resignation as County Judge effective February 14, 2020. The County approved a motion to appoint Commissioner Kocian as Judge Pro-tem for 2020.

On January 27, 2020, the County approved to purchase a 2019 International HX620 6x4 Tractor in the amount of \$106,900 from Santex Truck Centers Ltd., Contract #HT08-18 HGAC Buy Board.

On the February 10, 2020, the County approved the accept of the 2020-2021 Mental Health Public Defender Improvement Grant for the amount of \$135,767.

D. Contingent Liabilities

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

There is a pending lawsuit filed by John Harrington against the County. As of March 5, 2020, in the very unlikely event of a judgment against the County, the Texas Association of Counties would satisfy it.

E. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year. The County had a prior period adjustment whereby governmental activities' Net Position was restated downward by \$669,740; due to the County recording notes payable for the implemented an Emergency Conservation Project.

The County also had a prior period adjustment whereby governmental activities' Net Position was restated upward by \$843,716; due to the County recording certain capital assets; which comprised the Emergency Conservation Project and a Jail restoration project.

The restatement had the corresponding effect on the beginning net position, as follows:

	Net Position, as Previously Reported	CAPITAL ASSET RESTATEMENT	DEBT RESTATEMENT	Net Position As Restated
Governmental Activities:				
Net Position	\$20,755,132	\$843,716	(\$669,740)	\$20,929,108
Total Governmental Activities	\$20,755,132	\$843,716	(\$669,740)	\$20,929,108

F. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)	Net Pension Liability / (Asset)	
	December 31, 2017	December 31, 2018
Total pension liability	\$42,384,203	\$44,966,165
Fiduciary net position	38,745,499	37,641,095
Net pension liability/(asset)	3,638,704	7,325,070
Fiduciary net position as a % of total pension liability	91.41%	83.71%
Pensionable covered payroll	\$7,014,127	\$7,561,508
Net Pension liability as a % of covered payroll	51.88%	96.87%

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

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

Discount Rate

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

Other Key Actuarial Assumptions

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

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

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

	Beginning Date	Ending Date
Valuation date	December 31, 2017	December 31, 2018
Measurement date	December 31, 2017	December 31, 2018
Employer's fiscal year	October 1, 2018	September 30, 2019

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2019 information for a 10-year time horizon.

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

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
U.S. Equities	Dow Jones U.S. Total Stock Market Index	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	10.00%	5.40%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High*Yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index	2.00%	7.20%
REIT Equities	6 7 % FTSE NAREIT Equity REITs Index + S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	6.30%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

Depletion of Plan Assets / GASB Discount Rate

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

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

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

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

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes.

Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

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

Projection of Fiduciary Net Position

Calendar Year Ending	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
	(a)	(b)	(c)	(d)	(e)	
2019	\$37,641,095	\$1,709,320	\$2,709,200	\$37,641	\$3,007,727	\$39,611,301
2020	39,611,301	1,715,135	2,611,383	39,611	3,171,351	41,846,793
2021	41,846,793	1,779,165	2,785,291	41,847	3,347,974	44,146,794
2022	44,146,794	1,840,131	2,966,741	44,147	3,529,398	46,505,435
2023	46,505,435	1,897,308	3,197,498	46,505	3,713,461	48,872,201
2024	48,872,201	1,949,608	3,409,311	48,872	3,898,740	51,262,366
2025	51,262,366	1,942,798	3,630,320	51,262	4,083,202	53,606,784
2026	53,606,784	1,934,303	3,851,953	53,607	4,263,868	55,899,395
2027	55,899,395	1,927,865	4,092,571	55,899	4,439,667	58,118,457
2028	58,118,457	1,921,696	4,333,299	58,118	4,609,519	60,258,255
2038	73,812,799	1,529,240	5,964,683	73,813	5,799,767	75,103,310
2048	92,215,011	1,823,498	5,933,700	92,215	7,302,532	95,315,126
2058	147,607,104	2,397,118	4,498,007	147,607	11,866,884	157,225,492
2068	302,923,286	3,268,181	2,597,318	302,923	24,551,398	327,842,624
2078	679,402,898	4,496,704	1,213,243	679,403	55,135,046	737,142,002
2088	1,530,148,426	6,191,486	415,106	1,530,148	124,110,647	1,658,505,305
2098	3,404,561,858	8,525,021	55,539	3,404,562	275,970,646	3,685,597,424

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total	Fiduciary	Net Pension
	Pension		
	Liability	Net Position	(Asset)
	(a)	(b)	(a) - (b)
Balances as of December 31, 2017	\$42,384,203	\$38,745,499	\$3,638,704
Changes of the year:			
Service cost	1,035,558		\$1,035,558
Interest on total pension liability	3,434,113		\$3,434,113
Effect of plan changes	0		\$0
Effect of economic/demographic gains or losses	199,542		\$199,542
Effect of assumptions changes or inputs	0		\$0
Refund of contributions	(32,560)	(32,560)	\$0
Benefit payments	(2,054,691)	(2,054,691)	\$0
Administrative expenses		(30,233)	\$30,233
Member contributions		529,306	(\$529,306)
Net investment income		(725,643)	\$725,643
Employer contributions		1,215,722	(\$1,215,722)
Other	0	(6,304)	\$6,304
Balances as of December 31, 2017	\$44,966,165	\$37,641,095	\$7,325,070

Sensitivity Analysis

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$50,309,980	\$44,966,165	\$40,404,935
Fiduciary net position	37,641,095	37,641,095	37,641,095
Net pension liability/(asset)	\$12,668,886	\$7,325,070	\$2,763,841

Pension Expense / (Income)	January 1, 2018 to December 31, 2018
Pension Expense / (Income)	
Service cost	\$1,035,558
Interest on total pension liability	3,434,113
Effect of plan changes	0
Administrative expenses	30,233
Member contributions	(529,306)
Expected investment return net of investment expenses	(3,123,344)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(52,411)
Recognition of assumption changes or inputs	137,290
Recognition of investment gains or losses	950,119
Other	6,304
Pension expense	<u>\$1,888,556</u>

As of December 31, 2018, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$0	\$236,970
Changes of assumptions	0	108,129
Net difference between projected and actual earnings	0	2,328,914
Contributions made subsequent to measurement date	N/A	Employer determined

