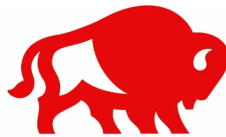


CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2018

ANDREWS COUNTY, TEXAS

GENERAL OBLIGATION DEBT



HTS Continuing Disclosure Services

A Division of Hilltop Securities

FINANCIAL STATEMENTS

The audited financial statements for the County for the fiscal year ended September 30, 2018 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the County and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described.

ANDREWS COUNTY, TEXAS

/s/ Carol White

Carol White

Auditor

Approved for Submission:

03/27/2019

Date

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the Andrews County, Texas with respect to the issues listed on the report cover was submitted directly to the Nationally Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

NRMSIR

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

HTS Continuing Disclosure Services, A Division of Hilltop Securities Inc.

Signed by:

/s/ Rhodes Legg

**ANDREWS COUNTY, TEXAS
2019 GENERAL OBLIGATION DEBT REPORT**

TABLE 1 – VALUATIONS, EXEMPTIONS AND GENERAL OBLIGATION DEBT ⁽¹⁾

FYE 2019 Market Valuation Established by the Andrews County Appraisal District (excludes totally exempt property)		\$5,154,015,538
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead	\$ 116,541,317	
Disabled/Over 65 Local Optional Exemptions	12,767,178	
Veterans Exemptions	2,577,221	
Pollution Control Loss	4,852,397	
Productivity Loss	201,686,032	
Value lost to 10% Cap	16,534,059	
Abatements	32,279,792	387,237,996
2018/19 Taxable Assessed Valuation		\$ 4,766,777,542
County Funded Debt Payable from Ad Valorem Taxes as of 3/15/19	\$ 16,920,000	
Funded Debt Payable from Ad Valorem Taxes		\$ 16,920,000
Ratio General Obligation Debt to Taxable Assessed Valuation		0.35%

2019 Estimated Population - 17,000

Per Capita Taxable Assessed Valuation - \$280,399

Per Capita Funded Debt Payable from Ad Valorem Taxes - \$995

(1) A substantial portion of the County's taxable assessed valuation is comprised of minerals, consisting of oil and natural gas mineral interests; and, fluctuations in the County's taxable assessed valuation in recent years has been largely attributable to changes in mineral values and related changes in (i) drilling activity, (ii) the amount of oil and natural gas produced from new and existing wells and (iii) levels of economic activity associated with such drilling and mineral production. The County cannot predict the value of mineral reserves in the County for any future year.

TABLE 2 – TAXABLE ASSESSED VALUATIONS BY CATEGORY ⁽¹⁾

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2019		2018		2017	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	\$ 742,348,659	14.40%	\$ 730,650,729	15.46%	\$ 714,052,882	17.92%
Real, Residential, Multi Family	22,434,066	0.44%	22,498,369	0.48%	18,443,508	0.46%
Real, Vacant Lots/Tracts	14,390,345	0.28%	14,529,229	0.31%	15,032,007	0.38%
Real, Acreage (Land Only)	220,456,379	4.28%	225,402,238	4.77%	225,621,707	5.66%
Farm and Ranch Improvements	36,346,935	0.71%	29,453,419	0.62%	29,463,290	0.74%
Real, Commercial and Industrial	249,778,995	4.85%	243,005,910	5.14%	246,537,800	6.19%
Real, Oil, Gas/Other Mineral Resrvs	3,176,395,512	61.63%	2,785,051,975	58.94%	2,103,375,188	52.79%
Real and Tangible Personal, Utilities	288,574,036	5.60%	248,876,774	5.27%	207,816,151	5.22%
Personal Commercial and Industrial	383,656,850	7.44%	407,110,343	8.62%	405,762,550	10.18%
Mobile Homes	19,633,761	0.38%	18,278,984	0.39%	18,060,748	0.45%
Residential Inventory	-	0.00%	-	0.00%	40,854	0.00%
Total TAV Before Exemptions	\$5,154,015,538	100.00%	\$4,724,857,970	100.00%	\$3,984,206,685	100.00%
Less: Total Exemptions/Reductions	(387,237,996)		(394,439,397)		(398,600,327)	
Taxable Assessed Value	<u>\$4,766,777,542</u>		<u>\$4,330,418,573</u>		<u>\$3,585,606,358</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2016		2015	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	\$ 679,222,001	12.61%	\$ 604,896,246	7.92%
Real, Residential, Multi Family	18,592,954	0.35%	14,897,080	0.19%
Real, Vacant Lots/Tracts	15,774,373	0.29%	11,528,463	0.15%
Real, Acreage (Land Only)	225,462,506	4.19%	225,922,396	2.96%
Farm and Ranch Improvements	28,034,127	0.52%	28,657,896	0.38%
Real, Commercial and Industrial	280,692,687	5.21%	270,062,046	3.53%
Real, Oil, Gas/Other Mineral Resrvs	3,413,379,329	63.38%	5,792,456,328	75.82%
Real and Tangible Personal, Utilities	209,959,528	3.90%	201,836,790	2.64%
Personal Commercial and Industrial	497,605,677	9.24%	472,064,690	6.18%
Mobile Homes	16,462,104	0.31%	13,450,720	0.18%
Residential Inventory	106,086	0.00%	4,108,280	0.05%
Total TAV Before Exemptions	\$5,385,291,372	100.00%	\$7,639,880,935	100.00%
Less: Total Exemptions/Reductions	(403,743,781)		(409,226,698)	
Taxable Assessed Value	<u>\$4,981,547,591</u>		<u>\$7,230,654,237</u>	

