

*ANNUAL FINANCIAL REPORT*

of

**LEON COUNTY, TEXAS**

For the Year Ended  
September 30, 2018

(This page intentionally left blank.)

# LEON COUNTY, TEXAS

## TABLE OF CONTENTS

September 30, 2018

<b><u>INTRODUCTORY SECTION</u></b>	<b><u>Page</u></b>
<b>List of Elected and Appointed Officials</b>	1
<b>Organizational Chart</b>	3
<b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditors' Report</b>	7
<b>Management's Discussion and Analysis (Required Supplementary Information)</b>	13
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position	23
Statement of Activities	24
<b><u>FUND FINANCIAL STATEMENTS</u></b>	
<b>Governmental Funds Financial Statements</b>	
Balance Sheet – Governmental Funds	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
<b>Proprietary Funds Financial Statements</b>	
Statement of Net Position	35
Statement of Revenues, Expenses, and Changes in Fund Net Position	37
Statement of Cash Flows	39
<b>Fiduciary Funds Financial Statements</b>	
Statement of Fiduciary Net Position – Agency Funds	41
<b>Notes to Financial Statements</b>	43
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	68
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Grant Fund	73
Schedule of Changes in Net Pension Liability and Related Ratios – Texas County and District Retirement System	75
Schedule of Contributions – Texas County and District Retirement System	76

# LEON COUNTY, TEXAS

## TABLE OF CONTENTS (Continued)

September 30, 2018

	<u>Page</u>
Schedule of Changes in Total OPEB Liability and Related Ratios - Texas County and District Retirement System	79

### COMBINING STATEMENTS AND SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds	97
Combining Statement of Fiduciary Net Position – Agency Funds	122

## ***INTRODUCTORY SECTION***

(This page intentionally left blank.)

**LEON COUNTY, TEXAS**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
For the Year Ended September 30, 2018

**COMMISSIONERS' COURT**

Byron Ryder	County Judge
Joey Sullivan	Commissioner, Precinct # 1
David Ferguson	Commissioner, Precinct # 2
Dean Stanford	Commissioner, Precinct # 3
David Grimes	Commissioner, Precinct # 4

**DISTRICT COURTS**

Deborah Oakes Evans	Judge, 87 <sup>th</sup> Judicial District
Hal R. Ridley	Judge, 278 <sup>th</sup> Judicial District
Bascom W. Bentley, III	Judge, 369 <sup>th</sup> Judicial District
Hope L. Knight	District Attorney
Beverly Wilson	District Clerk

**COUNTY COURT**

Byron Ryder	County Judge
James R. Witt	County Attorney
Christie Wakefield	County Clerk

**JUSTICE COURTS**

Lori Reid	Justice of the Peace, Precinct # 1
Jack Keeling	Justice of the Peace, Precinct # 2
Jerry Grimes	Justice of the Peace, Precinct # 4

**LAW ENFORCEMENT**

Kevin Ellis	Sheriff
Wade Thomas	Constable, Precinct # 1
George Holleman	Constable, Precinct # 2
Vacant	Constable, Precinct # 4

**FINANCIAL ADMINISTRATION**

Melissa Abney	County Auditor
Robin Shafer	Tax Assessor/Collector
Brandi S. Hill	County Treasurer

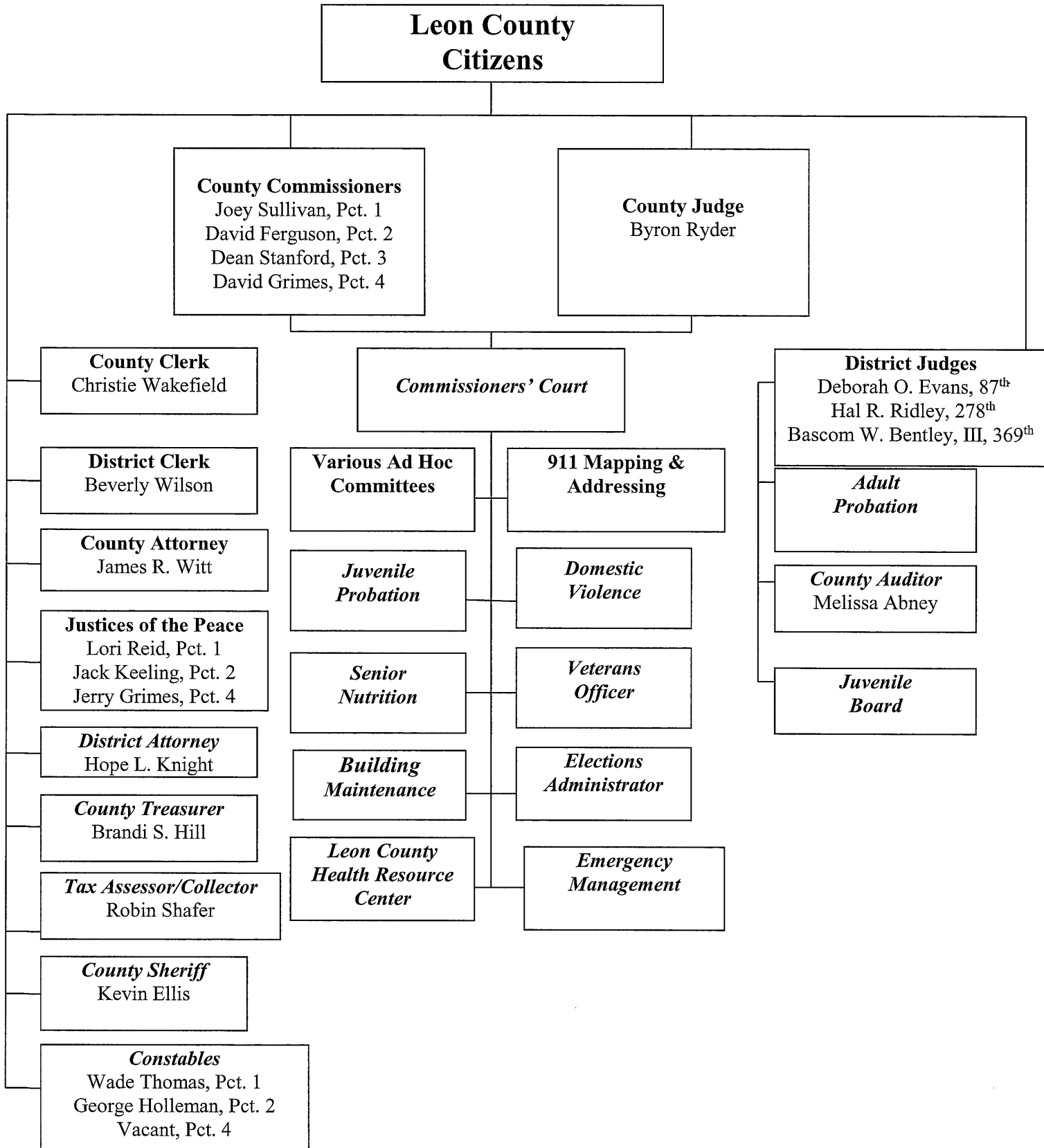
(This page intentionally left blank.)



# LEON COUNTY, TEXAS

## ORGANIZATIONAL CHART

For the Year Ended September 30, 2018



(This page intentionally left blank.)

***FINANCIAL SECTION***





## ***INDEPENDENT AUDITORS' REPORT***

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

### **Report on the Financial Statements**

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 Leon County, Texas (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

In 2018, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
March 25, 2019

(This page intentionally left blank.)



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



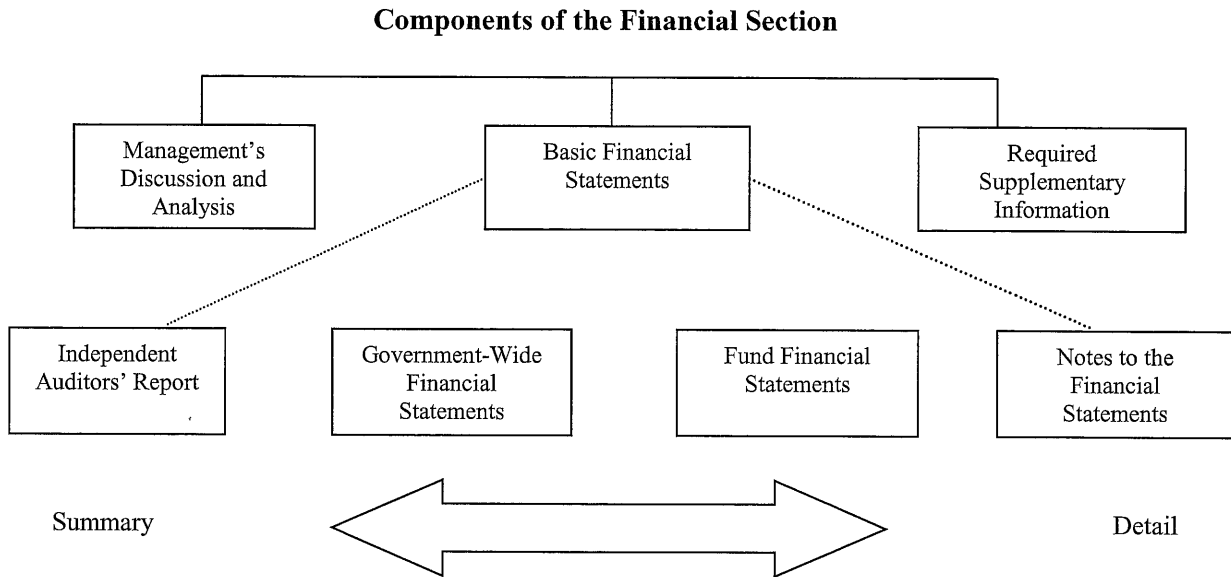
# LEON COUNTY, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2018

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

### THE STRUCTURE OF OUR ANNUAL REPORT



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

### GOVERNMENT-WIDE STATEMENTS

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

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

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

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

The Statement of Activities presents information showing how the County's net position changed during the most recent 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the County's financials into two classes of activities:

1. *Governmental Activities* – All of the County's basic services are reported here including general government, judicial, legal, public safety, public welfare, and public transportation. Interest payments on the County's debt are also reported here. Property taxes, sales taxes, and other fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported within this class. These services include the County's expo center and airport.

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

## **FUND FINANCIAL STATEMENTS**

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

### **Governmental Funds**

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

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

The County maintains 27 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general, road and bridge, and grant funds, which are considered to be major funds for reporting purposes.

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

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

**Proprietary Funds**

The County maintains one type of proprietary fund, enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its expo center and airport. The proprietary fund financial statements provide separate information for the expo center and airport. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

**Fiduciary Funds**

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

**Notes to Financial Statements**

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

**Other Information**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$25,305,715 as of September 30, 2018. This compares with \$26,047,687 from the prior fiscal year. A portion of the County's net position, 47 percent, reflects its investments in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

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

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 14,374,816	\$ 2,032	\$ 14,376,848	\$ 13,392,429	\$ 2,512	\$ 13,394,941
Capital assets, net	8,625,658	3,893,043	12,518,701	9,310,337	3,746,148	13,056,485
<b>Total Assets</b>	<b>23,000,474</b>	<b>3,895,075</b>	<b>26,895,549</b>	<b>22,702,766</b>	<b>3,748,660</b>	<b>26,451,426</b>
Deferred outflows - pensions	391,090	-	391,090	1,219,522	-	1,219,522
Deferred outflows - OPEB	20,723	-	20,723	10,161	-	10,161
<b>Total Deferred Outflows of Resources</b>	<b>411,813</b>	<b>-</b>	<b>411,813</b>	<b>1,229,683</b>	<b>-</b>	<b>1,229,683</b>
Long-term liabilities	1,129,985	-	1,129,985	992,804	-	992,804
Other liabilities	480,324	4,156	484,480	287,689	1,352	289,041
<b>Total Liabilities</b>	<b>1,610,309</b>	<b>4,156</b>	<b>1,614,465</b>	<b>1,280,493</b>	<b>1,352</b>	<b>1,281,845</b>
Deferred inflows - pensions	368,200	-	368,200	351,577	-	351,577
Deferred inflows - OPEB	18,982	-	18,982	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>387,182</b>	<b>-</b>	<b>387,182</b>	<b>351,577</b>	<b>-</b>	<b>351,577</b>
<b>Net Position:</b>						
Net investment in capital assets	8,077,098	3,893,043	11,970,141	8,971,757	3,746,148	12,717,905
Restricted	1,021,656	-	1,021,656	1,072,409	-	1,072,409
Unrestricted	12,316,042	(2,124)	12,313,918	12,256,213	1,160	12,257,373
<b>Total Net Position</b>	<b>\$ 21,414,796</b>	<b>\$ 3,890,919</b>	<b>\$ 25,305,715</b>	<b>\$ 22,300,379</b>	<b>\$ 3,747,308</b>	<b>\$ 26,047,687</b>

A portion of the County's net position, \$1,021,656 or 4 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$12,313,918 or 49 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

The County's total net position decreased by \$741,972 during the current fiscal year. This was primarily a result of a decrease in operating grants and contributions related to Federal Emergency Management Agency (FEMA) expenses attributed to erosion on the County's roadways due to flooding in the prior year.