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

Year ending December 31:	
2019	\$988,531
2020	478,661
2021	437,025
2022	769,796
2023	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2018	
Original Amount (a)	Date Established (b)	Original Recognition Period (c)	Amount Recognized for 2018 (a) / (c)	Inflows	Outflows
Investment (gains) or losses					
\$3,848,988	12/31/2018	5.0	\$769,798	\$0	\$3,079,190
(2,233,606)	12/31/2017	5.0	(446,721)	1,340,164	0
208,178	12/31/2016	5.0	41,636	0	83,271
2,533,088	12/31/2015	5.0	506,618	0	506,617
393,939	12/31/2014	5.0	78,788	0	0
Economic/demographic (gains) or losses					
199,542	12/31/2018	4.0	49,886	0	149,656
140,104	12/31/2017	5.0	28,020	0	84,062
13,008	12/31/2016	4.0	3,252	0	3,252
(213,650)	12/31/2015	4.0	(53,413)	0	0
(400,781)	12/31/2014	5.0	(80,156)	0	0
Assumption changes or inputs					
0	12/31/2018	4.0	0	0	0
180,215	12/31/2017	5.0	36,043	0	108,129
0	12/31/2016	4.0	0	0	0
404,986	12/31/2015	4.0	101,247	0	0
0	12/31/2014	4.0	0	0	0

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31					2013 - 2009
	2018	2017	2016	2015	2014	
Total Pension Liability						
Service cost	\$1,035,558	\$977,338	\$1,009,501	\$915,697	\$890,868	N/A
Interest on total pension liability	3,434,113	3,229,946	3,024,593	2,869,126	2,733,063	N/A
Effect of plan changes	0	0	0	(145,397)	0	N/A
Effect of assumption changes or inputs	0	180,215	0	404,986	0	N/A
Effect of economic/demographic (gains) or losses	199,542	140,102	13,008	(213,650)	(400,781)	N/A
Benefit payments/refunds of contributions	<u>(2,087,252)</u>	<u>(2,044,089)</u>	<u>(1,946,383)</u>	<u>(1,718,343)</u>	<u>(1,648,618)</u>	<u>N/A</u>
Net change in total pension liability	2,581,962	2,483,514	2,100,718	2,112,420	1,574,532	<u>N/A</u>
Total pension liability, beginning	<u>42,384,203</u>	<u>39,900,690</u>	<u>37,799,972</u>	<u>35,687,552</u>	<u>34,113,019</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$44,966,165</u>	<u>\$42,384,203</u>	<u>\$39,900,690</u>	<u>\$37,799,972</u>	<u>\$35,687,552</u>	<u>N/A</u>
Fiduciary Net Position						
Employer contributions	\$1,215,722	\$1,130,673	\$1,072,639	\$1,073,260	\$1,000,610	N/A
Member contributions	529,306	494,068	465,788	466,056	434,509	N/A
Investment income net of investment expenses	(725,643)	4,986,690	2,382,190	93,944	2,093,326	N/A
Benefit payments/refunds of contributions	(2,087,252)	(2,044,089)	(1,946,383)	(1,718,343)	(1,648,618)	N/A
Administrative expenses	(30,233)	(25,767)	(25,854)	(23,176)	(24,240)	N/A
Other	<u>(6,304)</u>	<u>(5,863)</u>	<u>135,107</u>	<u>(21,463)</u>	<u>(242,953)</u>	<u>N/A</u>
Net change in fiduciary net position	(1,104,405)	4,535,712	2,083,487	(129,721)	1,612,634	N/A
Fiduciary net position, beginning	<u>38,745,499</u>	<u>34,209,787</u>	<u>32,126,300</u>	<u>32,256,021</u>	<u>30,643,387</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$37,641,095</u>	<u>\$38,745,499</u>	<u>\$34,209,787</u>	<u>\$32,126,300</u>	<u>\$32,256,021</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$7,325,070</u>	<u>\$3,638,704</u>	<u>\$5,690,902</u>	<u>\$5,673,672</u>	<u>\$3,431,530</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	83.71%	91.41%	85.74%	84.99%	90.38%	N/A
Pensionable covered payroll	\$7,561,508	\$7,014,127	\$6,654,111	\$6,657,948	\$6,207,264	N/A
Net pension liability/(asset) as % of covered payroll	96.87%	51.88%	85.52%	85.22%	55.28%	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2009	\$808,292	\$835,588	(\$27,296)	\$5,570,586	15.0%
2010	780,971	836,755	(55,784)	5,578,367	15.0%
2011	795,123	854,968	(59,845)	5,699,807	15.0%
2012	850,274	874,765	(24,492)	5,831,783	15.0%
2013	905,468	931,304	(25,835)	6,008,416	15.5%
2014	1,000,610	1,000,610	0	6,207,264	16.1%
2015	1,059,945	1,073,260	(13,315)	6,657,948	16.1%
2016	1,045,361	1,072,639	(27,279)	6,654,111	16.1%
2017	1,072,460	1,130,673	(58,213)	7,014,127	16.1%
2018	1,196,987	1,215,722	(18,735)	7,561,508	16.1%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.8 years (based on contribution rate calculated in 12/31/2018 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule.

Appendix A— GASB 68 Plan Description for Lavaca County

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

- a. Lavaca County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to an annuity.
 - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Lavaca County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2017 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

Members	Dec. 31, 2017	Dec. 31, 2018
Number of inactive employees entitled to but not yet receiving benefits:	98	107
Number of active employees:	204	199
Average monthly salary:	\$2,958	\$3,048
Average age:	49.85	50.49
Average length of service in years:	12.05	12.13
<hr/>		
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	118	132
Average monthly benefit:	\$1,404	\$1,379

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2018 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Lavaca County December 31, 2018 Summary Valuation Report for further details.

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

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

Appendix C—Actuarial Methods and Assumptions Used for Funding Valuation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2018 financial reporting metrics are the same as those used in the December 31, 2018 actuarial valuation analysis for Lavaca County.

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

Economic Assumptions

TCDRS system-wide economic assumptions:

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

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

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

Employer-specific economic assumptions:

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

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

Table 1
Merit Salary Increase

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

These rates do not include the wage inflation rate of 3.25% per year. For example, a member who entered the system at age 20 and is in the first year of service is assumed to receive an 8.41% total annual increase in his salary. The 8.41% is a combination of the 5.00% merit increase and the 3.25% wage inflation. Note that the two components are compounded, so it is a slightly different result than just adding the two percentages.

Demographic Assumptions

TCDRS system-wide demographic assumptions:

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

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

Table 2
Annual Rates of Disability

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

Mortality

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

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

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

Table 3
Annual Rates of Service Retirement

Age	Male	Female	Age	Male	Female
40-44	4.5%	4.5%	62	20.0%	20.0%
45-40	9.0	9.0	63	15.0	15.0
50	10.0	10.0	64	15.0	15.0
51	9.0	9.0	65	25.0	25.0
52	9.0	9.0	66	25.0	25.0
53	9.0	9.0	67	22.0	22.0
54	10.0	10.0	68	20.0	20.0
55	10.0	10.0	69	20.0	20.0
56	10.0	10.0	70	22.0	22.0
57	10.0	10.0	71	22.0	22.0
58	12.0	12.0	72	22.0	22.0
59	12.0	12.0	73	22.0	22.0
60	12.0	12.0	74**	22.0	22.0
61	12.0	12.0			

Deferred members are assumed to retire (100% probability) at the later of:

- a) age 60
- b) earliest retirement eligibility.