Note: Valuations shown are certified taxable assessed values reported by the Andrews County Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

- (1) A substantial portion of the County's taxable assessed valuation is comprised of minerals, consisting of oil and natural gas mineral interests; and, fluctuations in the County's taxable assessed valuation in recent years has been largely attributable to changes in mineral values and related changes in (i) drilling activity, (ii) the amount of oil and natural gas produced from new and existing wells and (iii) levels of economic activity associated with such drilling and mineral production. A substantial portion of the United States' proven and accessible oil and natural gas reserves are located in the Permian Basin (which includes the County), and the area has benefited by relative increases in oil and natural gas prices to levels that support drilling activity for the production of oil and gas and provide incentives for older, less productive wells to be reworked, which can extend the life of a well and therefore produce local tax values over a longer period of time. Accordingly, drilling activity and well improvements are significant factors affecting the local and regional economy in the area of the County; however, the County cannot predict the value of mineral reserves in the County for any future year.

TABLE 3 – VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	GO Tax Debt Outstanding at End of Year	Ratio Tax Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2015	17,000	\$ 7,230,654,237	\$ 425,333	\$ 66,945,000	0.93%	\$ 3,938
2016	17,000	4,981,547,591	293,032	65,050,000	1.31%	3,826
2017	17,000	3,585,606,358	210,918	63,080,000	1.76%	3,711
2018	17,000	4,330,418,573	254,731	17,540,000	0.41%	1,032
2019	17,000	4,766,777,542	280,399	16,920,000 ⁽³⁾	0.35% ⁽³⁾	995 ⁽³⁾

(1) Population estimates provided by the County.

(2) As reported by the Andrews County Appraisal District on County’s annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Projected.

TABLE 4 – TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Tax Levy	% Current Collections	% Total Collections
2015	\$ 0.3413	\$ 24,678,223	98.02%	99.32%
2016	0.5105	25,430,800	99.13%	100.94%
2017	0.5655	20,276,604	96.60%	98.60%
2018	0.5157	22,331,969	96.09% ⁽¹⁾	98.88% ⁽¹⁾
2019	0.5189	24,734,809	91.78% ⁽²⁾	92.44% ⁽²⁾

(1) Unaudited

(2) Collections through February 28, 2019.

TABLE 5 – TAX RATE DISTRIBUTION ANALYSIS

	Fiscal Year Ended September 30,				
	2019	2018	2017	2016	2015
General Fund	\$ 0.4325	\$ 0.4384	\$ 0.4805	\$ 0.4355	\$ 0.2936
Interest and Sinking Fund	0.0274	-	-	-	-
Total Constitutional Tax Rate	\$ 0.4599	\$ 0.4384	\$ 0.4805	\$ 0.4355	\$ 0.2936
Special Road and Bridge (Road Maintenance) ^{1/3}	\$ 0.0200	\$ 0.0258	\$ 0.0300	\$ 0.0250	\$ 0.0158
Farm to Market and Flood Control ^{2/3}	0.0390	0.0515	0.0550	0.0500	0.0319
Total Tax Rate	<u>\$ 0.5189</u>	<u>\$ 0.5157</u>	<u>\$ 0.5655</u>	<u>\$ 0.5105</u>	<u>\$ 0.3413</u>