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

**Statement of Activities**

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

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 986,565	\$ 40,237	\$ 1,026,802	\$ 974,618	\$ 42,580	\$ 1,017,198
Operating grants and contributions	467,218	-	467,218	1,255,635	-	1,255,635
General revenues:						
Property taxes	7,500,560	-	7,500,560	7,584,833	-	7,584,833
Sales taxes	1,817,230	-	1,817,230	1,920,977	-	1,920,977
Investment income	99,562	-	99,562	52,803	-	52,803
Other revenue	869,180	9,102	878,282	750,999	32,706	783,705
<b>Total Revenues</b>	<b>11,740,315</b>	<b>49,339</b>	<b>11,789,654</b>	<b>12,539,865</b>	<b>75,286</b>	<b>12,615,151</b>
<b>Expenses</b>						
General government	4,071,934	-	4,071,934	4,655,337	-	4,655,337
Judicial	1,049,462	-	1,049,462	954,822	-	954,822
Legal	191,976	-	191,976	203,429	-	203,429
Public safety	2,779,450	-	2,779,450	2,641,387	-	2,641,387
Public welfare	514,906	-	514,906	773,714	-	773,714
Public transportation	3,700,296	-	3,700,296	4,579,514	-	4,579,514
Interest on long-term debt	24,739	-	24,739	7,841	-	7,841
Expo center	-	197,359	197,359	-	199,241	199,241
Airport	-	1,503	1,503	-	13,598	13,598
<b>Total Expenses</b>	<b>12,332,764</b>	<b>198,862</b>	<b>12,531,626</b>	<b>13,816,044</b>	<b>212,839</b>	<b>14,028,883</b>
<b>Change in Net Position Before Transfers</b>	<b>(592,449)</b>	<b>(149,523)</b>	<b>(741,972)</b>	<b>(1,276,179)</b>	<b>(137,553)</b>	<b>(1,413,732)</b>
Transfers in and out	(293,134)	293,134	-	(313,500)	313,500	-
<b>Change in Net Position</b>	<b>(885,583)</b>	<b>143,611</b>	<b>(741,972)</b>	<b>(1,589,679)</b>	<b>175,947</b>	<b>(1,413,732)</b>
Beginning net position	22,300,379	3,747,308	26,047,687	23,890,058	3,571,361	27,461,419
<b>Ending Net Position</b>	<b>\$ 21,414,796</b>	<b>\$ 3,890,919</b>	<b>\$ 25,305,715</b>	<b>\$ 22,300,379</b>	<b>\$ 3,747,308</b>	<b>\$ 26,047,687</b>

For the year ended September 30, 2018, revenues from governmental activities totaled \$11,740,315, compared with \$12,539,865 in the prior year. This \$799,550 decrease is primarily the result of a decrease in operating grants and contributions related to the FEMA disaster grant. In addition, there was also a decrease in sales tax revenue and property taxes from the prior year by \$103,747 and \$84,273, respectively, which can be attributed to the decrease in gas and oil evaluations.

Governmental expenses decreased from the prior year by \$1,483,280, which can be attributed to fewer road and bridge repairs due to the flooding in the County.

Overall, total business-type revenues and expenses decreased from the prior year. This is due primarily to a \$23,604 decrease in other revenue from fewer donations and unclaimed property during the current year. Expenses also decreased by \$13,977 from the prior year, primarily due to less improvements at the airport.

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

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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

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

The County's governmental funds reflect a combined fund balance of \$8,559,586, a decrease of \$486,925 from the prior year. Of this total ending fund balance, \$303,511 is nonspendable, \$119,537 is restricted for law enforcement, \$17,005 is restricted for social services, and \$885,114 is restricted for other purposes. The amount of unassigned fund balance is \$7,234,419.

The decrease in the general fund fund balance of \$844,868 contributed to the overall decrease of \$486,925 in the combined governmental fund balance. The decrease is primarily due to the large transfer to supplement road and bridge expenditures associated with disaster road repair. 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 94 percent, while total fund balance represents 97 percent, respectively, of total general fund expenditures.

The road and bridge fund experienced an increase in fund balance of \$581,740 due to a decrease in road and bridge expenses associated with disaster road repair. The grant fund had a decrease in fund balance of \$190,699 to close out fund balance and finalize prior year grant programs.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual general fund revenues were under final budgeted revenues by \$503,326 during the year. This net negative variance is primarily attributable to lower than expected property tax and sales tax revenues. General fund disbursements were under the final budget by \$887,111. Total transfers also had a positive variance of \$479,815, contributing to an ending net positive variance for the general fund of \$863,600.

**CAPITAL ASSETS**

At the end of the year, the County's governmental and business-type activities invested \$12,518,701 in a variety of capital assets (net of accumulated depreciation). This represents a net decrease of \$537,784.

Major capital asset events during the year included the following:

- Three vehicles and a zero-turn lawnmower for a total of \$128,297
- Road and bridge equipment for a total of \$570,136

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



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

**LONG-TERM DEBT**

At the end of the year, the County reported total obligations under capital leases of \$548,560. The County obtained \$318,150 in capital lease financing during fiscal year 2018. In addition, the County reported other long-term liabilities of \$361,480 for an OPEB obligation and \$219,945 related to compensated absences.

More detailed information on the County's long-term liabilities can be found in note III.D. to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The County continues to experience a decrease in oil and gas evaluations, with some small increase in ad valorem revenue due only to re-evaluations in properties. This became apparent in fiscal year 2017. Due to elected/appointed officials' cost cutting measures, the County has continued to provide services to the residents of Leon County at a superior level. The budget for fiscal year 2019 will allow the County to maintain services, improve employee compensation, and invest in capital projects with the current tax rate of \$0.45917.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to Melissa Abney, County Auditor, Leon County, P.O. Box 898, Centerville, Texas 75833.



***BASIC FINANCIAL STATEMENTS***



# LEON COUNTY, TEXAS

## STATEMENT OF NET POSITION

September 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
Current assets:			
Cash and cash equivalents	\$ 769,815	\$ 153	\$ 769,968
Investments	7,275,865	-	7,275,865
Receivables, net	1,965,431	-	1,965,431
Due from other governments	6,404	-	6,404
Prepays	303,511	1,879	305,390
<b>Total Current Assets</b>	<b>10,321,026</b>	<b>2,032</b>	<b>10,323,058</b>
Noncurrent assets:			
Net pension asset	4,053,790	-	4,053,790
Nondepreciable capital assets	176,174	3,816,254	3,992,428
Net depreciable capital assets	8,449,484	76,789	8,526,273
<b>Total Noncurrent Assets</b>	<b>12,679,448</b>	<b>3,893,043</b>	<b>16,572,491</b>
<b>Total Assets</b>	<b>23,000,474</b>	<b>3,895,075</b>	<b>26,895,549</b>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred outflows - pensions	391,090	-	391,090
Deferred outflows - OPEB	20,723	-	20,723
<b>Total Deferred Outflows of Resources</b>	<b>411,813</b>	<b>-</b>	<b>411,813</b>
<b><u>Liabilities</u></b>			
Current liabilities:			
Accounts payable and accrued liabilities	464,385	4,156	468,541
Accrued interest payable	15,439	-	15,439
Unearned revenue	500	-	500
<b>Total Current Liabilities</b>	<b>480,324</b>	<b>4,156</b>	<b>484,480</b>
Noncurrent liabilities:			
Long-term liabilities due within one year	355,780	-	355,780
Long-term liabilities due in more than one year	774,206	-	774,206
<b>Total Noncurrent Liabilities</b>	<b>1,129,985</b>	<b>-</b>	<b>1,129,985</b>
<b>Total Liabilities</b>	<b>1,610,309</b>	<b>4,156</b>	<b>1,614,465</b>
<b><u>Deferred Inflows of Resources</u></b>			
Deferred inflows - pensions	368,200	-	368,200
Deferred inflows - OPEB	18,982	-	18,982
<b>Total Deferred Inflows of Resources</b>	<b>387,182</b>	<b>-</b>	<b>387,182</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	8,077,098	3,893,043	11,970,141
Restricted for:			
Law enforcement	119,537	-	119,537
Social services	17,005	-	17,005
Other purposes	885,114	-	885,114
Unrestricted	12,316,042	(2,124)	12,313,918
<b>Total Net Position</b>	<b>\$ 21,414,796</b>	<b>\$ 3,890,919</b>	<b>\$ 25,305,715</b>

See Notes to Financial Statements.

# LEON COUNTY, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
General government	\$ 4,071,934	\$ 32,631	\$ 160,179
Judicial	1,049,462	953,934	-
Legal	191,976	-	-
Public safety	2,779,450	-	51,932
Public welfare	514,906	-	155,470
Public transportation	3,700,296	-	99,637
Interest and fiscal charges	24,739	-	-
<b>Total Governmental Activities</b>	<b>12,332,764</b>	<b>986,565</b>	<b>467,218</b>
<b>Business-Type Activities:</b>			
Expo center	197,359	40,237	-
Airport	1,503	-	-
<b>Total Business-Type Activities</b>	<b>198,862</b>	<b>40,237</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 12,531,626</b>	<b>\$ 1,026,802</b>	<b>\$ 467,218</b>

**General Revenues:**

Property taxes  
Sales taxes  
Investment income  
Other revenue  
Transfers

**Total General Revenues**

**Change in Net Position**

Beginning net position

**Ending Net Position**

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes in Net Position**

**Primary Government**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (3,879,124)	\$ -	\$ (3,879,124)
(95,528)	-	(95,528)
(191,976)	-	(191,976)
(2,727,518)	-	(2,727,518)
(359,436)	-	(359,436)
(3,600,659)	-	(3,600,659)
(24,739)	-	(24,739)
<u>(10,878,981)</u>	<u>-</u>	<u>(10,878,981)</u>
-	(157,122)	(157,122)
-	(1,503)	(1,503)
<u>-</u>	<u>(158,625)</u>	<u>(158,625)</u>
(10,878,981)	(158,625)	(11,037,606)
7,500,560	-	7,500,560
1,817,230	-	1,817,230
99,562	-	99,562
869,180	9,102	878,282
(293,134)	293,134	-
<u>9,993,398</u>	<u>302,236</u>	<u>10,295,634</u>
(885,583)	143,611	(741,972)
<u>22,300,379</u>	<u>3,747,308</u>	<u>26,047,687</u>
<u>\$ 21,414,796</u>	<u>\$ 3,890,919</u>	<u>\$ 25,305,715</u>

# LEON COUNTY, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2018

	<u>General</u>	<u>Road and Bridge</u>	<u>Grant</u>	<u>Nonmajor Governmental Funds</u>
<b><u>Assets</u></b>				
Cash and equity in pooled cash	\$ 25,501	\$ -	\$ 25,369	\$ 718,945
Investments	7,075,865	200,000	-	-
Receivables, net	1,173,652	325,479	424,941	4,416
Due from other funds	433,089	432,032	-	347,131
Due from other governments	6,404	-	-	-
Prepays	212,815	13,803	-	76,893
<b>Total Assets</b>	<b>\$ 8,927,326</b>	<b>\$ 971,314</b>	<b>\$ 450,310</b>	<b>\$ 1,147,385</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 2,429	\$ 59,667	\$ 25,370	\$ 75,320
Due to other funds	779,163	-	413,879	19,210
Due to others	-	-	11,061	8,032
Other liabilities	269,952	12,554	-	-
Unearned revenue	500	-	-	-
<b>Total Liabilities</b>	<b>1,052,044</b>	<b>72,221</b>	<b>450,310</b>	<b>102,562</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	934,133	325,479	-	-
<b><u>Fund Balances</u></b>				
Nonspendable:				
Prepays	212,815	13,803	-	76,893
Restricted:				
Law enforcement	-	-	-	119,537
Social services	-	-	-	17,005
Other purposes	-	-	-	885,114
Unassigned	6,728,334	559,811	-	(53,726)
<b>Total Fund Balances</b>	<b>6,941,149</b>	<b>573,614</b>	<b>-</b>	<b>1,044,823</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 8,927,326</b>	<b>\$ 971,314</b>	<b>\$ 450,310</b>	<b>\$ 1,147,385</b>

See Notes to Financial Statements.