** For all eligible members ages 75 and later, retirement is assumed to occur immediately.

Employer-specific demographic assumptions:

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

Table 4
Annual Rates of Termination

Years of Service	Entry Age 20		Entry Age 30		Entry Age 40		Entry Age 50	
	Male	Female	Male	Female	Male	Female	Male	Female
0	26.7%	29.0%	22.2%	24.2%	19.0%	20.5%	17.8%	19.3%
1	18.2	19.8	15.4	16.6	13.0	14.2	12.3	13.3
2	13.6	14.7	11.5	12.5	9.8	10.6	9.2	10.0
3	10.8	11.7	9.2	10.0	7.8	8.5	7.4	8.0
4	8.9	9.7	7.7	8.3	6.6	7.0	6.2	6.6
5	7.9	8.6	6.9	7.5	5.8	6.4	5.5	6.0
6	7.0	7.6	6.2	6.6	5.2	5.7	4.9	5.4
7	6.2	6.8	5.5	6.0	4.7	5.1	4.4	4.8
8	5.2	5.6	4.6	5.0	3.9	4.2	3.7	4.0
9	5.0	5.4	4.5	4.8	3.8	4.1	3.6	3.8
10	4.4	4.7	4.0	4.3	3.4	3.7	3.2	3.4
11	3.8	4.2	3.5	3.8	3.0	3.3	2.8	3.0
12	3.5	3.8	3.2	3.5	2.7	3.0	2.6	2.8
13	3.1	3.4	2.9	3.2	2.5	2.7	2.3	2.6
14	2.8	3.0	2.6	2.8	2.2	2.4	2.1	2.2
15	2.4	2.6	2.3	2.5	1.9	2.2	1.8	2.0
16	2.1	2.2	2.0	2.2	1.7	1.8	1.6	1.8
17	1.8	2.0	1.8	1.9	1.5	1.6	1.4	1.5
18	1.6	1.7	1.5	1.7	1.3	1.4	1.2	1.4
19	1.4	1.5	1.4	1.5	1.2	1.3	1.1	1.2
20	1.3	1.4	1.3	1.4	1.1	1.2	1.0	1.1
21	1.1	1.3	1.1	1.3	1.0	1.1	1.0	1.0
22	1.0	1.2	1.0	1.2	0.9	1.0	0.9	1.0
23	1.0	1.1	1.0	1.1	0.8	0.9	0.8	0.9
24	0.9	1.0	0.9	1.0	0.8	0.9	0.8	0.8
25	0.9	1.0	0.9	1.0	0.7	0.8	0.7	0.8
26	0.9	0.9	0.9	0.9	0.7	0.8	0.7	0.7
27	0.8	0.8	0.8	0.8	0.6	0.7	0.6	0.6
28	0.8	0.7	0.8	0.7	0.6	0.7	0.6	0.6
29	0.7	0.6	0.7	0.6	0.5	0.6	0.5	0.5
30 & Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Table 5
Probability of Withdrawal

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

G. Summary of GASB 75 Group-Term Funding Policy

Overview of GASB 74 and GASB 75

The Governmental Accounting Standards Board (GASB) released new accounting standards for public postemployment benefit plans other than pension (OPEB) and participating employers in 2016. These standards, GASB Statements No. 74 and 75, have substantially revised the accounting requirements previously mandated under GASB Statements No. 43 and 45.

For the Texas County & District Retirement System (TCDRS), the retiree death benefit paid from the Group Term Life (GTL) program is an OPEB benefit. The OPEB program is treated as an unfunded trust, because the GTL trust covers both actives and retirees and is not segregated.

GASB 74 applies to financial reporting for the TCDRS and does not impact participating employers. GASB 75 governs the specifics of reporting public OPEB plan obligations for employers. Note that in general the requirements of GASB 75 are parallel to those of GASB 68 which relates to pensions.

GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers and is required to be implemented for employer fiscal years beginning after June 15, 2017. GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating employers. Changes in the Net OPEB Liability (Total OPEB Liability for unfunded plans) will be immediately recognized as OPEB Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

The TCDRS Group Term Life program has been determined to be an unfunded OPEB plan as the GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, because the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan. For GASB 75 purposes, the OPEB plan is not a cost sharing plan, so the annual benefit payments are treated as being equal to the employer's actual retiree GTL contributions for the year.

Please refer to the Glossary shown in Appendix D of this report for more information on the relevant accounting terminology.

Total OPEB Liability

Total OPEB Liability	<u>December 31, 2017</u>	<u>December 31, 2018</u>
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Total OPEB liability	\$496,526	\$475,091
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The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Discount Rate

Discount rate	3.44%	4.10%
Long-term expected rate of return, net of investment expense	Does not apply	Does not apply
Municipal bond rate	3.44%	4.10%

The OPEB plan has been determined to be an unfunded OPEB plan; therefore, only the municipal bond rate applies.

Other Key Actuarial Assumptions

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

See Appendix B of this report (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the total OPEB liability and other GASB 75 metrics.

	Beginning Date	Ending Date
Valuation date	December 31, 2017	December 31, 2018
Measurement date	December 31, 2017	December 31, 2018
Employer's fiscal year	October 1, 2018	September 30, 2019

GASB Discount Rate

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

Employer OPEB Contributions to the Plan

For GASB 75 purposes, the OPEB plan is not a cost sharing plan as the employer's benefit payments for the year are treated as being equal to its annual retiree GTL contributions. Employers in the TCDRS Group Term Life (GTL) Program make a combined contribution for both the active and retiree coverage; however, only the retiree coverage is considered an OPEB plan and therefore only the contributions associated with retiree covered are included under GASB 75.

2017 Employer OPEB Contributions and Benefit Payments

The following shows a breakdown of the employer's contributions to the GTL program for the calendar year 2017. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown on the exhibit on the next page. The contributions for active coverage are not considered an OPEB benefit under GASB 75, so there should be no change in how these amounts are reported.