TABLE 6 – TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2018/2019	% of Total
		Taxable Assessed Valuation	Taxable Assessed Valuation
University of Texas (PUF)	Perm. University Fund	341,243,810	7.16%
XTO Energy Inc.	Oil and Gas	302,441,928	6.34%
COG Operating LLC	Oil and Gas	248,725,650	5.22%
Pioneer Natural Res USA Inc	Oil and Gas	192,621,817	4.04%
Apache Corporation	Oil and Gas	177,501,834	3.72%
Fasken Oil and Ranch Ltd	Oil and Gas	108,664,889	2.28%
ConocoPhillips Company	Oil and Gas	97,581,109	2.05%
Sheridan Production Company	Oil and Gas	83,577,349	1.75%
Oncor Electric Delivery Co LLC	Oil and Gas	83,052,890	1.74%
Texland Petroleum LP	Oil and Gas	78,610,595	1.65%
		<u>\$ 1,714,021,871</u>	<u>35.96%</u>

TABLE 7 – TAX ADEQUACY

2019 Principal and Interest Requirements	\$ 1,238,055
\$0.0267 Tax Rate at 97% Collection Produces	\$ 1,240,412
Average Annual Principal and Interest Requirements, 2019 - 2038	\$ 1,237,652
\$0.0267 Tax Rate at 97% Collection Produces	\$ 1,240,412
Maximum Annual Principal and Interest Requirements, 2023	\$ 1,240,263
\$0.0267 Tax Rate at 97% Collection Produces	\$ 1,240,412

TABLE 9 – GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt Service			% of Principal Retired
	Principal	Interest	Total	
2019	\$ 620,000	\$ 618,055	\$ 1,238,055	
2020	595,000	641,113	1,236,113	
2021	620,000	616,938	1,236,938	
2022	645,000	591,513	1,236,513	
2023	675,000	565,263	1,240,263	17.99%
2024	700,000	537,638	1,237,638	
2025	735,000	501,763	1,236,763	
2026	775,000	464,013	1,239,013	
2027	815,000	424,263	1,239,263	
2028	855,000	382,513	1,237,513	40.11%
2029	900,000	338,638	1,238,638	
2030	935,000	302,113	1,237,113	
2031	965,000	273,009	1,238,009	
2032	995,000	242,384	1,237,384	
2033	1,030,000	210,100	1,240,100	67.62%
2034	1,060,000	176,138	1,236,138	
2035	1,095,000	140,434	1,235,434	
2036	1,135,000	102,803	1,237,803	
2037	1,175,000	63,088	1,238,088	
2038	1,215,000	21,263	1,236,263	100.00%
	<u>\$ 17,540,000</u>	<u>\$ 7,213,036</u>	<u>\$ 24,753,036</u>	

TABLE 10 – AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

As of January 31, 2019, the County has no authorized but unissued bonds.

TABLE 11 – OTHER OBLIGATIONS

As of September 30, 2018, the County has no other obligations.

TABLE 12 – CHANGES IN NET ASSETS

Revenues	Fiscal Year Ending September 30,				
	2018 ⁽¹⁾	2017	2016	2015	2014
Property Taxes	\$ 22,612,638	\$ 20,864,938	\$ 26,016,336	\$ 25,137,012	\$ 23,236,807
Fees & Fines	3,128,850	3,439,651	3,119,460	3,159,331	3,152,905
Interest	841,630	321,290	131,200	29,183	35,746
Grants	621,687	1,118,374	5,239,532	4,821,007	792,220
Miscellaneous	1,458,685	1,666,856	1,402,383	3,411,576	1,600,549
Total Revenues	\$ 28,663,490	\$ 27,411,109	\$ 35,908,911	\$ 36,558,109	\$ 28,818,227
Expenditures					
Executive	291,582	\$ 317,636	\$ 305,113	\$ 264,450	\$ 254,627
General & Administrative	18,620,455	17,949,893	20,651,971	21,285,059	23,946,281
Health & Welfare	1,159,331	1,271,070	1,340,807	1,237,656	1,182,773
Judicial	824,328	845,749	860,415	703,225	706,585
Legal	343,938	371,454	380,920	325,205	329,688
Public Safety	4,622,001	3,623,011	3,781,484	3,597,480	3,291,411
Total Expenditures	\$ 25,861,635	\$ 24,378,813	\$ 27,320,710	\$ 27,413,075	\$ 29,711,365
Transfers In (Out)	\$ -	\$ -	\$ 64,124	\$ -	\$ 4,955
Increase in Net Assets	2,801,855	3,032,296	8,652,325	9,145,034	(888,183)
Prior Period Adjustment	-	(4,923)	1,451,240	(4,336,582)	-
Net Assets, Beginning	52,871,689	49,844,316	39,740,751	34,932,299	35,820,482
Ending Net Assets	\$ 55,673,544	\$ 52,871,689	\$ 49,844,316	\$ 39,740,751	\$ 34,932,299

(1) Unaudited.