**Total  
Governmental  
Funds**

\$ 769,815  
7,275,865  
1,928,488  
1,212,252  
6,404  
303,511  
\$ 11,496,335

\$ 162,786  
1,212,252  
19,093  
282,506  
500  
1,677,137

1,259,612

303,511

119,537

17,005

885,114

7,234,419

8,559,586

\$ 11,496,335



**LEON COUNTY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO**  
**THE STATEMENT OF NET POSITION**  
**September 30, 2018**

Fund balances - total governmental funds \$ 8,559,586

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

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

Nondepreciable capital assets	176,174
Depreciable capital assets, net	8,449,484

Long-term assets and deferred outflows and deferred inflows related to pensions and other post employment benefits (OPEB) are not reported in the governmental funds.

Net pension asset	4,053,790
Deferred outflows related to pensions	391,090
Deferred inflows related to pensions	(368,200)
Total OPEB liability	(361,480)
Deferred outflows related to OPEB	20,723
Deferred inflows related to OPEB	(18,982)

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

Deferred revenue - delinquent property taxes	1,259,612
--	-----------

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

Accrued interest payable	(15,439)
Long-term liabilities due within one year	(355,780)
Long-term liabilities due in more than one year	(412,726)

Court fines receivable, net of related allowance, are not current financial resources and, therefore, are not reported in the governmental funds.

	36,943
<b>Net Position of Governmental Activities</b>	<u><u>\$ 21,414,796</u></u>

See Notes to Financial Statements.

**LEON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2018

	General	Road and Bridge	Grant	Nonmajor Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 5,533,387	\$ 1,909,346	\$ -	\$ -
Sales taxes	1,230,253	586,977	-	-
Intergovernmental revenue	155,779	-	99,637	211,802
Charges for services	-	-	-	216,125
Fines and forfeitures	769,442	-	-	12,860
Investment income	93,349	2,095	-	4,118
Other revenue	153,706	232,430	-	375,719
<b>Total Revenues</b>	<u>7,935,916</u>	<u>2,730,848</u>	<u>99,637</u>	<u>820,624</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	2,844,754	-	192,264	902,578
Judicial	651,267	-	-	441,172
Legal	201,405	-	-	-
Public safety	2,848,490	-	-	81,294
Public welfare	500,707	-	-	-
Public transportation	-	3,103,397	-	-
<b>Debt service:</b>				
Principal	-	108,468	-	-
Interest and fiscal charges	-	13,438	-	-
<b>Capital outlay</b>	<u>133,851</u>	<u>492,986</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>7,180,474</u>	<u>3,718,289</u>	<u>192,264</u>	<u>1,425,044</u>
<b>Excess (Deficiency) of</b>				
<b>Revenues Over (Under) Expenditures</b>	<u>755,442</u>	<u>(987,441)</u>	<u>(92,627)</u>	<u>(604,420)</u>
<b>Other Financing Sources (Uses)</b>				
Capital leases	-	318,150	-	-
Transfers in	430,394	1,133,800	-	895,402
Transfers (out)	(2,030,704)	(299,874)	(98,072)	(324,080)
Sale of capital assets	-	417,105	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,600,310)</u>	<u>1,569,181</u>	<u>(98,072)</u>	<u>571,322</u>
<b>Net Change in Fund Balances</b>	(844,868)	581,740	(190,699)	(33,098)
Beginning fund balances	<u>7,786,017</u>	<u>(8,126)</u>	<u>190,699</u>	<u>1,077,921</u>
<b>Ending Fund Balances</b>	<u>\$ 6,941,149</u>	<u>\$ 573,614</u>	<u>\$ -</u>	<u>\$ 1,044,823</u>

See Notes to Financial Statements.

**Total  
Governmental  
Funds**

\$ 7,442,733  
1,817,230  
467,218  
216,125  
782,302  
99,562  
761,855  
11,587,025

3,939,596  
1,092,439  
201,405  
2,929,784  
500,707  
3,103,397

108,468  
13,438  
626,837  
12,516,071

(929,046)

318,150  
2,459,596  
(2,752,730)  
417,105  
442,121

(486,925)

9,046,511

\$ 8,559,586



# LEON COUNTY, TEXAS

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018

Net changes in fund balances - total governmental funds \$ (486,925)

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

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

Capital outlay	698,433
Depreciation expense	(1,049,532)
Net effect of capital disposals	(333,580)

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

Deferred revenue	57,827
Fines and fees receivable	(11,862)

The net pension asset and deferred outflows and deferred inflows related to pensions and other postemployment benefits (OPEB) are not reported in the governmental funds.

Net pension asset	1,242,013
Deferred outflows related to pensions	(828,432)
Deferred inflows related to pensions	(16,623)
Total OPEB liability	(6,184)
Deferred outflows related to OPEB	10,562
Deferred inflows related to OPEB	(18,982)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal payments	108,468
Capital leases	(318,448)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This adjustment reflects the net change on the accrual basis of accounting for accrued interest payable and compensated absences.

Accrued interest payable	(11,301)
Compensated absences	78,983

**Change in Net Position of Governmental Activities** \$ (885,583)

See Notes to Financial Statements.





# LEON COUNTY, TEXAS

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

September 30, 2018

	Business-Type Activities		
	Expo Center	Nonmajor Airport	Total Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 153	\$ 153
Prepays	1,879	-	1,879
<b>Total Current Assets</b>	<b>1,879</b>	<b>153</b>	<b>2,032</b>
Noncurrent assets:			
Capital assets:			
Nondepreciable capital assets	3,816,254	-	3,816,254
Net depreciable capital assets	76,789	-	76,789
<b>Total Noncurrent Assets</b>	<b>3,893,043</b>	<b>-</b>	<b>3,893,043</b>
<b>Total Assets</b>	<b>3,894,922</b>	<b>153</b>	<b>3,895,075</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	4,003	153	4,156
<b>Total Liabilities</b>	<b>4,003</b>	<b>153</b>	<b>4,156</b>
<b>Net Position</b>			
Net investment in capital assets	3,893,043	-	3,893,043
Unrestricted	(2,124)	-	(2,124)
<b>Total Net Position</b>	<b>\$ 3,890,919</b>	<b>\$ -</b>	<b>\$ 3,890,919</b>

See Notes to Financial Statements.



**LEON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND BALANCES**  
**PROPRIETARY FUNDS**  
For the Year Ended September 30, 2018

	<b>Business-Type Activities</b>		
	<b>Expo Center</b>	<b>Nonmajor Airport</b>	<b>Total Funds</b>
<b><u>Operating Revenues</u></b>			
Charges for services	\$ 40,237	\$ -	\$ 40,237
Other revenue	9,102	-	9,102
<b>Total Operating Revenues</b>	<b>49,339</b>	<b>-</b>	<b>49,339</b>
<b><u>Operating Expenses</u></b>			
Personnel	83,289	-	83,289
Supplies	575	-	575
Contractual services	26,752	-	26,752
Other expense	83,404	1,503	84,907
Depreciation	3,339	-	3,339
<b>Total Expenditures</b>	<b>197,359</b>	<b>1,503</b>	<b>198,862</b>
<b>(Loss) Before Transfers</b>	<b>(148,020)</b>	<b>(1,503)</b>	<b>(149,523)</b>
Transfers in	291,631	1,503	293,134
<b>Net Change in Fund Balances</b>	<b>143,611</b>	<b>-</b>	<b>143,611</b>
Beginning fund balances	3,747,308	-	3,747,308
<b>Ending Fund Balances</b>	<b>\$ 3,890,919</b>	<b>\$ -</b>	<b>\$ 3,890,919</b>

See Notes to Financial Statements.



# LEON COUNTY, TEXAS

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

For the Year Ended September 30, 2018

	Business-Type Activities		
	Expo Center	Nonmajor Airport	Total Funds
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from customers	\$ 51,772	\$ -	\$ 51,772
Payments to suppliers	(109,880)	(1,350)	(111,230)
Payments to employees	(83,289)	-	(83,289)
Net Cash (Used) by Operating Activities	(141,397)	(1,350)	(142,747)
<b><u>Cash Flows from Noncapital Financing Activities</u></b>			
Transfers	291,631	1,503	293,134
Net Cash Provided by Noncapital Financing Activities	291,631	1,503	293,134
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Capital purchases	(150,234)	-	(150,234)
Net Cash (Used) by Capital and Related Financing Activities	(150,234)	-	(150,234)
Net Decrease in Cash and Cash Equivalents	-	153	153
Beginning cash and cash equivalents	\$ -	\$ -	\$ -
Ending Cash and Cash Equivalents	\$ -	\$ 153	\$ 153
<b>Reconciliation of Operating</b>			
<b>Income (Loss) to Net Cash</b>			
<b>Provided (Used) by Operating Activities</b>			
Operating income (loss)	\$ (148,020)	\$ (1,503)	\$ (149,523)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation	3,339	-	3,339
<b>Changes in Operating Assets and Liabilities:</b>			
<b>(Increase) Decrease in:</b>			
Receivables, net	2,433	-	2,433
Prepaid items	(1,800)	-	(1,800)
<b>Increase (Decrease) in:</b>			
Accounts payable and accrued liabilities	2,651	153	2,804
Net Cash (Used) by Operating Activities	\$ (141,397)	\$ (1,350)	\$ (142,747)

See Notes to Financial Statements.



**LEON COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
September 30, 2018

		<u>Total Agency Funds</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$	3,272,044
Prepays		1,431
Due from others		20,223
<b>Total Assets</b>	<b>\$</b>	<b><u>3,293,698</u></b>
 <b><u>Liabilities</u></b>		
Accounts payable	\$	1,917
Due to others		3,291,781
<b>Total Liabilities</b>	<b>\$</b>	<b><u>3,293,698</u></b>

See Notes to Financial Statements.





**LEON COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Leon County, Texas (the “County”) is an independent governmental entity created in 1846 by an act of the Texas Legislature. The County is governed by Commissioners’ Court, which is composed of four County Commissioners and the County Judge, all of whom are elected officials.

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

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

Depending on the significance of the County’s financial and operational relationships with various separate entities, the organizations are classified as blended or discrete component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental, while business-type activities incorporate data from the County’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the

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

amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial transactions not accounted for and reported in another fund. The principal sources of revenues include local property taxes, fees, fines and forfeitures, and charges for services. Disbursements include general government, judicial, legal, public safety, public welfare, and public transportation. The general fund is always considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following special revenue fund is considered major funds for reporting purposes:

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

*Grants fund* – This fund is used to account for various grants received by the County that are not reported in a separate fund.

The County reports the following enterprise funds:

*Enterprise funds* are used to account for and report the operation of the County's expo center and airport, including administration, operation, and maintenance. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges.

Additionally, the County reports the following fund types:

*Fiduciary funds* are used to account for and report resources held for the benefit of parties outside the County. The County maintains one type of fiduciary fund, agency funds. The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of

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

accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

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

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

**E. Measurement Focus and Basis of Accounting**

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

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

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

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met,

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

including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

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

**1. Cash and Cash Equivalents**

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

The County maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash."

**2. Investments**

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

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

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

**3. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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

**4. 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 activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Building improvements	15-30 years
Infrastructure	40 years
Equipment and machinery	4-10 years

**5. 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 County has two items that qualify for reporting in this category on the government-wide Statement of Net Position. A deferred outflow of resources is recognized as a result of the change in actuarial assumptions related to the County's defined benefit pension and OPEB plan. These amounts are deferred and amortized over the average of the expected service lives of the pension and OPEB plan members. A deferred charge has been recognized for employer pension and OPEB plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year. This amount is deferred and recognized as a reduction to the net pension asset and OPEB liability during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category in the government-wide Statement of Net Position. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience related to the County's defined benefit pension and OPEB plans. These amounts are deferred and amortized over the average of the expected service lives of pension and OPEB plan

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

members. Deferred inflows of resources are recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. At the fund level, the County has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

**6. Compensated Employee Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and compensatory time. Amounts accumulated may be paid to employees upon termination of employment or during employment in accordance with the County's personnel policy. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

**7. Long-Term Obligations**

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

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

The property tax rate is allocated each year between the general and road and bridge funds.