Coverage Type	2018 GTL Rate	Amount	Financial Reporting
Active Member GTL Benefit	0.25%	\$18,904	No change from prior year
Retiree GTL Benefit	0.18%	13,611	GASB 75

Employer OPEB Contributions made Subsequent to Measurement Date

Employer OPEB contributions made in the fiscal year, but subsequent to the measurement date of December 31, 2018 should be reflected as a deferred outflow as outlined in Appendix C of this report. As previously noted, only contributions to the GTL program for retiree coverage should be included under GASB 75. Therefore, once the total GTL contributions made subsequent to the measurement date have been determined, this amount should be multiplied by the portion attributable to retiree coverage to determine the OPEB contributions made subsequent to the measurement date that should be reported under GASB 75. This proportion is 47.5%, allocated as follows:

Coverage Type	2019 GTL Rate	Proportion	Financial Reporting
Active Member GTL Benefit	0.21%	52.5%	No change from prior year
Retiree GTL Benefit	0.19%	47.5%	GASB 75

Changes in Total OPEB Liability

	Changes in Total OPEB Liability
Balances as of December 31, 2017	\$496,526
Changes for the year:	
Service cost	20,331
Interest on total OPEB liability	17,548
Changes of benefit terms	
Effect of economic/demographic experience	0
Effect of assumptions changes or inputs	7,324
Benefit payments	(13,611)
Other	0
Balance as of December 31, 2018	\$475,091

Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 4.10%, as well as what the Lavaca County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	Decrease	Current Discount Rate	Increase
	3.10%	4.10%	5.10%
Total OPEB Liability	\$558,894	\$475,091	\$408,756

OPEB Expense / (Income)

OPEB Expense / (Income)	<u>January 1, 2017 to December 31, 2018</u>
Service cost	\$20,331
Interest on total OPEB liability	17,548
Effect of plan changes	0
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(166)
Recognition of assumption changes or inputs	(7,195)
Other	0
OPEB expense / (income)	\$30,518

As of December 31, 2018, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$6,525	\$5,859
Changes of assumptions	42,422	13,641
Contributions made subsequent to measurement date	N/A	Employer determined

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

Year ended December 31:	
2019	\$(7,361)
2020	(7,361)
2021	(7,361)
2022	(7,361)
2023	(7,361)
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2018	
Original Amount	Date Established	Original Recognition Period	Amount Recognized for 2017	Inflows	Outflows
(a)	(b)	(c)	(a) / (c)		
<i>Economic/demographic (gains) or losses</i>					
7,324	12/31/2018	5.0	1,465	0	5,859
(9,787)	12/31/2017	6.0	(1,631)	6,525	0
<i>Assumption changes or inputs</i>					
(53,027)	12/31/2018	5.0	(\$10,605)	42,422	0
20,461	12/31/2017	6.0	3,410	0	13,641

Schedule of Changes in Total OPEB Liability and Related Ratios

	Year Ended December 31		
	2018	2017	2016 - 2009
Total OPEB Liability			
Service cost	\$20,331	\$17,194	N/A
Interest on total OPEB liability	17,548	17,941	N/A
Effect of plan changes	0	0	N/A
Effect of assumption changes or inputs	(53,027)	20,461	N/A
Effect of economic/demographic (gains) or losses	7,324	(9,787)	N/A
Benefit payments	<u>(13,611)</u>	<u>(13,327)</u>	<u>N/A</u>
Net change in total OPEB liability	(21,435)	32,482	<u>N/A</u>
Total OPEB liability, beginning	<u>496,526</u>	<u>464,044</u>	<u>N/A</u>
Total OPEB liability, ending (a)	<u>\$475,091</u>	<u>\$496,526</u>	<u>N/A</u>
Pensionable covered payroll	\$7,561,508	\$7,014,127	N/A
Net OPEB liability/(asset) as % of covered payroll	6.28%	7.08%	N/A

Appendix A— GASB 75 Plan Description for Lavaca County

A description of the OPEB plan pursuant to Paragraph 50 of GASB Statement No. 75 is as follows:

- a. Lavaca County participates in the retiree Group Term Life program for the Texas County & District Retirement System (TCDRS), which is a statewide, multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCERS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the OPEB plan.
 - 2) The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program.
 - 3) The OPEB benefit is a fixed \$5,000 lump-sum benefit.
 - 4) No future increases are assumed in the \$5,000 benefit amount.
 - 5) Benefit terms are established under the TCERS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year.
- c. Membership information is shown in the chart below.
- d. Contributions made to the retiree GTL Program are held in the GTL Fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.
- e. Benefit terms are established under the TCERS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year. The county's contribution rate for the retiree GTL program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$5,000.

Membership Information

Members	Dec. 31, 2017	Dec. 31, 2018
Number of inactive employees entitled to but not yet receiving benefits:	34	32
Number of active employees:	204	199
Average age of active employees:	49.85	50.49
Average length of service in years for active employees:	12.05	12.13
<hr/>		
Inactive Employees Receiving Benefits		
Number of benefit recipients:	100	111

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

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

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Does not apply
Investment Rate of Return (Discount Rate)	4.10% 20 Year Bond GO Index published by bondbuyer.com as of December 28,2018.
Cost-of-Living Adjustment	Does not apply
Disability	See Table 1
Mortality	See Table 2
Retirement	See Table 3
Other Termination of Employment	See Table 4

Appendix C—Contributions Made Subsequent to Measurement Date

GASB Statement No. 75 requires employer contributions made between the measurement date, which is the date used to determine an employer's Total OPEB Liability (TOL) and the employer's fiscal year end be reported as a deferred outflow of resources ("DOoR"). The statement requires a beginning deferred outflow of resources for "amounts paid by the employer for OPEB as the benefits come due subsequent to the measurement date of the total OPEB liability and before the end of the reporting period."

For GASB valuation purposes, TCDRS' consulting actuary will compute each participating employer's TOL as of Dec. 31 of each year. Employers will need to account for OPEB contributions made between the measurement date and the employer's fiscal year end as a DOoR. These contributions will not be reported to you as part of this GASB report; employers can access their monthly employer activity statements, which display employer contributions to the GTL plan via the TCDRS Employer Portal. Note that only contributions for the retiree GTL benefit should be included in reporting under GASB 75. There should be no change in the financial reporting for the active GTL benefit. To determine the portion of the contribution related to retiree coverage, refer to the section of this report titled "Employer OPEB Contributions to the Plan."

