



TOM GREEN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2016**

TOM GREEN COUNTY, TEXAS

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FINANCIAL SECTION

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PATILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Honorable County Judge and Members of the
Commissioners' Court of Tom Green County
San Angelo, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County (the "County") as of September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County, as of September 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparisons, the schedule of changes in net pension liability and related ratios, the schedule of employer contributions, and the schedule of funding progress for the post-retirement health care benefit plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statements are presented for purposes for additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Guidance* is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
April 17, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Tom Green County, Texas, we offer readers of Tom Green County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here with the County's financial statements which follow.

FINANCIAL HIGHLIGHTS

- The assets of Tom Green County exceeded its liabilities as of September 30, 2016, by \$65,552,684. Of this amount, \$9,444,907 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designations and fiscal policies.
- The County's total net position decreased by \$(131,660).
- As of the close of the current fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$68,712,243, an increase of \$50,732,637 compared to the prior year. This increase was primarily due to the issuance of \$50,000,000 of Certificates of Obligation.
- The unassigned fund balance for the General Fund was \$12,753,986 or 29% of total General Fund expenditures. Unassigned fund balance decreased 11% from the prior year's unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Tom Green County's basic financial statements. The financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of Tom Green County's finances in a manner similar to a private sector business. The *Statement of Net Position* presents information on all of the County's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Tom Green County is improving or deteriorating.

The *Statement of Activities* presents a comparison between direct expenses and revenues for each of the County's functions or programs. Direct expenses are those that are specially associated with an activity and are clearly identifiable with that activity. Program revenues include charges paid by the recipient of services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not programmatic are presented as general revenues. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Tom Green County that are principally supported by taxes and intergovernmental revenues. The governmental activities of Tom Green County include general government, public safety, conservation, highways and streets, health and welfare, and culture and recreation. Tom Green County has no business-type activities.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Tom Green County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County are categorized as either governmental funds or fiduciary funds.

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 the near-term inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

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

Tom Green County maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Grants Fund, and 2015 COB Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Tom Green County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and the Grants Fund to demonstrate compliance with this budget. More information is available concerning the County's budget by reviewing the approved annual budget on file with the Tom Green County Clerk.

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 these funds are *not* available to support Tom Green County's own programs.

Notes to the 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.

Supplementary Information: Generally accepted accounting principles also require certain information to be presented in the required supplementary information immediately following the notes to the financial statements. Combining fund statements can also be found following this section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. In the case of Tom Green County, assets exceeded liabilities by \$65,552,684 at the close of the fiscal year.

Tom Green County's investment in capital assets (e.g. land, buildings, furniture and equipment, and roads and bridges), less any related outstanding debt used to acquire those assets, is 79% of net position. Tom Green County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Tom Green 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 capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining net position, \$9,444,907 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors, and 6%, \$4,121,866, of net position is restricted.

TOM GREEN COUNTY'S NET POSITION

	Governmental Activities	
	2016	2015
Current assets	\$ 74,418,927	\$ 23,160,190
Capital assets	51,978,889	49,538,133
Total assets	<u>126,397,816</u>	<u>72,698,323</u>
Deferred outflows of resources	8,723,188	2,418,615
Current liabilities	4,903,444	2,873,998
Long-term liabilities	63,668,663	6,467,899
Total liabilities	<u>68,572,107</u>	<u>9,341,897</u>
Deferred inflows of resources	996,213	90,697
Net position:		
Net investment in capital assets	51,985,911	46,781,687
Restricted	4,121,866	4,524,616
Unrestricted	<u>9,444,907</u>	<u>14,378,041</u>
Total net position	<u>\$ 65,552,684</u>	<u>\$ 65,684,344</u>

As of September 30, 2016, the County has positive balances in all categories of net position.