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

**8. Net Position Flow Assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-

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

wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**9. Fund Balance Flow Assumptions**

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

**10. Fund Balance Policies**

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

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

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

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

**11. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported

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

amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**12. Pensions**

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

**13. Other Postemployment Benefits**

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

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**2. Property Taxes**

General property taxes are recorded as receipts when levied for the current year and due, payable, and collected in the current year.



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

The property tax calendar dates are:

Levy date – October 1  
Due date – October 1  
Collection dates – October 1 through January 31  
Lien date – January 1 (following year)

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

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own discretion, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

**3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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 enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The original budget is adopted by the Commissioners' Court prior to the beginning of the period. The legal level of control is the department level. Management may not amend the budget without the approval of Commissioners' Court.

The final amended budget is used in this report. Budgets are adopted for the general fund, road and bridge fund, and select special revenue funds. All funds that adopted a budget did so in accordance with generally accepted accounting principles. Several supplemental budget appropriations were made for the period ended September 30, 2018.

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

**A. Deficit Fund Equity**

The special revenue funds below had deficit fund balances at September 30, 2018, as follows:

Juvenile probation	\$	(10,159)
Courthouse security	\$	(108)
District attorney	\$	(6,044)
Capital expenditures	\$	(16,355)
VCLG grant	\$	(4,608)

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 7,275,865	0.46

*Interest rate risk.* In accordance with its investment policy, the County manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

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

**B. Receivables**

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds. Below is the detail of receivables for the general fund, the road and bridge fund, the grant fund, and the nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts.

	<u>General</u>	<u>Road and Bridge</u>	<u>Grant</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Funds</u>
Property taxes	\$ 1,037,925	\$ 361,643	\$ -	\$ -	\$ 1,399,568
Sales taxes	238,631	-	-	-	238,631
Other	889	-	424,941	4,416	430,246
Less allowance	(103,793)	(36,164)	-	-	(139,957)
<b>Total Receivables</b>	<u>\$ 1,173,652</u>	<u>\$ 325,479</u>	<u>\$ 424,941</u>	<u>\$ 4,416</u>	<u>\$ 1,928,488</u>

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

**C. Capital Assets**

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

	<b>Beginning Balance *</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 176,174	\$ -	\$ -	\$ 176,174
Total capital assets not being depreciated	176,174	-	-	176,174
Other capital assets:				
Buildings and improvements	9,172,411	-	-	9,172,411
Infrastructure	15,877,236	-	-	15,877,236
Equipment and machinery	8,829,649	698,433	(830,375)	8,697,707
Total other capital assets	33,879,296	698,433	(830,375)	33,747,354
Less accumulated depreciation for:				
Buildings and improvements	(3,017,450)	(328,033)	-	(3,345,483)
Infrastructure	(15,257,020)	(15,580)	-	(15,272,600)
Equipment and machinery	(6,470,663)	(705,919)	496,795	(6,679,787)
Total accumulated depreciation	(24,745,133)	(1,049,532)	496,795	(25,297,870)
Other capital assets, net	9,134,163	(351,099)	(333,580)	8,449,484
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 9,310,337</b>	<b>\$ (351,099)</b>	<b>\$ (333,580)</b>	<b>8,625,658</b>
			Less associated debt	(548,560)
			<b>Net Investment in Capital Assets</b>	<b>\$ 8,077,098</b>

\* Beginning balances have been restated.

Depreciation was charged to governmental functions as follows:

General government	\$ 304,424
Legal	2,348
Public safety	428
Public welfare	37,408
Public transportation	704,924
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 1,049,532</b>

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

A summary of changes in capital assets for business-type activities for the year end September 30, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 392,437	\$ -	\$ -	\$ 392,437
Construction in process	3,273,583	150,233	-	3,423,816
Total capital assets not being depreciated	<u>3,666,020</u>	<u>150,233</u>	<u>-</u>	<u>3,816,253</u>
Other capital assets:				
Buildings and improvements	100,160	-	-	100,160
Total other capital assets	<u>100,160</u>	<u>-</u>	<u>-</u>	<u>100,160</u>
Less accumulated depreciation for:				
Buildings and improvements	(20,032)	(3,339)	-	(23,371)
Total accumulated depreciation	<u>(20,032)</u>	<u>(3,339)</u>	<u>-</u>	<u>(23,371)</u>
Other capital assets, net	80,128	(3,339)	-	76,789
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 3,746,148</u>	<u>\$ 146,894</u>	<u>\$ -</u>	<u>\$ 3,893,042</u>
		<b>Net Investment in Capital Assets</b>		<u>\$ 3,893,042</u>

Depreciation was charged to business-type functions as follows:

Expo center	\$ 3,339
<b>Total Business-Type Activities Depreciation Expense</b>	<u>\$ 3,339</u>

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

**D. Long-Term Liabilities**

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2018. In general, the County uses the general and road and bridge funds to liquidate governmental long-term liabilities.

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Capital leases:					
Obligations under capital leases	\$ 338,580	\$ 318,150	\$ (108,170)	\$ 548,560	* \$ 157,829
Other:					
Total OPEB obligation	355,296	6,184	-	361,480	-
Compensated absences	298,928	121,505	(200,488)	219,945	197,951
<b>Total Governmental Activities</b>	<u>\$ 992,804</u>	<u>\$ 445,839</u>	<u>\$ (308,658)</u>	<u>\$ 1,129,985</u>	<u>\$ 355,780</u>

Long-term liabilities due in more than one year \$ 774,206

**\*Debt associated with capital assets** \$ 548,560

Long-term debt obligations of the County as of September 30, 2018 are as follows:

	<u>Interest Rate Percentage</u>	<u>Original Amount</u>	<u>Balance</u>
<b>Capital Leases</b>			
Caterpillar Financial Services	4.20%	\$ 133,650	\$ 90,920
Caterpillar Financial Services	4.20%	167,463	167,463
Caterpillar Financial Services	4.20%	118,300	118,300
John Deere	4.75%	76,760	52,377
Southside Bank	4.48%	119,500	119,500
		<b>Total</b>	<u>\$ 548,560</u>

Future minimum payments, including interest, to retire capital leases are as follows:

<u>Year Ending Sept. 30</u>	<u>Capital Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 157,829	\$ 26,048
2020	165,933	17,944
2021	97,035	10,387
2022	101,541	5,880
2023	26,222	1,175
<b>Totals</b>	<u>\$ 548,560</u>	<u>\$ 61,434</u>

Machinery and equipment acquired under current capital lease obligations totaled \$405,263.

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

**E. Interfund Transfers**

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

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amounts</u>
<b>Governmental funds:</b>		
Major governmental funds:		
General fund	Road and bridge funds	\$ 1,133,800
General fund	Nonmajor governmental funds	895,402
General fund	Nonmajor proprietary funds	1,503
Grants fund	General fund	98,072
Road and bridge fund	General fund	299,874
Nonmajor governmental funds:		
Nonmajor governmental funds	General fund	32,448
Nonmajor governmental funds	Expo center	291,631
	<b>Total</b>	<u><u>\$ 2,752,730</u></u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the County must account for in the other governmental and business-type funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

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

<u>Due to</u>	<u>Due from</u>	<u>Amounts</u>
Major funds:		
General fund	Grant funds	\$ 413,879
General fund	Nonmajor governmental funds	19,210
Road and bridge fund	General fund	432,032
Nonmajor funds:		
Nonmajor governmental funds	General fund	347,131
	<b>Total</b>	<u><u>\$ 1,212,252</u></u>

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

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

**F. Restatement of Beginning Net Position**

Due to the implementation of GASB Standard No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other Than Pensions*, the County restated its beginning net position. Beginning net position was also restated to correct capital assets that were disposed of in prior years. The beginning net position was restated as follows:

	<b>Governmental Activities</b>
Beginning net position - as reported	\$ 22,968,005
Restatement - capital assets	(322,491)
Restatement - net OPEB liability	(355,296)
Restatement - deferred outflows - OPEB	10,161
<b>Beginning Net Position - Restated</b>	<b>\$ 22,300,379</b>

**IV. OTHER INFORMATION**

**A. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 279 other entities in the Texas Association of Counties' (TAC) Workers' Compensation Self-Insurance Fund (the "Pool"). The TAC created this Pool in 1974 to insure the County for workers' compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the TAC's Insurance Trust Fund.

This Pool purchases commercial insurance at group rates for participants in the Pool. The County has no additional risk or responsibility to either of the Pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

**B. Contingent Liabilities**

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

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent

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

claim settlement trends including frequency, and amount of payout and other economic and social factors. No claim liabilities are reported at year end.

**C. Pension Plan**

**Texas County and District Retirement System**

Plan Description

TCDRS is a statewide, agent multiple-employer, public-employee retirement system. TCDRS serves 700 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Commissioners' Court of each employer, within the options available in the TCDRS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

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

All eligible employees of the County must be enrolled in the plan.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. The benefit provisions are adopted by the Commissioners' Court within the options available in Texas state statutes governing TCDRS. Members can retire at age 60 and above with eight or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any County-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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

The Commissioner's Court adopted the rate of seven percent as the contributed rate payable by the employee members for calendar year 2017. The Commissioners' Court may change the employee contribution rate and the County contribution rate within the options available in the TCDRS Act.



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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	70
Inactive employees entitled to, but not yet receiving, benefits	104
Active employees	148
<b>Total</b>	<u><u>322</u></u>

Contributions

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

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

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

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

Employees for the County were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the County were 0.62 percent and 0.00 percent in calendar years 2016 and 2017, respectively. However, the County elected to contribute 7.00 percent. The County’s contributions to TCDRS for the fiscal year ended September 30, 2018 were \$323,508 and were more than the required contributions.

Net Pension Liability/Asset

The County’s Net Pension Asset (NPA) was measured as of December 31, 2017 and the Total Pension Liability (TPL) used to calculate the NPA was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

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

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

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
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%
Cost of Living Adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore, an assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

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

Discount Rate

The discount rate used to measure the TPL was 8.1 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and

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

inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPA

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(A)	(B)	(A-B)
Changes for the year:			
Service cost	\$ 473,635	\$ -	\$ 473,635
Interest	1,018,995	-	1,018,995
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(1,470)	-	(1,470)
Changes in assumptions	141,905	-	141,905
Contributions - employer	-	332,623	(332,623)
Contributions - employee	-	333,349	(333,349)
Net investment income	-	2,219,471	(2,219,471)
Benefit payments, including refunds of employee contributions	(562,459)	(562,459)	-
Administrative expense	-	(11,643)	11,643
Other changes	-	1,278	(1,278)
<b>Net Changes</b>	<b>1,070,606</b>	<b>2,312,619</b>	<b>(1,242,013)</b>
Balance at December 31, 2016	12,382,304	15,194,081	(2,811,777)
<b>Balance at December 31, 2017</b>	<b>\$ 13,452,910</b>	<b>\$ 17,506,700</b>	<b>\$ (4,053,790)</b>

Sensitivity of the NPA to Changes in the Discount Rate

The following presents the NPA of the County, calculated using the discount rate of 8.1 percent, as well as what the County's NPA would be if it were calculated using a discount rate that is one percentage point lower (7.1%) or one percentage point higher (9.1%) than the current rate:

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
County's Net Pension (Asset)	\$ (2,483,279)	\$ (4,053,790)	\$ (5,394,820)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at [www.tcdrs.org](http://www.tcdrs.org).

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

For the fiscal year ended September 30, 2018, the County recognized pension income of \$73,450.