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31					
	2018	2017	2016	2015	2014	2013 - 2009
Total Pension Liability						
Service cost	\$1,035,558	\$977,338	\$1,009,501	\$915,697	\$890,868	N/A
Interest on total pension liability	3,434,113	3,229,946	3,024,593	2,869,126	2,733,063	N/A
Effect of plan changes	0	0	0	(145,397)	0	N/A
Effect of assumption changes or inputs	0	180,215	0	404,986	0	N/A
Effect of economic/demographic (gains) or losses	199,542	140,102	13,008	(213,650)	(400,781)	N/A
Benefit payments/refunds of contributions	<u>(2,087,252)</u>	<u>(2,044,089)</u>	<u>(1,946,383)</u>	<u>(1,718,343)</u>	<u>(1,648,618)</u>	<u>N/A</u>
Net change in total pension liability	2,581,962	2,483,514	2,100,718	2,112,420	1,574,532	<u>N/A</u>
Total pension liability, beginning	<u>42,384,203</u>	<u>39,900,690</u>	<u>37,799,972</u>	<u>35,687,552</u>	<u>34,113,019</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$44,966,165</u>	<u>\$42,384,203</u>	<u>\$39,900,690</u>	<u>\$37,799,972</u>	<u>\$35,687,552</u>	<u>N/A</u>
Fiduciary Net Position						
Employer contributions	\$1,215,722	\$1,130,673	\$1,072,639	\$1,073,260	\$1,000,610	N/A
Member contributions	529,306	494,068	465,788	466,056	434,509	N/A
Investment income net of investment expenses	(725,643)	4,986,690	2,382,190	93,944	2,093,326	N/A
Benefit payments/refunds of contributions	(2,087,252)	(2,044,089)	(1,946,383)	(1,718,343)	(1,648,618)	N/A
Administrative expenses	(30,233)	(25,767)	(25,854)	(23,176)	(24,240)	N/A
Other	<u>(6,304)</u>	<u>(5,863)</u>	<u>135,107</u>	<u>(21,463)</u>	<u>(242,953)</u>	<u>N/A</u>
Net change in fiduciary net position	(1,104,405)	4,535,712	2,083,487	(129,721)	1,612,634	N/A
Fiduciary net position, beginning	<u>38,745,499</u>	<u>34,209,787</u>	<u>32,126,300</u>	<u>32,256,021</u>	<u>30,643,387</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$37,641,095</u>	<u>\$38,745,499</u>	<u>\$34,209,787</u>	<u>\$32,126,300</u>	<u>\$32,256,021</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$7,325,070</u>	<u>\$3,638,704</u>	<u>\$5,690,902</u>	<u>\$5,673,672</u>	<u>\$3,431,530</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	83.71%	91.41%	85.74%	84.99%	90.38%	N/A
Pensionable covered payroll	\$7,561,508	\$7,014,127	\$6,654,111	\$6,657,948	\$6,207,264	N/A
Net pension liability/(asset) as % of covered payroll	96.87%	51.88%	85.52%	85.22%	55.28%	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2009	\$808,292	\$835,588	(\$27,296)	\$5,570,586	15.0%
2010	780,971	836,755	(55,784)	5,578,367	15.0%
2011	795,123	854,968	(59,845)	5,699,807	15.0%
2012	850,274	874,765	(24,492)	5,831,783	15.0%
2013	905,468	931,304	(25,835)	6,008,416	15.5%
2014	1,000,610	1,000,610	0	6,207,264	16.1%
2015	1,059,945	1,073,260	(13,315)	6,657,948	16.1%
2016	1,045,361	1,072,639	(27,279)	6,654,111	16.1%
2017	1,072,460	1,130,673	(58,213)	7,014,127	16.1%
2018	1,196,987	1,215,722	(18,735)	7,561,508	16.1%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.8 years (based on contribution rate calculated in 12/31/2018 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule.

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2018 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Lavaca County December 31, 2018 Summary Valuation Report for further details.

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

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

Schedule of Changes in Total OPEB Liability and Related Ratios

	Year Ended December 31		
	2018	2017	2016 - 2009
Total OPEB Liability			
Service cost	\$20,331	\$17,194	N/A
Interest on total OPEB liability	17,548	17,941	N/A
Effect of plan changes	0	0	N/A
Effect of assumption changes or inputs	(53,027)	20,461	N/A
Effect of economic/demographic (gains) or losses	7,324	(9,787)	N/A
Benefit payments	<u>(13,611)</u>	<u>(13,327)</u>	<u>N/A</u>
Net change in total OPEB liability	(21,435)	32,482	<u>N/A</u>
Total OPEB liability, beginning	<u>496,526</u>	<u>464,044</u>	<u>N/A</u>
Total OPEB liability, ending (a)	<u>\$475,091</u>	<u>\$496,526</u>	<u>N/A</u>
Pensionable covered payroll	\$7,561,508	\$7,014,127	N/A
Net OPEB liability/(asset) as % of covered payroll	6.28%	7.08%	N/A

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

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

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Does not apply
Investment Rate of Return (Discount Rate)	4.10%
	20 Year Bond GO Index published by bondbuyer.com as of December 28,2018.
Cost-of-Living Adjustment	Does not apply
Disability	See Table 1
Mortality	See Table 2
Retirement	See Table 3
Other Termination of Employment	See Table 4

LAVACA COUNTY, TEXAS
 CAPITAL IMPROVEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$400	\$400	\$6,556	\$6,156
Miscellaneous	1,000	1,000	110,496	109,496
Total Revenues	<u>1,400</u>	<u>1,400</u>	<u>117,052</u>	<u>115,652</u>
EXPENDITURES				
Capital Projects -				
Capital Outlay and Other	230,200	530,200	241,841	288,359
Total Expenditures	<u>230,200</u>	<u>530,200</u>	<u>241,841</u>	<u>288,359</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(228,800)	(528,800)	(124,789)	404,011
OTHER FINANCING SOURCES (USES):				
Other Financing Sources -				
Operating Transfers In				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(228,800)	(528,800)	(124,789)	404,011
Fund Balances - Beginning	594,157	594,157	594,157	
Fund Balances - Ending	<u>\$365,357</u>	<u>\$65,357</u>	<u>\$469,368</u>	<u>\$404,011</u>