TOM GREEN COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2016	2015
REVENUES		
Program revenues:		
Charges for services	\$ 7,005,703	\$ 7,051,830
Operating grants and contributions	4,841,694	4,248,822
General revenues:		
Property taxes	30,788,840	28,175,745
Other taxes	8,687,095	10,031,987
Investment earnings	363,082	58,003
Miscellaneous	262,635	257,791
Total revenues	<u>51,949,049</u>	<u>49,824,178</u>
EXPENSES		
General government	17,044,560	16,207,781
Public safety	24,367,842	22,422,867
Highways and streets	4,086,578	3,454,975
Conservation	1,271,945	211,771
Health and welfare	409,997	450,512
Culture and recreation	3,121,925	2,604,437
Interest on long-term debt	1,777,862	119,656
Total expenses	<u>52,080,709</u>	<u>45,471,999</u>
CHANGE IN NET POSITION	(131,660)	4,352,179
NET POSITION, BEGINNING	<u>65,684,344</u>	<u>61,777,651</u>
CHANGE IN ACCOUNTING PRINCIPLE	<u>-</u>	<u>(445,486)</u>
NET POSITION, ENDING	<u>\$ 65,552,684</u>	<u>\$ 65,684,344</u>

Key elements of the analysis of governmental activities through revenues and expenses include the following:

- Property tax revenues increased by \$2,613,095 from fiscal year 2015 to 2016. This was the result of increases in the property tax base in the County. Property taxes levied on new property added to the tax base this year were \$721,776. The Commissioners Court set a total property tax rate in fiscal year 2016 of \$.51250 per \$100 of appraised value.
- Other tax revenue included sales tax collections of \$8,312,853. This is a decrease of 13.6% from fiscal year 2015 indicated by a decline in the local economy due to oil field activity that slowed in fiscal year 2016. However, sales tax collections remain above their 2012 levels, as the diversity of the businesses located in the County provides longer term stability.
- Total expenses for governmental activities increased by 14.5% across the functions of government. This increase is comprised of an approximate 10% increase in employee health insurance premium costs, and the County also provided cost of living wage increases of 3% for most employees. In addition, renovation projects continued on the Edd B. Keyes building with construction on the first and second floor. These costs are part of the increase in the general category.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

At the end of the 2016 fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$68,712,243, an increase of \$50,732,638 compared with the prior year. This increase was primarily due to the issuance of \$50,000,000 of Certificates of Obligation.

The General Fund is the chief operating fund of Tom Green County. At the end of fiscal year 2016, the General Fund had a fund balance of \$13,003,986 with \$6,675 classified as nonspendable. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 29% of total General Fund expenditures. In addition, overall revenue in the General Fund increased \$1,088,539 from 2015, and General Fund expenditures decreased \$1,225,259 in the same time.

Descriptions of Functions/Programs:

General Government: The costs associated with management and support departments (e.g. County Treasurer, Human Resources, and Risk Management), operations of the court systems and prosecution offices (District and County Courts, Justices of the Peace, District and County Attorneys), costs of maintaining public facilities including the Justice Center and the Juvenile Detention Center, the Elections Department, and financial administration for the County.

Public Safety: The costs associated with the investigation and arrest of individuals suspected to be involved in criminal activities as well as costs associated with emergency services (i.e. Sheriff's Department, Constables, and Volunteer Fire Departments), in addition to the operations of the court systems and prosecution offices (District and County Courts, Justices of the Peace, District and County Attorneys).

Conservation: Includes support for the agriculture and homemakers extension office.

Highways and Streets: The costs associated with County road and bridge departments and maintaining the County's infrastructure.

Health and Welfare: The costs associated with providing health benefits to citizens of the County (i.e. Indigent Health Care, Mental Health Unit, and contributions to support organizations).

Culture and Recreation: The costs associated with the operations of the County Library and Parks.

Interest on Long-term Debt: The finance charges associated with debt issuances for construction of County facilities.

Capital Assets and Debt Administration

The County's investment in capital assets for its governmental activities as of September 30, 2016, amounts to \$51,978,889 net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, infrastructure (roads and bridges), equipment, and furnishings. In addition, the County capitalized the following amounts during the year in completing capital projects or purchasing assets:

Construction in progress	\$ 4,323,503
Buildings	187,453
Machinery and equipment	1,801,809
Infrastructure	148,156

CAPITAL ASSETS

	Historical Cost	Accumulated Depreciation	Net Investment
Land	\$ 3,790,009	\$ -	\$ 3,790,009
Construction in progress	4,323,505	-	4,323,505
Buildings and improvements	66,641,195	31,686,747	34,954,448
Improvements other than buildings	57,870	39,306	18,564
Machinery and equipment	19,740,203	13,712,776	6,027,427
Infrastructure	<u>23,136,528</u>	<u>20,271,592</u>	<u>2,864,936</u>
Total	<u>\$ 117,689,310</u>	<u>\$ 65,710,421</u>	<u>\$ 51,978,889</u>