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

At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ -	\$ 171,413
Changes in actuarial assumptions	136,776	-
Difference between projected and actual investment earnings	-	196,787
Contributions subsequent to the measurement date	254,314	-
<b>Total</b>	<b>\$ 391,090</b>	<b>\$ 368,200</b>

\$254,314 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase of the NPA for the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended September 30:</b>	<b>Pension Expense</b>
2019	\$ 2,279
2020	103,954
2021	(140,647)
2022	(197,010)
<b>Total</b>	<b>\$ (231,424)</b>

**D. Other Postemployment Benefits**

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

Plan Description

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

The member county contributes to the GTLF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as a basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy for the GTLF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. As such, the GTLF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

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

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

Benefits

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

Inactive employees or beneficiaries currently receiving benefits	62
Inactive employees entitled to, but not yet receiving, benefits	23
Active employees	148
<b>Total</b>	<b>233</b>

Total OPEB Liability

The County's total OPEB liability of \$361,480 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

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

Discount rate*	3.44%
Administrative expenses	N/A
Mortality - service retirees	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Mortality - disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

\*The discount rate was based on 20 Year Bond GO Index published by bondbuyer.com as of the measurement date of December 31, 2017.

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

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

Changes in the Total OPEB Liability

	<b>Increase (Decrease)</b>
	<b>Total OPEB Liability</b>
Changes for the year:	
Service cost	\$ 16,205
Interest	13,802
Change of benefit terms	-
Difference between expected and actual experience	(23,727)
Changes of assumptions	12,734
Benefit payments	(12,830)
<b>Net Changes</b>	6,184
Balance at December 31, 2016	355,296
<b>Balance at December 31, 2017</b>	<b>\$ 361,480</b>

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

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

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

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

	<b>1% Decrease (2.44%)</b>	<b>Discount Rate (3.44%)</b>	<b>1% Increase (4.44%)</b>
County's Total OPEB Liability	\$ 422,327	\$ 361,480	\$ 313,169

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

For the year ended September 30, 2018, the County recognized OPEB expense of \$27,809. The County reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ -	\$ 18,982
Changes in actuarial assumptions	10,187	-
Contributions subsequent to the measurement date	10,536	-
<b>Total</b>	<b>\$ 20,723</b>	<b>\$ 18,982</b>

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

\$10,536 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2019. Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended September 30</u>	<u>OPEB Expense Amount</u>
2019	\$ (2,199)
2020	(2,199)
2021	(2,199)
2022	(2,198)
2023	-
Thereafter	-
<b>Total</b>	<b>\$ (8,795)</b>





***REQUIRED SUPPLEMENTARY INFORMATION***

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)**  
**GENERAL FUND**

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 5,888,833	\$ 5,888,833	\$ 5,533,387	\$ (355,446)
Sales taxes	1,479,834	1,479,834	1,230,253	(249,581)
Intergovernmental revenue	169,714	169,714	155,779	(13,935)
Fines and forfeitures	733,612	733,612	769,442	35,830
Investment income	60,000	60,000	93,349	33,349
Other revenue	107,249	107,249	153,706	46,457
<b>Total Revenues</b>	<b>8,439,242</b>	<b>8,439,242</b>	<b>7,935,916</b>	<b>(503,326)</b>
<b>Expenditures</b>				
<b>General Government:</b>				
Commissioners' court	302,855	302,855	272,681	30,174
County clerk	294,477	294,477	269,826	24,651
County court	192,605	194,178	194,178	-
District clerk	366,002	366,002	203,882	162,120
County auditor	225,809	225,809	210,588	15,221
County treasurer	150,061	150,061	145,517	4,544
County tax assessor	343,069	343,069	339,455	3,614
Nondepartmental	1,006,775	958,791	669,285	289,506
County courthouse complex	581,920	581,920	539,342	42,578
	<b>3,463,573</b>	<b>3,417,162</b>	<b>2,844,754</b>	<b>572,408</b>
<b>Judicial:</b>				
Adult probation services	4,100	4,100	4,054	46
District court	303,606	312,606	259,758	52,848
Justices of the peace	376,139	376,139	367,687	8,452
Court administration	33,645	33,645	19,768	13,877
	<b>717,490</b>	<b>726,490</b>	<b>651,267</b>	<b>75,223</b>
<b>Legal:</b>				
County attorney	200,091	201,405	201,405	-
<b>Public Safety:</b>				
Justice center	2,814,805	2,838,070	2,687,788	150,282
Constables	54,722	54,722	51,454	3,268
License and weights	58,176	58,176	50,164	8,012
Texas ranger	6,100	6,100	5,986	114
Highway patrol	53,559	53,559	53,098	461
	<b>2,987,362</b>	<b>3,010,627</b>	<b>2,848,490</b>	<b>162,137</b>

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)**  
**GENERAL FUND**

For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Expenditures (continued)</u></b>				
<b>Public Welfare:</b>				
Social services	\$ 22,157	\$ 22,157	\$ 21,806	\$ 351
Waste disposal site	287,907	287,907	267,205	20,702
Keep Texas beautiful	550	550	150	400
Extension service	157,039	157,039	120,160	36,879
Domestic violence advocacy	20,655	22,897	22,897	-
Health and welfare	87,500	87,500	68,489	19,011
	<u>575,808</u>	<u>578,050</u>	<u>500,707</u>	<u>77,343</u>
<b>Capital Outlay</b>	<u>95,000</u>	<u>133,851</u>	<u>133,851</u>	<u>-</u>
<b>Total Expenditures</b>	<u>8,039,324</u>	<u>8,067,585</u>	<u>7,180,474</u>	<u>887,111</u>
<b>Excess of</b>				
<b>Revenues Over Expenditures</b>	<u>399,918</u>	<u>371,657</u>	<u>755,442</u>	<u>383,785</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	-	-	430,394	430,394
Transfers (out)	<u>(2,071,710)</u>	<u>(2,080,125)</u>	<u>(2,030,704)</u>	<u>49,421</u>
<b>Total Other Financing (Uses)</b>	<u>(2,071,710)</u>	<u>(2,080,125)</u>	<u>(1,600,310)</u>	<u>479,815</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,671,792)</u>	<u>\$ (1,708,468)</u>	(844,868)	<u>\$ 863,600</u>
Beginning fund balance			<u>7,786,017</u>	
<b>Ending Fund Balance</b>			<u>\$ 6,941,149</u>	

Notes to Required Supplementary Information:

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



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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 2,035,238	\$ 2,035,238	\$ 1,909,346	\$ (125,892)
Sales taxes	592,489	592,489	586,977	(5,512)
Investment income	19,137	19,137	2,095	(17,042)
Other revenue	131,600	131,600	232,430	100,830
<b>Total Revenues</b>	<b>2,778,464</b>	<b>2,778,464</b>	<b>2,730,848</b>	<b>(47,616)</b>
<b>Expenditures</b>				
<b>Public Transportation:</b>				
Precinct No. 1	1,089,232	972,096	648,466	323,630
Precinct No. 2	894,654	1,131,228	774,036	357,192
Precinct No. 3	724,429	773,093	773,093	-
Precinct No. 4	951,507	878,060	780,003	98,057
Forestry control	152,172	152,172	127,799	24,373
<b>Debt Service:</b>				
Principal	-	108,468	108,468	-
Interest and fiscal charges	13,440	13,440	13,438	2
<b>Capital Outlay</b>	108,468	492,986	492,986	-
<b>Total Expenditures</b>	<b>3,933,902</b>	<b>4,521,543</b>	<b>3,718,289</b>	<b>803,254</b>
(Deficiency) of				
<b>Revenues (Under) Expenditures</b>	<b>(1,155,438)</b>	<b>(1,743,079)</b>	<b>(987,441)</b>	<b>755,638</b>
<b>Other Financing Sources (Uses)</b>				
Capital leases	-	-	318,150	318,150
Transfers in	1,000,000	1,000,000	1,133,800	133,800
Transfers (out)	-	(299,874)	(299,874)	-
Sale of capital assets	-	-	417,105	417,105
<b>Total Other Financing Sources</b>	<b>1,000,000</b>	<b>700,126</b>	<b>1,569,181</b>	<b>869,055</b>
<b>Net Change in Fund Balance</b>	<b>\$ (155,438)</b>	<b>\$ (1,042,953)</b>	<b>581,740</b>	<b>\$ 1,624,693</b>
Beginning fund balance			(8,126)	
<b>Ending Fund Balance</b>			<b>\$ 573,614</b>	

Notes to Required Supplementary Information:

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



**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GRANT FUND**

For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental revenue	\$ 89,630	\$ 89,630	\$ 99,637	\$ 10,007
<b>Total Revenues</b>	<u>89,630</u>	<u>89,630</u>	<u>99,637</u>	<u>10,007</u>
<b><u>Expenditures</u></b>				
<b>Curret:</b>				
General government	89,630	192,264	192,264	-
<b>Total Expenditures</b>	<u>89,630</u>	<u>192,264</u>	<u>192,264</u>	<u>-</u>
<b>(Deficiency) of</b>				
<b>Revenues (Under) Expenditures</b>	<u>-</u>	<u>(102,634)</u>	<u>(92,627)</u>	<u>10,007</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers (out)	-	(98,072)	(98,072)	-
<b>Total Other Financing (Uses)</b>	<u>-</u>	<u>(98,072)</u>	<u>(98,072)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (200,706)</u>	<u>(190,699)</u>	<u>\$ 10,007</u>
Beginning fund balance			<u>190,699</u>	
<b>Ending Fund Balance</b>			<u>\$ -</u>	

Notes to Required Supplementary Information:

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





**LEON COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
For the Year Ended September 30, 2018

	Measurement Year*			
	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service cost	\$ 442,901	\$ 473,396	\$ 488,034	\$ 473,635
Interest on the total pension liability	839,500	900,446	948,400	1,018,995
Effect of plan changes	-	(44,908)	-	-
Effect of assumption changes or inputs	-	121,391	-	141,904
Effect of economic/demographic (gains) or losses	(43,822)	(314,721)	(274,891)	(1,470)
Benefit payments, including refunds of contributions	(539,348)	(537,822)	(487,734)	(562,459)
<b>Net Change in Total Pension Liability</b>	<u>699,232</u>	<u>597,782</u>	<u>673,809</u>	<u>1,070,605</u>
Beginning total pension liability	<u>10,411,481</u>	<u>11,110,713</u>	<u>11,708,495</u>	<u>12,382,304</u>
<b>Ending Total Pension Liability</b>	<u>\$ 11,110,713</u>	<u>\$ 11,708,495</u>	<u>\$ 12,382,304</u>	<u>\$ 13,452,909</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 312,643	\$ 311,730	\$ 326,477	\$ 332,623
Contributions - employee	312,643	311,730	326,477	333,349
Net investment income	899,902	(59,822)	1,039,187	2,219,470
Benefit payments, including refunds of employee contributions	(539,348)	(537,822)	(487,734)	(562,459)
Administrative expense	(10,628)	(10,224)	(11,368)	(11,643)
Other	(4,956)	(164,934)	(127,544)	1,278
<b>Net Change in Plan Fiduciary Net Position</b>	<u>970,257</u>	<u>(149,342)</u>	<u>1,065,495</u>	<u>2,312,618</u>
Beginning plan fiduciary net position	<u>13,307,671</u>	<u>14,277,928</u>	<u>14,128,586</u>	<u>15,194,081</u>
<b>Ending Plan Fiduciary Net Position</b>	<u>\$ 14,277,928</u>	<u>\$ 14,128,586</u>	<u>\$ 15,194,081</u>	<u>\$ 17,506,699</u>
<b>Net Pension Asset</b>	<u>\$ (3,167,215)</u>	<u>\$ (2,420,091)</u>	<u>\$ (2,811,777)</u>	<u>\$ (4,053,790)</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	128.51%	120.67%	122.71%	130.13%
<b>Covered Payroll</b>	\$ 4,466,334	\$ 4,453,288	\$ 4,663,957	\$ 4,751,762
<b>Net Pension (Asset) as a Percentage of Covered Payroll</b>	-70.91%	-54.34%	-60.29%	-85.31%

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

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

	Fiscal Year*			
	2014	2015	2016	2017
Actuarially determined contribution	\$ 108,636	\$ 93,287	\$ 80,247	\$ 38,806
Contributions in relation to the actuarially determined contribution	312,643	309,712	336,565	332,422
Contribution deficiency (excess)	<u>\$ (204,007)</u>	<u>\$ (216,424)</u>	<u>\$ (256,318)</u>	<u>\$ (293,616)</u>
Covered payroll	\$ 4,466,334	\$ 4,425,535	\$ 4,809,035	\$ 4,748,876
Contributions as a percentage of covered payroll	7.00%	7.00%	7.00%	7.00%

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

**Notes to Required Supplementary Information:**

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.