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

LAVACA COUNTY, TEXAS
 COMBINING BALANCE SHEET - GENERAL FUND
 SEPTEMBER 30, 2019

	General Fund	Jail Commissary Account	Unclaimed Credits	Election Service Fund	Total
<i>ASSETS</i>					
Cash and Cash Equivalents	\$4,710,595	\$5,591	\$3,632	\$16,341	\$4,736,159
Receivables (net of allowance for uncollectibles)	202,922				202,922
Prepaid Insurance					0
Total Assets	<u>\$4,913,517</u>	<u>\$5,591</u>	<u>\$3,632</u>	<u>\$16,341</u>	<u>\$4,939,081</u>
<i>LIABILITIES AND FUND BALANCES:</i>					
<i>Liabilities:</i>					
Accounts Payable	\$115,534		\$694		\$116,228
Bank Overdraft					0
Due to Other Funds					0
Accrued Wages Payable	254,278				254,278
Total Liabilities	<u>369,812</u>	<u>0</u>	<u>694</u>	<u>0</u>	<u>370,506</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>					
Unearned Revenues - Ad Valorem Taxes	<u>202,922</u>				<u>202,922</u>
<i>Fund Balances:</i>					
Unassigned	<u>4,340,783</u>	<u>5,591</u>	<u>2,938</u>	<u>16,341</u>	<u>4,365,653</u>
Total Fund Balance	<u>4,340,783</u>	<u>5,591</u>	<u>2,938</u>	<u>16,341</u>	<u>4,365,653</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$4,913,517</u>	<u>\$5,591</u>	<u>\$3,632</u>	<u>\$16,341</u>	<u>\$4,939,081</u>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GENERAL FUND
 YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Jail Commissary Account	Unclaimed Credits	Election Service Fund	Total
<i>REVENUES</i>					
Taxes					
Property	\$7,834,198				\$7,834,198
Other	14,871				14,871
Intergovernmental	138,140				138,140
Licenses and Permits	48,700				48,700
Charges for Services	1,153,852			3,795	1,157,647
Fines and Forfeitures	49,882				49,882
Interest	82,936		40	160	83,136
Miscellaneous	245,003		91		245,094
Total Revenues	<u>9,567,582</u>	<u>0</u>	<u>131</u>	<u>3,955</u>	<u>9,571,668</u>
<i>EXPENDITURES</i>					
Current:					
General Administration	1,841,463				1,841,463
Legal	276,753				276,753
Judicial	979,728				979,728
Financial Administration	1,119,375				1,119,375
Public Facilities	150,931				150,931
Public Safety	3,013,240	3,712			3,016,952
Health and Welfare	174,864				174,864
Conservation - Agriculture	117,567				117,567
Debt Service					
Principal Retirement	28,333				28,333
Interest and Fiscal Charges	29,402				29,402
Total Expenditures	<u>7,731,656</u>	<u>3,712</u>	<u>0</u>	<u>0</u>	<u>7,735,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,835,926</u>	<u>(3,712)</u>	<u>131</u>	<u>3,955</u>	<u>1,836,300</u>
<i>OTHER FINANCING SOURCES (USES):</i>					
Sale of Capital Assets					0
Operating Transfers In	0				0
Operating Transfers Out	(290,000)				(290,000)
Total Other Financing Sources (Uses)	<u>(290,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(290,000)</u>
Net Changes in Fund Balances	1,545,926	(3,712)	131	3,955	1,546,300
Fund Balances - Beginning	2,794,857	9,303	2,807	12,386	2,819,353
Fund Balances - Ending	<u>\$4,340,783</u>	<u>\$5,591</u>	<u>\$2,938</u>	<u>\$16,341</u>	<u>\$4,365,653</u>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND
 SEPTEMBER 30, 2019

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Road and Bridge Equipment No. 1	Road and Bridge Equipment No. 2	Road and Bridge Equipment No. 3	Road and Bridge Equipment No. 4	Road and Bridge Property No. 2	Road and Bridge Property No. 4
<i>ASSETS</i>										
Cash and Cash Equivalents	\$904,282	\$573,616	\$613,534	\$685,149	\$136,965	\$38,223	\$43,350	\$27,472	\$41,950	\$51,704
Receivables (net of allowance for uncollectibles)										
Total Assets	<u>\$904,282</u>	<u>\$573,616</u>	<u>\$613,534</u>	<u>\$685,149</u>	<u>\$136,965</u>	<u>\$38,223</u>	<u>\$43,350</u>	<u>\$27,472</u>	<u>\$41,950</u>	<u>\$51,704</u>
LIABILITIES AND FUND BALANCES:										
Liabilities:										
Accounts Payable	\$136	\$846	\$620	\$643						
Accrued Wages Payable	25,251	25,267	17,469	21,043						
Total Liabilities	<u>25,387</u>	<u>26,113</u>	<u>18,089</u>	<u>21,686</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
DEFERRED INFLOWS OF RESOURCES										
Unearned Revenues - Ad Valorem Taxes										
Fund Balances:										
Restricted										
Public Transportation	878,895	547,503	595,445	663,463	136,965	38,223	43,350	27,472	41,950	51,704
Total Fund Balance	<u>878,895</u>	<u>547,503</u>	<u>595,445</u>	<u>663,463</u>	<u>136,965</u>	<u>38,223</u>	<u>43,350</u>	<u>27,472</u>	<u>41,950</u>	<u>51,704</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$904,282</u>	<u>\$573,616</u>	<u>\$613,534</u>	<u>\$685,149</u>	<u>\$136,965</u>	<u>\$38,223</u>	<u>\$43,350</u>	<u>\$27,472</u>	<u>\$41,950</u>	<u>\$51,704</u>

The accompanying notes are an integral part of this statement.

Road and Bridge FMR No. 1	Road and Bridge FMR No. 2	Road and Bridge FMR No. 3	Road and Bridge FMR No. 4	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Right of Way	Total Road and Bridge
\$1,198,812	\$944,039	\$589,449	\$896,831	\$25,920	\$22,469	\$50,690	\$17,209	\$72,526	\$6,934,190
17,205	17,205	13,645	11,272						59,327
<u>\$1,216,017</u>	<u>\$961,244</u>	<u>\$603,094</u>	<u>\$908,103</u>	<u>\$25,920</u>	<u>\$22,469</u>	<u>\$50,690</u>	<u>\$17,209</u>	<u>\$72,526</u>	<u>\$6,993,517</u>
\$5,614	\$1,292	\$2,498	\$1,383						\$13,032
5,614	1,292	2,498	1,383	0	0	0	0	0	89,030
<u>17,205</u>	<u>17,205</u>	<u>13,645</u>	<u>11,272</u>						<u>59,327</u>
1,193,198	942,747	586,951	895,448	25,920	22,469	50,690	17,209	72,526	6,832,128
<u>1,193,198</u>	<u>942,747</u>	<u>586,951</u>	<u>895,448</u>	<u>25,920</u>	<u>22,469</u>	<u>50,690</u>	<u>17,209</u>	<u>72,526</u>	<u>6,832,128</u>
<u>\$1,216,017</u>	<u>\$961,244</u>	<u>\$603,094</u>	<u>\$908,103</u>	<u>\$25,920</u>	<u>\$22,469</u>	<u>\$50,690</u>	<u>\$17,209</u>	<u>\$72,526</u>	<u>\$6,993,517</u>