LONG-TERM DEBT

At the end of the current fiscal year, the County's long-term outstanding debt was as follows:

	Original Amount	Interest Rate	Balance 09/30/16
Certificate of Obligation	\$ 50,000,000	3-5%	\$ 50,000,000
Bond premium	80,921	N/A	4,026,883
Compensated absences	N/A	N/A	1,429,054
Net pension liability	N/A	N/A	7,651,374
Net OPEB obligation	N/A	N/A	<u>561,352</u>
Total			<u>\$ 63,668,663</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

In fiscal year 2016, significant budget items included cost of living wage increases for County employees, health care costs for employees, and new vehicle and equipment purchases as the County maintains its fleet. Renovation of the second floor of the Edd B. Keyes building was started at the beginning of the fiscal year and is expected to be completed in mid-fiscal year of 2017. Various offices including Commissioners Court will move into the space, which will accommodate their activities much better than before. The Commissioners Court also made revisions during the year to the original appropriations approved for the 2016 fiscal year budget. These revisions were mainly transfers within departments necessary to cover the expenditures of office by individual line items. Property tax rates were decreased by half of one cent for fiscal year 2016, while property values showed increases which outweighed and equated to additional property tax revenue for the budget. Sales tax collections were lower than the previous year, showing a decline in 2016. The County budgets conservatively for anticipated revenues and expenditures, allowing for an adequate reserve in fund balance as a safety net and savings for the future.

ECONOMIC FACTORS

The growth in the oil field from recent years, and related industries, began a significant slowdown during fiscal year 2016 due to the market prices of crude. While neighboring Counties have felt a more substantial effect of this slow down, Tom Green County's diverse local economy has blunted the impact. Property tax values continued to increase, with some more expected growth in the next few years due to market conditions and some areas of under-valuation from previous years. Equity has been well preserved in the County and has allowed for major projects like the Edd B. Keyes building renovation to be paid without incurring debt.

FUTURE BUDGET CONCERNS

The County continues to budget and plan for capital improvements to maintain its assets and provide suitable space for public business and County employees. Early in fiscal year 2017, the County issued additional certificates of obligation to fund the budgets for completion of construction of a new County jail and to pay for renovations to court room facilities at the Tom Green County courthouse. Planning for these facilities incorporated long term plans for growth in the County and included comprehensive needs assessments for all departments affected. The County also must continue to address employee retention and compensation for its employees. Health care benefits are a major budget item that has increased each year, and the County will be assessing long term plans and options for future funding. In addition, a large number of employees are nearing retirement age, and a plan is necessary to attract and retain qualified workers. The County has and continues to make efforts at improving cost efficiencies with each budget in various other areas to best utilize taxpayer funds.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Tom Green County's finances for all those with an interest in the County's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

County Auditor's Office
113 W. Beauregard Avenue
San Angelo TX 76903

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BASIC FINANCIAL STATEMENTS

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TOM GREEN COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2016

	Governmental Activities
ASSETS	
Cash	\$ 2,782,086
Investments	66,645,645
Receivables (net of allowances for uncollectibles)	4,176,663
Due from other governments	807,108
Prepaid expenses	875
Inventory	6,550
Capital assets:	
Land	3,790,009
Construction in progress	4,323,505
Buildings	66,641,195
Improvements other than buildings	57,870
Furniture and equipment	19,740,203
Infrastructure	23,136,528
Less: accumulated depreciation	(65,710,421)
Total capital assets	<u>51,978,889</u>
Total assets	<u>126,397,816</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>8,723,188</u>
Total deferred outflows	<u>8,723,188</u>
LIABILITIES	
Accounts payable	2,665,725
Accrued liabilities	409,565
Due to other governments	92,413
Accrued interest	1,735,741
Noncurrent liabilities:	
Due within one year	285,811
Due in more than one year	<u>63,382,852</u>
Total liabilities	<u>68,572,107</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>996,213</u>
Total deferred inflows	<u>996,213</u>
NET POSITION	
Net investment in capital assets	51,985,911
Restricted for:	
Debt service	257,075
Juvenile Probation	1,344,032
Road and bridge	767,331
Other	1,753,428
Unrestricted	<u>9,444,907</u>
Total net position	<u>\$ 65,552,684</u>

The accompanying notes are an integral part of these financial statements.