**Fiscal Year\***  
**2018**

\$ 6,129

323,508  
\$ (317,379)

\$ 4,622,077

7.00%



**LEON COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
For the Year Ended September 30, 2018

	Measurement Year*
	2017
<b>Total OPEB Liability</b>	
Service cost	\$ 16,205
Interest (on the total OPEB liability)	13,802
Changes of benefit terms	-
Difference between expected and actual experience	(23,727)
Change of assumptions	12,734
Benefit payments**	(12,830)
<b>Net Change in Total OPEB Liability</b>	6,184
Beginning total OPEB liability	355,296
<b>Ending Total OPEB Liability</b>	\$ 361,480
<b>Covered Payroll</b>	\$ 4,751,762
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	7.61%

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

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

Notes to Required Supplementary Information:

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

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

Other Information:

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

The discount rate was based on 20 Year Bond GO Index published by bondbuyer.com as of the measurement date of December 31, 2017.

There were no benefit changes during the year.



***COMBINING STATEMENTS  
AND SCHEDULES***

**LEON COUNTY, TEXAS**  
***NONMAJOR GOVERNMENTAL FUNDS***  
**For the Year Ended September 30, 2018**

***SPECIAL REVENUE FUNDS***

The Sheriff's office fund accounts for revenues received by the Sheriff's office for participation in the seizure of property during criminal investigations. Funds are restricted for law enforcement purposes.

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

The juvenile probation fund accounts for fees received for juvenile probation.

The courthouse security fund accounts for funds received to be used for security of the courthouse.

The juvenile probation technology fund accounts for technology fees collected as a cost of court from defendants convicted of misdemeanor offenses. The funds may be used only to finance the purchase of technological enhancements for a justice court and are administered by the Commissioners' Court.

The juvenile probation restitution fund accounts for restitution received from juveniles.

The hotel/motel tax fund accounts for revenues generated from a hotel/motel occupancy tax and expenditures for improvements that serve the purpose of attracting visitors.

The County clerk records management fund accounts for revenues received from a special records management and preservation fee designated for records management and preservation services performed by the County clerk.

The District clerk records management fund accounts for revenues received from a special records management and preservation fee designated for records management and preservation services performed by the District clerk.

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

The 911 rural addressing fund accounts for funds received and expenses for 911 addressing and homeland security.

The County attorney fund accounts for fees collected in connection with processing checks issued or passed in violation of the Texas Penal Code. Fees deposited in this fund are used to defray expenses of the County attorney's office.



**LEON COUNTY, TEXAS**  
***NONMAJOR GOVERNMENTAL FUNDS***  
For the Year Ended September 30, 2018

***SPECIAL REVENUE FUNDS (Continued)***

The Hilltop Lakes security payroll fund accounts for payroll expenses for deputies at Hilltop Lakes.

The Area Agencies on Aging (AAA) senior services fund accounts for revenues and expenses for meals and senior services.

The capital expenditures fund accounts for revenues and expenses related to capital expenditures for the County.

The election administration fund accounts for County funds related to election activities.

The clinic fund accounts for County funds for the clinic.

The County veterans services fund accounts for County funds for benefits of veterans within the County.

The County and District clerk technology fund accounts for County funds for both clerks.

The Normangee Independent School District (ISD) security fund accounts for payroll expenses for deputies at Normangee ISD.

The Chapter 19 Election fund accounts for grant revenues received for election expenses.

The emergency management fund accounts for grant revenue.

The Victim Coordinator and Liaison Grant (VCLG) grant fund accounts for grant revenues received by the County.

The pretrial diversion fund accounts for grant revenue received for trials.

**LEON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)**  
**September 30, 2018**

<u>Special Revenue Funds</u>				
	<u>Sheriff's Office</u>	<u>Law Library</u>	<u>Juvenile Probation</u>	<u>Courthouse Security</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 33,787	\$ 26,877	\$ 700	\$ -
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Prepays	-	-	-	791
<b>Total Assets</b>	<b>\$ 33,787</b>	<b>\$ 26,877</b>	<b>\$ 700</b>	<b>\$ 791</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 339	\$ 468	\$ 10,859	\$ 899
Due to other funds	-	-	-	-
Due to others	-	-	-	-
<b>Total Liabilities</b>	<b>339</b>	<b>468</b>	<b>10,859</b>	<b>899</b>
<b><u>Fund Balances</u></b>				
Nonspendable	-	-	-	791
Restricted:				
Law enforcement	33,448	26,409	-	-
Social services	-	-	-	-
Other purpose	-	-	-	-
Unassigned	-	-	(10,159)	(899)
<b>Total Fund Balances</b>	<b>33,448</b>	<b>26,409</b>	<b>(10,159)</b>	<b>(108)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 33,787</b>	<b>\$ 26,877</b>	<b>\$ 700</b>	<b>\$ 791</b>

**Special Revenue Funds**

<b>JP Technology</b>	<b>Juvenile Probation Restitution</b>	<b>Hotel/Motel Tax</b>	<b>County Clerk Records Management</b>	<b>District Clerk Records Management</b>	<b>District Attorney</b>
\$ 46,207	\$ 9,574	\$ 50,180	\$ 440,705	\$ 36,046	\$ -
-	-	-	-	-	-
-	-	343,431	3,700	-	-
-	-	21,122	15,405	-	4,722
<u>\$ 46,207</u>	<u>\$ 9,574</u>	<u>\$ 414,733</u>	<u>\$ 459,810</u>	<u>\$ 36,046</u>	<u>\$ 4,722</u>
\$ 176	\$ -	\$ 421	\$ 769	\$ 8	\$ 10,766
-	-	-	9,498	-	-
-	361	-	-	-	-
<u>176</u>	<u>361</u>	<u>421</u>	<u>10,267</u>	<u>8</u>	<u>10,766</u>
-	-	21,122	15,405	-	4,722
46,031	9,213	-	-	-	-
-	-	-	-	-	-
-	-	393,190	434,138	36,038	-
-	-	-	-	-	(10,766)
<u>46,031</u>	<u>9,213</u>	<u>414,312</u>	<u>449,543</u>	<u>36,038</u>	<u>(6,044)</u>
<u>\$ 46,207</u>	<u>\$ 9,574</u>	<u>\$ 414,733</u>	<u>\$ 459,810</u>	<u>\$ 36,046</u>	<u>\$ 4,722</u>

**LEON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)**  
September 30, 2018

	<u>Special Revenue Funds</u>			
	<u>911 Rural Addressing</u>	<u>County Attorney</u>	<u>Hilltop Lakes Security Payroll</u>	<u>AAA Senior Services</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ -	\$ 8,054	\$ 15,206	\$ -
Receivables	-	-	-	-
Due from other funds	-	-	-	-
Prepays	5,846	-	3,041	12,488
<b>Total Assets</b>	<b>\$ 5,846</b>	<b>\$ 8,054</b>	<b>\$ 18,247</b>	<b>\$ 12,488</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ (438)	\$ -	\$ 10,770	\$ 6,043
Due to other funds	-	-	-	-
Due to others	-	7,671	-	-
<b>Total Liabilities</b>	<b>(438)</b>	<b>7,671</b>	<b>10,770</b>	<b>6,043</b>
<b><u>Fund Balances</u></b>				
Nonspendable	5,846	-	3,041	12,488
Restricted:				
Law enforcement	-	-	4,436	-
Social services	-	-	-	-
Other purpose	438	-	-	-
Unassigned	-	383	-	(6,043)
<b>Total Fund Balances</b>	<b>6,284</b>	<b>383</b>	<b>7,477</b>	<b>6,445</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,846</b>	<b>\$ 8,054</b>	<b>\$ 18,247</b>	<b>\$ 12,488</b>

**Special Revenue Funds**

<b>Capital Expenditures</b>	<b>Election Administration</b>	<b>Clinic</b>	<b>County Veterans Services</b>	<b>County and District Clerk Technology</b>	<b>Normangee ISD Security</b>
\$ 10,412	\$ -	\$ -	\$ 18,892	\$ 21,304	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	6,275	4,972	350	-	153
<u>\$ 10,412</u>	<u>\$ 6,275</u>	<u>\$ 4,972</u>	<u>\$ 19,242</u>	<u>\$ 21,304</u>	<u>\$ 153</u>
\$ 26,767	\$ 1,254	\$ 2,309	\$ 1,887	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,767</u>	<u>1,254</u>	<u>2,309</u>	<u>1,887</u>	<u>-</u>	<u>-</u>
-	6,275	4,972	350	-	153
-	-	-	-	-	-
-	-	-	17,005	-	-
-	-	-	-	21,304	-
<u>(16,355)</u>	<u>(1,254)</u>	<u>(2,309)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(16,355)</u>	<u>5,021</u>	<u>2,663</u>	<u>17,355</u>	<u>21,304</u>	<u>153</u>
<u>\$ 10,412</u>	<u>\$ 6,275</u>	<u>\$ 4,972</u>	<u>\$ 19,242</u>	<u>\$ 21,304</u>	<u>\$ 153</u>

**LEON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)**  
September 30, 2018

Special Revenue Funds				
	Chapter 19 Election	Emergency Management	VCLG Grant	Pretrial Diversion
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 849	\$ 152
Receivables	-	-	4,416	-
Due from other funds	-	-	-	-
Prepays	-	913	815	-
<b>Total Assets</b>	\$ -	\$ 913	\$ 6,080	\$ 152
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 901	\$ 976	\$ 146
Due to other funds	-	-	9,712	-
Due to others	-	-	-	-
<b>Total Liabilities</b>	-	901	10,688	146
<b>Fund Balances</b>				
Nonspendable	-	913	815	-
Restricted:				
Law enforcement	-	-	-	-
Social services	-	-	-	-
Other purpose	-	-	-	6
Unassigned	-	(901)	(5,423)	-
<b>Total Fund Balances</b>	-	12	(4,608)	6
<b>Total Liabilities and Fund Balances</b>	\$ -	\$ 913	\$ 6,080	\$ 152

**Total  
Nonmajor  
Governmental  
Funds**

\$ 718,945  
4,416  
347,131  
76,893  
\$ 1,147,385

\$ 75,320  
19,210  
8,032  
102,562

76,893

119,537  
17,005  
885,114  
(53,726)  
1,044,823

\$ 1,147,385

**LEON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)**  
For the Year Ended September 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Sheriff's Office</u>	<u>Law Library</u>	<u>Juvenile Probation</u>	<u>Courthouse Security</u>
<b>Revenues</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	12,400
Fines and forfeitures	-	12,355	-	-
Investment income	-	-	-	-
Other revenue	34,078	-	33,536	-
<b>Total Revenues</b>	<u>34,078</u>	<u>12,355</u>	<u>33,536</u>	<u>12,400</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	8,141	-	58,967
Judicial	663	-	123,983	-
Public safety	-	-	-	-
<b>Total Expenditures</b>	<u>663</u>	<u>8,141</u>	<u>123,983</u>	<u>58,967</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>33,415</u>	<u>4,214</u>	<u>(90,447)</u>	<u>(46,567)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	80,985	45,410
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>80,985</u>	<u>45,410</u>
<b>Net Change in Fund Balances</b>	33,415	4,214	(9,462)	(1,157)
Beginning fund balances	<u>33</u>	<u>22,195</u>	<u>(697)</u>	<u>1,049</u>
<b>Ending Fund Balances</b>	<u>\$ 33,448</u>	<u>\$ 26,409</u>	<u>\$ (10,159)</u>	<u>\$ (108)</u>



**Special Revenue Funds**

<b>JP Technology</b>	<b>Juvenile Probation Restitution</b>	<b>Hotel/Motel Tax</b>	<b>County Clerk Records Management</b>	<b>District Clerk Records Management</b>	<b>District Attorney</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,176	-	-	65,190	11,803	77,252
-	505	-	-	-	-
-	71	-	4,018	-	-
-	-	86,202	2,380	-	-
<u>10,176</u>	<u>576</u>	<u>86,202</u>	<u>71,588</u>	<u>11,803</u>	<u>77,252</u>
16,657	-	3,784	57,425	5,889	-
-	30	-	-	-	302,084
-	-	-	-	-	-
<u>16,657</u>	<u>30</u>	<u>3,784</u>	<u>57,425</u>	<u>5,889</u>	<u>302,084</u>
<u>(6,481)</u>	<u>546</u>	<u>82,418</u>	<u>14,163</u>	<u>5,914</u>	<u>(224,832)</u>
-	-	-	-	-	248,086
-	-	(141,397)	-	-	(29,759)
-	-	(141,397)	-	-	218,327
(6,481)	546	(58,979)	14,163	5,914	(6,505)
<u>52,512</u>	<u>8,667</u>	<u>473,291</u>	<u>435,380</u>	<u>30,124</u>	<u>461</u>
<u>\$ 46,031</u>	<u>\$ 9,213</u>	<u>\$ 414,312</u>	<u>\$ 449,543</u>	<u>\$ 36,038</u>	<u>\$ (6,044)</u>