LAVACA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2019

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Road and Bridge Equipment No. 1	Road and Bridge Equipment No. 2	Road and Bridge Equipment No. 3	Road and Bridge Equipment No. 4	Road and Bridge Property No. 2	Road and Bridge Property No. 4
<i>REVENUES</i>										
Taxes										
Property	\$700,145	\$700,145	\$555,287	\$458,716						
Intergovernmental										
Licenses and Permits	187,867	187,867	187,867	187,867						
Interest	27,425	22,725	19,591	22,440					654	724
Miscellaneous			25,822	215			1,790			
Total Revenues	<u>915,437</u>	<u>910,737</u>	<u>788,567</u>	<u>669,238</u>	<u>0</u>	<u>0</u>	<u>1,790</u>	<u>0</u>	<u>654</u>	<u>724</u>
<i>EXPENDITURES</i>										
Current:										
Public Transportation										
Road and Bridge	693,487	751,569	522,077	433,755		24,276			515	
Debt Service										
Principal Retirement										
Interest and Fiscal Charges										
Total Expenditures	<u>693,487</u>	<u>751,569</u>	<u>522,077</u>	<u>433,755</u>	<u>0</u>	<u>24,276</u>	<u>0</u>	<u>0</u>	<u>515</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under)										
Expenditures	<u>221,950</u>	<u>159,168</u>	<u>266,490</u>	<u>235,483</u>	<u>0</u>	<u>(24,276)</u>	<u>1,790</u>	<u>0</u>	<u>139</u>	<u>724</u>
<i>OTHER FINANCING SOURCES (USES):</i>										
Other Financing Sources - Capital Lease										
Operating Transfers In					22,500	22,500	22,500	22,500	1,000	10,000
Operating Transfers Out		(1,000)		(10,000)						
Total Other Financing Sources (Uses)	<u>0</u>	<u>(1,000)</u>	<u>0</u>	<u>(10,000)</u>	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>	<u>1,000</u>	<u>10,000</u>
Net Changes in Fund Balances	221,950	158,168	266,490	225,483	22,500	(1,776)	24,290	22,500	1,139	10,724
Fund Balances - Beginning	656,945	389,335	328,955	437,980	114,465	39,999	19,060	4,972	40,811	40,980
Fund Balances - Ending	<u>\$878,895</u>	<u>\$547,503</u>	<u>\$595,445</u>	<u>\$663,463</u>	<u>\$136,965</u>	<u>\$38,223</u>	<u>\$43,350</u>	<u>\$27,472</u>	<u>\$41,950</u>	<u>\$51,704</u>

The accompanying notes are an integral part of this statement.

Road and Bridge FMR No. 1	Road and Bridge FMR No. 2	Road and Bridge FMR No. 3	Road and Bridge FMR No. 4	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Right of Way	Total Road and Bridge
\$824,778	\$824,778	\$654,134	\$540,372						\$5,258,355
				8,558	8,558	8,558	8,558		34,232
									751,468
								960	94,519
2,001	106,366	12,666							148,860
826,779	931,144	666,800	540,372	8,558	8,558	8,558	8,558	960	6,287,434
493,187	553,999	448,521	299,412			9,608		750	4,231,156
35,318	14,815								50,133
1,681	216								1,897
530,186	569,030	448,521	299,412	0	0	9,608	0	750	4,283,186
296,593	362,114	218,279	240,960	8,558	8,558	(1,050)	8,558	210	2,004,248
									0
									101,000
(1,500)	(1,500)	(1,500)							(15,500)
(1,500)	(1,500)	(1,500)	0	0	0	0	0	0	85,500
295,093	360,614	216,779	240,960	8,558	8,558	(1,050)	8,558	210	2,089,748
898,105	582,133	370,172	654,488	17,362	13,911	51,740	8,651	72,316	4,742,380
\$1,193,198	\$942,747	\$586,951	\$895,448	\$25,920	\$22,469	\$50,690	\$17,209	\$72,526	\$6,832,128

LAVACA COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2019

	SPECIAL REVENUE																	
	Abandoned Motor Vehicle	Ambulance Service Grant	Appellate Judicial System Fee	Attorney Hot Check Collection	Child Abuse Prevention	County Attorney Judicial Appt. Fee	County Attorney Seizure Fund	County Attorney Pretrial Fee	County Clerk Digital Preserve	County Clerk Technology	Courthouse Security	District Clerk Archive	District Clerk Technology	District Clerk Digital Preserve	Emergency Appropriation	Family Protection	Jury Service	Justice Court Building Security No. 1
ASSETS																		
Cash and Cash Equivalents	\$36,725	\$509,603	\$1,905	\$18,515	\$1,226	\$387	\$740	\$67,416	\$11,596	\$726	\$77,398	\$16,425	\$1,923	\$21,410	\$133,785	\$14,492	\$9,727	\$4,863
Receivables (net of allowance for uncollectibles)																		
Total Assets	\$36,725	\$509,603	\$1,905	\$18,515	\$1,226	\$387	\$740	\$67,416	\$11,596	\$726	\$77,398	\$16,425	\$1,923	\$21,410	\$133,785	\$14,492	\$9,727	\$4,863
LIABILITIES AND FUND BALANCES																		
Liabilities																		
Accounts Payable				\$108		\$49												
Bank Overdraft																		
Accrued Wages Payable																		
Total Liabilities	0	0	0	108	0	49	0	0	0	0	0	0	0	0	0	0	0	0
Fund Balances																		
Restricted																		
Construction									11,596	726								
General Administration																		
Health																		
Judicial			1,905		1,226							16,425	1,923	21,410		14,492	9,727	4,863
Legal				18,407		338	740	67,416										
Public Safety	36,725	509,603									77,398				133,785			
Unassigned																		
Total Fund Balances	36,725	509,603	1,905	18,407	1,226	338	740	67,416	11,596	726	77,398	16,425	1,923	21,410	133,785	14,492	9,727	4,863
TOTAL LIABILITIES AND FUND BALANCES	\$36,725	\$509,603	\$1,905	\$18,515	\$1,226	\$387	\$740	\$67,416	\$11,596	\$726	\$77,398	\$16,425	\$1,923	\$21,410	\$133,785	\$14,492	\$9,727	\$4,863

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

SPECIAL REVENUE

Justice Court Building Security No. 2	Justice Court Building Security No. 3	Justice Court Building Security No. 4	Justice Court Technology No. 1	Justice Court Technology No. 2	Justice Court Technology No. 3	Justice Court Technology No. 4	Law Enforcement Training	Law Library	Records Archive	Records Management Courthouse	Records Management County Clerk	Records Management District Clerk	Sheriff's Contraband	Special Reserve	Task Force Indigent Defense	Tobacco Settlement	TOTAL NON-MAJOR GOVERNMENTAL
\$1,156	\$1,056	\$9,744	\$4,042	\$1,941	\$2,297	\$14,637	\$22,531	\$100,017	\$241,638	\$24,603	\$213,029	\$10,218	\$5,775	\$673,545		\$14,830	\$2,269,921
															56,825		56,825
\$1,156	\$1,056	\$9,744	\$4,042	\$1,941	\$2,297	\$14,637	\$22,531	\$100,017	\$241,638	\$24,603	\$213,029	\$10,218	\$5,775	\$673,545	\$56,825	\$14,830	\$2,326,746
							80	\$586							\$14,206		\$15,029
									648		2,288				\$12,283		12,283
																	2,936
0	0	0	0	0	0	0	80	586	648	0	2,288	0	0	0	26,489	0	30,248
									240,990		210,741			673,545			673,545
1,156	1,056	9,744	4,042	1,941	2,297	14,637		99,431				10,218			30,336	14,830	464,053
							22,451			24,603			5,775				246,829
																	86,901
																	810,340
																	0
1,156	1,056	9,744	4,042	1,941	2,297	14,637	22,451	99,431	240,990	24,603	210,741	10,218	5,775	673,545	30,336	14,830	2,296,498
\$1,156	\$1,056	\$9,744	\$4,042	\$1,941	\$2,297	\$14,637	\$22,531	\$100,017	\$241,638	\$24,603	\$213,029	\$10,218	\$5,775	\$673,545	\$56,825	\$14,830	\$2,326,746