TABLE 12A – GENERAL FUND REVENUES AND EXPENDITURE HISTORY

Revenues	Fiscal Year Ending September 30,				
	2018 ⁽¹⁾	2017	2016	2015	2014
Taxes	\$ 18,783,405	\$ 17,092,727	\$ 20,898,954	\$ 20,020,934	\$ 19,166,595
Fees and Fines	3,248,487	3,435,692	3,112,786	3,220,087	3,161,183
Interest	675,227	223,841	95,597	23,650	32,499
Other Receipts	1,081,297	1,509,806	1,370,801	3,226,006	1,442,419
Total Revenues	\$ 23,788,416	\$ 22,262,066	\$ 25,478,138	\$ 26,490,677	\$ 23,802,696
Expenditures					
Executive	\$ 291,582	\$ 278,681	\$ 280,297	\$ 279,551	\$ 261,904
General Administration	13,445,449	13,918,439	13,717,874	15,825,029	17,793,895
Health and Welfare	897,006	898,005	1,004,184	1,027,659	925,799
Judicial	824,328	761,549	788,127	744,472	726,581
Legal	343,938	330,452	345,019	338,423	333,065
Public Safety	4,104,075	2,292,274	2,574,330	2,967,206	2,524,964
Total Expenditures	\$ 19,906,378	\$ 18,479,400	\$ 18,709,831	\$ 21,182,340	\$ 22,566,208
Excess (Deficiency) Revenues					
Over Expenditures	\$ 3,882,038	\$ 3,782,666	\$ 6,768,307	\$ 5,308,337	\$ 1,236,488
Other Financing Sources (Uses):	(26,648)	-	(35,876)	644,473	(3,078,265)
Net Change in Fund Balance	\$ 3,855,390	\$ 3,782,666	\$ 6,732,431	\$ 5,952,810	\$ (1,841,777)
Fund Balance Beginning of Year	30,044,236	26,261,570	19,608,043	13,655,233	15,497,010
Balance Adjustment	-	-	(78,904)	-	-
Fund Balance End of Year	\$ 33,899,626	\$ 30,044,236	\$ 26,261,570	\$ 19,608,043	\$ 13,655,233

(1) Unaudited.

TABLE 13 – SPECIAL REVENUE FUNDS (ROAD AND BRIDGE)

	Fiscal Year Ended September 30,				
	2018 ⁽¹⁾	2017	2016	2015	2014
Revenues					
Taxes	\$ 3,829,233	\$ 3,555,882	\$ 4,812,420	\$ 4,943,379	\$ 3,953,192
Interest	126,418	43,604	16,742	3,374	1,926
Total Revenues:	\$ 3,955,651	\$ 3,599,486	\$ 4,829,162	\$ 4,946,753	\$ 3,955,118
Expenditures					
General Administration	\$ 4,624,707	\$ 2,451,098	\$ 2,730,607	\$ 3,162,940	\$ 3,360,484
Total Expenditures	\$ 4,624,707	\$ 2,451,098	\$ 2,730,607	\$ 3,162,940	\$ 3,360,484
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (669,056)	\$ 1,148,388	\$ 2,098,555	\$ 1,783,813	\$ 594,634
Other Financing (Uses)					
Transfers Out	2,539,012	-	(566,754)	-	-
Sale of Assets	-	-	-	(1,180,855)	(655,468)
Net Change in Fund Balance	\$ 1,869,956	\$ 1,148,388	\$ 1,531,801	\$ 602,958	\$ (60,834)
Beginning Fund Balance	\$ 5,987,037	\$ 4,838,649	\$ 3,306,848	\$ 2,703,890	\$ 2,764,724
Ending Fund Balance	\$ 7,856,993	\$ 5,987,037	\$ 4,838,649	\$ 3,306,848	\$ 2,703,890

(1) Unaudited.

TABLE 14 - CURRENT INVESTMENTS

As of March 18, 2019, the County's investable funds were invested in the following categories:

Investment Description	% of Total Value	Market Value
TexPool	68.98%	53,473,355.00
TX Class	1.34%	1,039,202.00
TexSTAR	24.53%	19,021,463.00
US Government Securities	3.82%	2,965,248.00
Certificate of Deposits	1.33%	1,031,783.00
	100.00%	77,531,051.00