**LEON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)**  
For the Year Ended September 30, 2018

	<u>Special Revenue Funds</u>			
	<u>911 Rural Addressing</u>	<u>County Attorney</u>	<u>Hilltop Lakes Security Payroll</u>	<u>AAA Senior Services</u>
<b>Revenues</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 155,470
Charges for services	3,750	662	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	29	-	-
Other revenue	20,620	-	149,687	-
<b>Total Revenues</b>	<u>24,370</u>	<u>691</u>	<u>149,687</u>	<u>155,470</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	46,628	-	165,389	260,446
Judicial	-	-	-	-
Public safety	-	-	-	-
<b>Total Expenditures</b>	<u>46,628</u>	<u>-</u>	<u>165,389</u>	<u>260,446</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(22,258)</u>	<u>691</u>	<u>(15,702)</u>	<u>(104,976)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	21,003	-	16,264	110,861
Transfers (out)	-	-	-	(2,265)
<b>Total Other Financing Sources (Uses)</b>	<u>21,003</u>	<u>-</u>	<u>16,264</u>	<u>108,596</u>
<b>Net Change in Fund Balances</b>	(1,255)	691	562	3,620
Beginning fund balances	<u>7,539</u>	<u>(308)</u>	<u>6,915</u>	<u>2,825</u>
<b>Ending Fund Balances</b>	<u>\$ 6,284</u>	<u>\$ 383</u>	<u>\$ 7,477</u>	<u>\$ 6,445</u>

**Special Revenue Funds**

<u>Capital Expenditures</u>	<u>Election Administration</u>	<u>Clinic</u>	<u>County Veterans Service</u>	<u>County and District Clerk Technology</u>	<u>Normangee ISD Security</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	32,631	-	-	2,261	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	31,685	14,054	-	918
<u>-</u>	<u>32,631</u>	<u>31,685</u>	<u>14,054</u>	<u>2,261</u>	<u>918</u>
18,173	139,464	57,661	13,685	3,200	819
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,173</u>	<u>139,464</u>	<u>57,661</u>	<u>13,685</u>	<u>3,200</u>	<u>819</u>
<u>(18,173)</u>	<u>(106,833)</u>	<u>(25,976)</u>	<u>369</u>	<u>(939)</u>	<u>99</u>
156,212	105,334	24,655	7,980	-	-
(150,234)	-	-	-	-	-
<u>5,978</u>	<u>105,334</u>	<u>24,655</u>	<u>7,980</u>	<u>-</u>	<u>-</u>
(12,195)	(1,499)	(1,321)	8,349	(939)	99
<u>(4,160)</u>	<u>6,520</u>	<u>3,984</u>	<u>9,006</u>	<u>22,243</u>	<u>54</u>
<u>\$ (16,355)</u>	<u>\$ 5,021</u>	<u>\$ 2,663</u>	<u>\$ 17,355</u>	<u>\$ 21,304</u>	<u>\$ 153</u>

**LEON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)**  
For the Year Ended September 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Chapter 19 Election</u>	<u>Emergency Management</u>	<u>VCLG Grant</u>	<u>Pretrial Diversion</u>
<b>Revenues</b>				
Intergovernmental revenue	\$ 4,400	\$ -	\$ 38,091	\$ 13,841
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other revenue	-	2,559	-	-
<b>Total Revenues</b>	<u>4,400</u>	<u>2,559</u>	<u>38,091</u>	<u>13,841</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	4,400	-	41,850	-
Judicial	-	-	-	14,412
Public safety	-	81,294	-	-
<b>Total Expenditures</b>	<u>4,400</u>	<u>81,294</u>	<u>41,850</u>	<u>14,412</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(78,735)</u>	<u>(3,759)</u>	<u>(571)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	78,612	-	-
Transfers (out)	(425)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(425)</u>	<u>78,612</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(425)	(123)	(3,759)	(571)
Beginning fund balances	425	135	(849)	577
<b>Ending Fund Balances</b>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ (4,608)</u>	<u>\$ 6</u>

**Total  
Nonmajor  
Governmental  
Funds**

\$ 211,802  
216,125  
12,860  
4,118  
375,719  
820,624

902,578  
441,172  
81,294  
1,425,044

(604,420)

895,402  
(324,080)

571,322

(33,098)

1,077,921

\$ 1,044,823



**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SHERIFF'S OFFICE**  
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues</u></b>				
Other revenue	\$ 1,000	\$ 1,000	\$ 34,078	\$ 33,078
<b>Total Revenues</b>	1,000	1,000	34,078	33,078
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Judicial	1,000	1,500	663	837
<b>Total Expenditures</b>	1,000	1,500	663	837
<b>Net Change in Fund Balance</b>	\$ -	\$ (500)	33,415	\$ 33,915
Beginning fund balance			33	
<b>Ending Fund Balance</b>			\$ 33,448	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**LAW LIBRARY FUND**  
**For the Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Fines and forfeitures	\$ 8,000	\$ 8,000	\$ 12,355	\$ 4,355
<b>Total Revenues</b>	<u>8,000</u>	<u>8,000</u>	<u>12,355</u>	<u>4,355</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	8,000	8,141	8,141	-
<b>Total Expenditures</b>	<u>8,000</u>	<u>8,141</u>	<u>8,141</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (141)</u>	4,214	<u>\$ 4,355</u>
Beginning fund balance			<u>22,195</u>	
<b>Ending Fund Balance</b>			<u>\$ 26,409</u>	



**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**JUVENILE PROBATION FUND**  
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues</u></b>				
Other revenue	\$ -	\$ -	\$ 33,536	\$ 33,536
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>33,536</b>	<b>33,536</b>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Judicial	56,854	123,983	123,983	-
<b>Total Expenditures</b>	<b>56,854</b>	<b>123,983</b>	<b>123,983</b>	<b>-</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(56,854)</b>	<b>(123,983)</b>	<b>(90,447)</b>	<b>33,536</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	56,854	56,854	80,985	24,131
<b>Total Other Financing Sources</b>	<b>56,854</b>	<b>56,854</b>	<b>80,985</b>	<b>24,131</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ (67,129)</b>	<b>(9,462)</b>	<b>\$ 57,667</b>
Beginning fund balance			(697)	
<b>Ending Fund Balance</b>			<b>\$ (10,159)</b>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURTHOUSE SECURITY FUND**  
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues</u></b>				
Charges for services	\$ 10,950	\$ 10,950	\$ 12,400	\$ 1,450
<b>Total Revenues</b>	10,950	10,950	12,400	1,450
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	54,899	58,967	58,967	-
<b>Total Expenditures</b>	54,899	58,967	58,967	-
(Deficiency) of				
<b>Revenues (Under) Expenditures</b>	(43,949)	(48,017)	(46,567)	1,450
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	38,500	38,500	45,410	6,910
<b>Total Other Financing Sources</b>	38,500	38,500	45,410	6,910
<b>Net Change in Fund Balance</b>	\$ (5,449)	\$ (9,517)	(1,157)	\$ 8,360
Beginning fund balance			1,049	
<b>Ending Fund Balance</b>			\$ (108)	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**JP TECHNOLOGY FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Charges for services	\$ 10,000	\$ 10,000	\$ 10,176	\$ 176
<b>Total Revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>10,176</u>	<u>176</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	25,000	25,000	16,657	8,343
<b>Total Expenditures</b>	<u>25,000</u>	<u>25,000</u>	<u>16,657</u>	<u>8,343</u>
<b>Net Change in Fund Balance</b>	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	(6,481)	<u>\$ 8,519</u>
Beginning fund balance			<u>52,512</u>	
<b>Ending Fund Balance</b>			<u>\$ 46,031</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**JUVENILE PROBATION RESTITUTION FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Fines and forfeitures	\$ 3,450	\$ 3,450	\$ 505	\$ (2,945)
Investment income	50	50	71	21
<b>Total Revenues</b>	<u>3,500</u>	<u>3,500</u>	<u>576</u>	<u>(2,924)</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Judicial	3,500	3,500	30	3,470
<b>Total Expenditures</b>	<u>3,500</u>	<u>3,500</u>	<u>30</u>	<u>3,470</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	546	<u>\$ 546</u>
Beginning fund balance			<u>8,667</u>	
<b>Ending Fund Balance</b>			<u>\$ 9,213</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**HOTEL/MOTEL TAX FUND**  
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other revenue	\$ 57,000	\$ 57,000	\$ 86,202	\$ 29,202
<b>Total Revenues</b>	57,000	57,000	86,202	29,202
<b>Expenditures</b>				
<b>Current:</b>				
General government	10,000	10,000	3,784	6,216
<b>Total Expenditures</b>	10,000	10,000	3,784	6,216
<b>Excess of Revenues Over Expenditures</b>	47,000	47,000	82,418	35,418
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(170,035)	(170,035)	(141,397)	28,638
<b>Total Other Financing (Uses)</b>	(170,035)	(170,035)	(141,397)	28,638
<b>Net Change in Fund Balance</b>	\$ (123,035)	\$ (123,035)	(58,979)	\$ 64,056
Beginning fund balance			473,291	
<b>Ending Fund Balance</b>			\$ 414,312	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY CLERK RECORDS MANAGEMENT FUND**  
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 49,564	\$ 49,564	\$ 65,190	\$ 15,626
Investment income	2,000	2,000	4,018	2,018
Other revenue	-	-	2,380	2,380
<b>Total Revenues</b>	51,564	51,564	71,588	20,024
<b>Expenditures</b>				
<b>Current:</b>				
General government	111,741	111,741	57,425	54,316
<b>Total Expenditures</b>	111,741	111,741	57,425	54,316
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(60,177)	(60,177)	14,163	74,340
<b>Other Financing Sources (Uses)</b>				
Transfers in	(60,177)	(60,177)	-	60,177
<b>Total Other Financing (Uses)</b>	(60,177)	(60,177)	-	60,177
<b>Net Change in Fund Balance</b>	\$ (120,354)	\$ (120,354)	14,163	\$ 134,517
Beginning fund balance			435,380	
<b>Ending Fund Balance</b>			\$ 449,543	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DISTRICT CLERK RECORDS MANAGEMENT FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Charges for services	\$ 10,584	\$ 10,584	\$ 11,803	\$ 1,219
<b>Total Revenues</b>	<u>10,584</u>	<u>10,584</u>	<u>11,803</u>	<u>1,219</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	15,203	15,203	5,889	9,314
<b>Total Expenditures</b>	<u>15,203</u>	<u>15,203</u>	<u>5,889</u>	<u>9,314</u>
<b>Net Change in Fund Balance</b>	<u>\$ (4,619)</u>	<u>\$ (4,619)</u>	5,914	<u>\$ 10,533</u>
Beginning fund balance			<u>30,124</u>	
<b>Ending Fund Balance</b>			<u>\$ 36,038</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DISTRICT ATTORNEY FUND**  
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues</u></b>				
Charges for services	\$ 4,200	\$ 4,200	\$ 77,252	\$ 73,052
<b>Total Revenues</b>	4,200	4,200	77,252	73,052
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Judicial	315,412	315,412	302,084	13,328
<b>Total Expenditures</b>	315,412	315,412	302,084	13,328
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(311,212)	(311,212)	(224,832)	86,380
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	312,729	312,729	248,086	(64,643)
Transfers out	-	(29,759)	(29,759)	-
<b>Total Other Financing Sources</b>	312,729	282,970	218,327	(64,643)
<b>Net Change in Fund Balance</b>	\$ 1,517	\$ (28,242)	(6,505)	\$ 21,737
Beginning fund balance			461	
<b>Ending Fund Balance</b>			\$ (6,044)	