LAVACA COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	SPECIAL REVENUE																	
	Abandoned Motor Vehicle	Ambulance Service Grant	Appellate Judicial System Fee	Attorney Hot Check Collection	Child Abuse Prevention	County Attorney Judicial Appt. Fee	County Attorney Pretrial Fee	County Attorney Pretrial Fee	County Clerk Digital Preserve	County Clerk Technology	Courthouse Security	District Clerk Archive	District Clerk Technology	District Clerk Digital Preserve	Emergency Appropriation	Family Protection	Jury Service	Justice Court Building Security No. 1
<i>REVENUES</i>																		
Intergovernmental			\$1,905			\$27,500												
Charges for Services				1,795	423			9,800	1,210	233	10,338	2,450	102	2,600		675	3,797	
Fines and Forfeitures									2,064									273
Interest	462	7,016		4	10	110		740	128	6	1,174	175	21	234		1,819	166	55
Miscellaneous	751	177,005																
Total Revenues	1,213	184,021	1,905	1,799	433	27,610	2,072	10,540	1,338	239	11,512	2,625	123	2,834	1,819	841	3,797	328
<i>EXPENDITURES</i>																		
Current:																		
General Administration																		
County Clerk																		
Records Management																		
Legal																		
Check Collection				1,262														
County Attorney						27,549	1,332											
Judicial																		
Indigent Defense																		
Judicial			1,560															
Jury																	3,290	
Public Safety																		
Emergency Operations																		
Sheriff	5,507										26,563							
Health and Welfare																		
Senior Citizens																		
Capital Projects -																		
Capital Outlay and Other																		
Total Expenditures	5,507	0	1,560	1,262	0	27,549	1,332	0	0	0	26,563	0	0	0	0	0	3,290	0
Excess (Deficiency) of Revenues Over (Under)																		
Expenditures	(4,294)	184,021	345	537	433	61	740	10,540	1,338	239	(15,051)	2,625	123	2,834	1,819	841	507	328
<i>OTHER FINANCING SOURCES (USES):</i>																		
Transfers In																		
Transfers Out		(200,525)																
Total Other Financing Sources (Uses)	0	(200,525)	0	0	0	0	0	0	0	0	0	0	0	0	4,500	0	0	0
Net Changes in Fund Balances	(4,294)	(16,504)	345	537	433	61	740	10,540	1,338	239	(15,051)	2,625	123	2,834	6,319	841	507	328
Fund Balances - Beginning	41,019	526,107	1,560	17,870	793	277	0	56,876	10,258	487	92,449	13,800	1,800	18,576	127,466	13,651	9,220	4,535
Fund Balances - Ending	\$36,725	\$509,603	\$1,905	\$18,407	\$1,226	\$338	\$740	\$67,416	\$11,596	\$726	\$77,398	\$16,425	\$1,923	\$21,410	\$133,785	\$14,492	\$9,727	\$4,863

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE

Justice Court Building Security No. 2	Justice Court Building Security No. 3	Justice Court Building Security No. 4	Justice Court Technology No. 1	Justice Court Technology No. 2	Justice Court Technology No. 3	Justice Court Technology No. 4	Law Enforcement Training	Law Library	Records Archive	Records Management Courthouse	Records Management County Clerk	Records Management District Clerk	Sheriff's Contraband	Special Reserve	Task Force Indigent Defence	Tobacco Settlement	TOTAL NON-MAJOR GOVERNMENTAL
			1,096	150	578	1,672	5,854	12,672	55,940	3,753	56,132	1,834			\$187,908	\$359	\$217,672
38	145	418											3,806				173,104
13	12	112	36	20	23	169	272	1,259	2,852	263	3,009	106	48	8,315	92	167	6,744
																	28,896
51	157	530	1,132	170	601	1,841	6,126	13,931	58,792	4,016	59,141	1,940	3,854	8,315	188,000	526	177,756
									13,528	601	40,131						40,131
																	14,129
																	1,262
																	28,881
	190					2,710											193,319
								5,063									193,319
																	4,460
																	8,353
																	0
							4,730										36,800
																	0
0	190	0	0	0	0	2,710	4,730	5,063	13,528	601	40,131	0	0	42,201	193,319	0	42,201
51	(33)	530	1,132	170	601	(869)	1,396	8,868	45,264	3,415	19,010	1,940	3,854	(33,886)	(5,319)	526	234,636
0	0	0	0	0	0	0	0	0	0	0	0	0	0	200,000	0	0	204,500
																	(200,525)
51	(33)	530	1,132	170	601	(869)	1,396	8,868	45,264	3,415	19,010	1,940	3,854	166,114	(5,319)	526	238,611
1,105	1,089	9,214	2,910	1,771	1,696	15,506	21,055	90,563	195,726	21,188	191,731	8,278	1,921	507,431	35,655	14,304	2,057,887
\$1,156	\$1,056	\$9,744	\$4,042	\$1,941	\$2,297	\$14,637	\$22,451	\$99,431	\$240,990	\$24,603	\$210,741	\$10,218	\$5,775	\$673,545	\$30,336	\$14,830	\$2,296,498

LAVACA COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Agency Funds</u>		
	COUNTY OFFICER ACCOUNTS	CLERK DRAW	TOTAL
ASSETS			
Cash and Cash Equivalents	\$3,482,763	\$8,912	\$3,491,675
Receivables (net of allowance for uncollectibles)			0
Due from Others			0
Total Assets	<u>\$3,482,763</u>	<u>\$8,912</u>	<u>\$3,491,675</u>
LIABILITIES:			
Accounts Payable			0
Due to Others	3,482,763	8,912	3,491,675
Total Liabilities	<u>3,482,763</u>	<u>8,912</u>	<u>3,491,675</u>
NET ASSETS			
Held in Trust - Unexpendable			0
Held in Trust - Historical Purposes			0
Total Net Position	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>