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TOM GREEN COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Functions/Programs	Expenses	Program Revenue		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
General government	\$ 17,044,560	\$ 3,810,856	\$ 2,245,545	\$(10,988,159)
Public safety	24,367,842	1,370,573	1,369,790	(21,627,479)
Highways and streets	4,086,578	1,726,633	13,154	(2,346,791)
Conservation	1,271,945	63,625	1,042,033	(166,287)
Health and welfare	409,997	8,144	50,872	(350,981)
Culture and recreation	3,121,925	25,872	120,300	(2,975,753)
Interest on long-term debt	<u>1,777,862</u>	<u>-</u>	<u>-</u>	<u>(1,777,862)</u>
Total governmental activities	<u>\$ 52,080,709</u>	<u>\$ 7,005,703</u>	<u>\$ 4,841,694</u>	<u>(40,233,312)</u>
General revenues:				
Taxes:				
Property, levied for general purposes				27,933,170
Property, levied for debt service				2,855,670
Sales				8,312,853
Other				374,242
Unrestricted investment earnings				363,082
Miscellaneous				<u>262,635</u>
Total general revenues				<u>40,101,652</u>
Change in net position				(131,660)
Net position - beginning				<u>65,684,344</u>
Net position - ending				<u>\$ 65,552,684</u>

The accompanying notes are an integral part of these financial statements.

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TOM GREEN COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	General	Grants	2015 COB Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 359,039	\$ -	\$ 321,905	\$ 2,101,142	\$ 2,782,086
Investments	12,658,632	-	51,631,255	2,355,758	66,645,645
Receivables (net of allowances for uncollectibles):					
Accounts	1,698,339	-	123	39,788	1,738,250
Taxes:					
Property	895,947	-	-	96,737	992,684
Sales	1,365,541	-	-	-	1,365,541
Mixed beverage	80,188	-	-	-	80,188
Due from other funds	273,167	2,039	-	34,816	310,022
Due from other governments	47,657	306,458	-	452,993	807,108
Inventory	6,550	-	-	-	6,550
Prepaid items	125	-	-	750	875
Total assets	<u>17,385,185</u>	<u>308,497</u>	<u>51,953,283</u>	<u>5,081,984</u>	<u>74,728,949</u>
LIABILITIES					
Accounts payable	1,433,224	30,661	\$ 284,105	917,735	2,665,725
Accrued liabilities	382,567	8,619	-	18,379	409,565
Due to other governments	92,413	-	-	-	92,413
Due to other funds	18,561	269,217	-	22,244	310,022
Total liabilities	<u>1,926,765</u>	<u>308,497</u>	<u>284,105</u>	<u>958,358</u>	<u>3,477,725</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	832,881	-	-	84,547	917,428
Unavailable revenue - fines and fees	1,621,553	-	-	-	1,621,553
Total deferred inflows of resources	<u>2,454,434</u>	<u>-</u>	<u>-</u>	<u>84,547</u>	<u>2,538,981</u>
FUND BALANCES					
Nonspendable	6,675	-	-	750	7,425
Restricted	-	-	51,669,178	4,043,591	55,712,769
Assigned	243,325	-	-	-	243,325
Unassigned	12,753,986	-	-	(5,262)	12,748,724
Total fund balances	<u>13,003,986</u>	<u>-</u>	<u>51,669,178</u>	<u>4,039,079</u>	<u>68,712,243</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,385,185</u>	<u>\$ 308,497</u>	<u>\$ 51,953,283</u>	<u>\$ 5,081,984</u>	<u>74,728,949</u>

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 51,978,889
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not included in fund balance.	2,538,981
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.	(65,404,404)
Deferred outflows of resources related to pensions and deferred inflows of resources related to pensions are not included in the fund financial statements.	7,726,975
Net position of governmental activities	<u>\$ 65,552,684</u>

The accompanying notes are an integral part of these financial statements.