**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**911 RURAL ADDRESSING FUND**  
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues</u></b>				
Charges for services	\$ 5,995	\$ 5,995	\$ 3,750	\$ (2,245)
Other revenue	20,500	20,500	20,620	120
<b>Total Revenues</b>	26,495	26,495	24,370	(2,125)
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	52,261	52,261	46,628	5,633
<b>Total Expenditures</b>	52,261	52,261	46,628	5,633
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(25,766)	(25,766)	(22,258)	3,508
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	25,766	25,766	21,003	(4,763)
<b>Total Other Financing Sources</b>	25,766	25,766	21,003	(4,763)
<b>Net Change in Fund Balance</b>	\$ -	\$ -	(1,255)	\$ (1,255)
Beginning fund balance			7,539	
<b>Ending Fund Balance</b>			\$ 6,284	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY ATTORNEY FUND**  
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ 662	\$ 662
Investment income	-	-	29	29
<b>Total Revenues</b>	-	-	691	691
<b>Expenditures</b>				
<b>Current:</b>				
Judicial	4,800	4,800	-	4,800
<b>Total Expenditures</b>	4,800	4,800	-	4,800
<b>Net Change in Fund Balance</b>	\$ (4,800)	\$ (4,800)	691	\$ 5,491
Beginning fund balance			(308)	
<b>Ending Fund Balance</b>			\$ 383	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**HILLTOP LAKES SECURITY PAYROLL FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Other revenue	\$ 226,151	\$ 226,151	\$ 149,687	\$ (76,464)
<b>Total Revenues</b>	<u>226,151</u>	<u>226,151</u>	<u>149,687</u>	<u>(76,464)</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	226,151	226,151	165,389	60,762
<b>Total Expenditures</b>	<u>226,151</u>	<u>226,151</u>	<u>165,389</u>	<u>60,762</u>
<b>(Deficiency) of</b>				
<b>Revenues (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(15,702)</u>	<u>(15,702)</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	-	-	16,264	16,264
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>16,264</u>	<u>16,264</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>562</u>	<u>\$ 562</u>
Beginning fund balance			<u>6,915</u>	
<b>Ending Fund Balance</b>			<u>\$ 7,477</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**AAA SENIOR SERVICES FUND**  
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenue	\$ 88,017	\$ 88,017	\$ 155,470	\$ 67,453
<b>Total Revenues</b>	88,017	88,017	155,470	67,453
<b>Expenditures</b>				
<b>Current:</b>				
General government	259,739	260,446	260,446	-
<b>Total Expenditures</b>	259,739	260,446	260,446	-
<b>(Deficiency) of</b>				
<b>Revenues (Under) Expenditures</b>	(171,722)	(172,429)	(104,976)	67,453
<b>Other Financing Sources (Uses)</b>				
Transfers in	171,722	171,722	110,861	(60,861)
Transfers (out)	-	(2,265)	(2,265)	-
<b>Total Other Financing Sources</b>	171,722	169,457	108,596	(60,861)
<b>Net Change in Fund Balance</b>	\$ -	\$ (2,972)	3,620	\$ 6,592
Beginning fund balance			2,825	
<b>Ending Fund Balance</b>			\$ 6,445	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL EXPENDITURES FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	375,000	375,000	18,173	356,827
<b>Total Expenditures</b>	<u>375,000</u>	<u>375,000</u>	<u>18,173</u>	<u>356,827</u>
(Deficiency) of				
Revenues (Under) Expenditures	<u>(375,000)</u>	<u>(375,000)</u>	<u>(18,173)</u>	<u>356,827</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	600,000	600,000	156,212	(443,788)
Transfers (out)	<u>(225,000)</u>	<u>(225,000)</u>	<u>(150,234)</u>	<u>74,766</u>
<b>Total Other Financing Sources</b>	<u>375,000</u>	<u>375,000</u>	<u>5,978</u>	<u>(369,022)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(12,195)</u>	<u>\$ (12,195)</u>
Beginning fund balance			<u>(4,160)</u>	
<b>Ending Fund Balance</b>			<u>\$ (16,355)</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ELECTION ADMINISTRATION FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Charges for services	\$ 5,000	\$ 5,000	\$ 32,631	\$ 27,631
<b>Total Revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>32,631</u>	<u>27,631</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	144,470	144,470	139,464	5,006
<b>Total Expenditures</b>	<u>144,470</u>	<u>144,470</u>	<u>139,464</u>	<u>5,006</u>
(Deficiency) of				
<b>Revenues (Under) Expenditures</b>	<u>(139,470)</u>	<u>(139,470)</u>	<u>(106,833)</u>	<u>32,637</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	139,976	139,976	105,334	(34,642)
<b>Total Other Financing Sources</b>	<u>139,976</u>	<u>139,976</u>	<u>105,334</u>	<u>(34,642)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 506</u>	<u>\$ 506</u>	(1,499)	<u>\$ (2,005)</u>
Beginning fund balance			<u>6,520</u>	
<b>Ending Fund Balance</b>			<u>\$ 5,021</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CLINIC FUND**

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other revenue	\$ 21,050	\$ 21,050	\$ 31,685	\$ 10,635
<b>Total Revenues</b>	21,050	21,050	31,685	10,635
<b>Expenditures</b>				
<b>Current:</b>				
General government	58,262	58,262	57,661	601
<b>Total Expenditures</b>	58,262	58,262	57,661	601
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(37,212)	(37,212)	(25,976)	11,236
<b>Other Financing Sources (Uses)</b>				
Transfers in	37,212	37,212	24,655	(12,557)
<b>Total Other Financing Sources</b>	37,212	37,212	24,655	(12,557)
<b>Net Change in Fund Balance</b>	\$ -	\$ -	(1,321)	\$ (1,321)
Beginning fund balance			3,984	
<b>Ending Fund Balance</b>			\$ 2,663	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY VETERANS SERVICE FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Other revenue	\$ 4,400	\$ 4,400	\$ 14,054	\$ 9,654
<b>Total Revenues</b>	<u>4,400</u>	<u>4,400</u>	<u>14,054</u>	<u>9,654</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	15,368	16,868	13,685	3,183
<b>Total Expenditures</b>	<u>15,368</u>	<u>16,868</u>	<u>13,685</u>	<u>3,183</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(10,968)</u>	<u>(12,468)</u>	<u>369</u>	<u>12,837</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	10,968	10,968	7,980	(2,988)
<b>Total Other Financing Sources</b>	<u>10,968</u>	<u>10,968</u>	<u>7,980</u>	<u>(2,988)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (1,500)</u>	<u>8,349</u>	<u>\$ 9,849</u>
Beginning fund balance			<u>9,006</u>	
<b>Ending Fund Balance</b>			<u>\$ 17,355</u>	



**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY AND DISTRICT CLERK TECHNOLOGY FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Charges for services	\$ 3,200	\$ 3,200	\$ 2,261	\$ (939)
<b>Total Revenues</b>	<u>3,200</u>	<u>3,200</u>	<u>2,261</u>	<u>(939)</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	3,200	3,200	3,200	-
<b>Total Expenditures</b>	<u>3,200</u>	<u>3,200</u>	<u>3,200</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	(939)	<u>\$ (939)</u>
Beginning fund balance			<u>22,243</u>	
<b>Ending Fund Balance</b>			<u>\$ 21,304</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**NORMANGEE ISD SECURITY FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Other revenue	\$ 51,045	\$ 51,045	\$ 918	\$ (50,127)
<b>Total Revenues</b>	<u>51,045</u>	<u>51,045</u>	<u>918</u>	<u>(50,127)</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	51,045	51,045	819	50,226
<b>Total Expenditures</b>	<u>51,045</u>	<u>51,045</u>	<u>819</u>	<u>50,226</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	99	<u>\$ 99</u>
Beginning fund balance			<u>54</u>	
<b>Ending Fund Balance</b>			<u>\$ 153</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CHAPTER 19 ELECTION FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental revenue	\$ 4,400	\$ 4,400	\$ 4,400	\$ -
<b>Total Revenues</b>	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	<u>-</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	4,400	4,400	4,400	-
<b>Total Expenditures</b>	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	<u>-</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfer (out)	-	(425)	(425)	-
<b>Total Other Financing (Uses)</b>	<u>-</u>	<u>(425)</u>	<u>(425)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (425)</u>	<u>(425)</u>	<u>\$ -</u>
Beginning fund balance			<u>425</u>	
<b>Ending Fund Balance</b>			<u>\$ -</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**EMERGENCY MANAGEMENT FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Other revenue	\$ 1,000	\$ 1,000	\$ 2,559	\$ 1,559
<b>Total Revenues</b>	<u>1,000</u>	<u>1,000</u>	<u>2,559</u>	<u>1,559</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Public safety	76,627	81,294	81,294	-
<b>Total Expenditures</b>	<u>76,627</u>	<u>81,294</u>	<u>81,294</u>	<u>-</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(75,627)</u>	<u>(80,294)</u>	<u>(78,735)</u>	<u>1,559</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	76,132	76,132	78,612	2,480
<b>Total Other Financing Sources</b>	<u>76,132</u>	<u>76,132</u>	<u>78,612</u>	<u>2,480</u>
<b>Net Change in Fund Balance</b>	<u>\$ 505</u>	<u>\$ (4,162)</u>	<u>(123)</u>	<u>\$ 4,039</u>
Beginning fund balance			<u>135</u>	
<b>Ending Fund Balance</b>			<u>\$ 12</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**VCLG GRANT FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental revenue	\$ 41,650	\$ 41,650	\$ 38,091	\$ (3,559)
<b>Total Revenues</b>	<u>41,650</u>	<u>41,650</u>	<u>38,091</u>	<u>(3,559)</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	37,650	42,163	41,850	313
<b>Total Expenditures</b>	<u>37,650</u>	<u>42,163</u>	<u>41,850</u>	<u>313</u>
<b>Net Change in Fund Balance</b>	<u>\$ 4,000</u>	<u>\$ (513)</u>	(3,759)	<u>\$ (3,246)</u>
Beginning fund balance			<u>(849)</u>	
<b>Ending Fund Balance</b>			<u>\$ (4,608)</u>	

**LEON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**PRETRIAL DIVERSION FUND**  
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental revenue	\$ 14,198	\$ 14,198	\$ 13,841	\$ (357)
<b>Total Revenues</b>	<u>14,198</u>	<u>14,198</u>	<u>13,841</u>	<u>(357)</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Judicial	14,198	14,412	14,412	-
<b>Total Expenditures</b>	<u>14,198</u>	<u>14,412</u>	<u>14,412</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (214)</u>	(571)	<u>\$ (357)</u>
Beginning fund balance			<u>577</u>	
<b>Ending Fund Balance</b>			<u>\$ 6</u>	

# **LEON COUNTY, TEXAS**

## *AGENCY FUNDS*

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

The personal bond fund accounts for assets held by the County as an agent for other governments, courts, or individuals.

The non-County funded fund accounts for assets held by the County as an agent for other governments, courts, or individuals.

The juvenile probation grant R accounts for assets held by the County as an agent for the juvenile probation department.

The juvenile probation grant A accounts for assets held by the County as an agent for the juvenile probation department.

The juvenile probation title IV-E accounts for assets held by the County as an agent for the juvenile probation department.

**LEON COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
September 30, 2018

	<u>Personal Bond</u>	<u>Non-County Funded</u>	<u>Juvenile Probation Grant R</u>	<u>Juvenile Probation Grant A</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 20,201	\$ 3,215,923	\$ -	\$ 5,494
Prepays	-	-	-	1,431
Due from others	-	-	18,827	1,396
<b>Total Assets</b>	<u>\$ 20,201</u>	<u>\$ 3,215,923</u>	<u>\$ 18,827</u>	<u>\$ 8,321</u>
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,917
Due to others	20,201	3,215,923	18,827	6,404
<b>Total Liabilities</b>	<u>\$ 20,201</u>	<u>\$ 3,215,923</u>	<u>\$ 18,827</u>	<u>\$ 8,321</u>



<b>Juvenile Probation Title IV-E</b>	<b>Total Agency Funds</b>
\$ 30,426	\$ 3,272,044
-	1,431
-	20,223
<u>\$ 30,426</u>	<u>\$ 3,293,698</u>
\$ -	\$ 1,917
30,426	3,291,781
<u>\$ 30,426</u>	<u>\$ 3,293,698</u>