TOM GREEN COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General	Grants	2015 COB Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 36,455,033	\$ -	\$ -	\$ 2,849,387	\$ 39,304,420
Fees of office	2,572,136	-	-	2,084,699	4,656,835
Intergovernmental	1,821,754	914,985	-	1,470,926	4,207,665
Fines and forfeitures	1,040,457	-	-	1,021,534	2,061,991
Licenses and permits	52,267	-	-	-	52,267
Investment income	111,783	-	234,356	16,943	363,082
Miscellaneous	818,314	28,330	-	237,350	1,083,994
Total revenues	<u>42,871,744</u>	<u>943,315</u>	<u>234,356</u>	<u>7,680,839</u>	<u>51,730,254</u>
EXPENDITURES					
Current:					
General government	14,357,606	72,115	14,037	1,234,938	15,678,696
Public safety	21,050,053	393,720	-	1,387,469	22,831,242
Highways and streets	1,648,745	489,628	-	1,108,867	3,247,240
Culture and recreation	2,525,630	5,368	-	28,381	2,559,379
Health and welfare	404,251	-	-	-	404,251
Conservation	148,531	29,073	-	1,086,838	1,264,442
Debt service:					
Principal	-	-	-	2,780,000	2,780,000
Interest and other charges	-	-	-	69,205	69,205
Capital outlay	3,319,847	54,169	2,051,141	789,863	6,215,020
Total expenditures	<u>43,454,663</u>	<u>1,044,073</u>	<u>2,065,178</u>	<u>8,485,561</u>	<u>55,049,475</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(582,919)</u>	<u>(100,758)</u>	<u>(1,830,822)</u>	<u>(804,722)</u>	<u>(3,319,221)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	16,390	-	-	8,585	24,975
Proceeds from the issuance of debt	-	-	50,000,000	-	50,000,000
Bond premium	-	-	3,500,000	526,883	4,026,883
Transfers in	87,900	-	-	-	87,900
Transfers out	-	-	-	(87,900)	(87,900)
Total other financing sources (uses)	<u>104,290</u>	<u>-</u>	<u>53,500,000</u>	<u>447,568</u>	<u>54,051,858</u>
NET CHANGE IN FUND BALANCES	<u>(478,629)</u>	<u>(100,758)</u>	<u>51,669,178</u>	<u>(357,154)</u>	<u>50,732,637</u>
FUND BALANCES, BEGINNING	<u>13,482,615</u>	<u>100,758</u>	<u>-</u>	<u>4,396,233</u>	<u>17,979,606</u>
FUND BALANCES, ENDING	<u>\$ 13,003,986</u>	<u>\$ -</u>	<u>\$ 51,669,178</u>	<u>\$ 4,039,079</u>	<u>\$ 68,712,243</u>

The accompanying notes are an integral part of these financial statements.

TOM GREEN 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, 2016

Net change in fund balances - total governmental funds: \$ 50,732,637

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. 2,487,533

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (46,776)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 218,796

The issuance of long-term debt (e.g. bonds) 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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of debt (50,000,000)

Repayment of principal of long-term debt 2,780,000

Net pension obligation (392,354)

Amortization of:

Premium (4,026,883)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. (1,884,613)

Change in net position of governmental activities \$(131,660)

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TOM GREEN COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2016

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 3,661,153
Investments	1,249,254
Accounts receivable	<u>36,776</u>
Total assets	\$ <u>4,947,183</u>
LIABILITIES	
Accounts payable	\$ 3,648,051
Due to other governments	<u>1,299,132</u>
Total liabilities	\$ <u>4,947,183</u>

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TOM GREEN COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Tom Green is an independent governmental entity created under the laws of the State of Texas. The County is governed by an elected Commissioners' Court. The reporting entity is defined as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either (a) the primary government must be able to impose its will, or (b) the primary government may potentially benefit financially or be financially responsible for the component unit. The County has no component units.

Government-wide and Fund 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 County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenue* includes 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenue is 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 revenue 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenue to be available if 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.

Taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County has the following major governmental funds:

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

The ***Grants Fund*** is used to account for a variety of federal and state awards received by the County during the course of a given fiscal year. Revenues and expenditures of these awards are accounted for separately from other governmental funds to aid in reporting and record keeping requirements of the grants.

The ***2015 COB Capital Projects Fund*** is used to account for proceeds from the 2015 Certificates of Obligation, which are to be used for the construction and improvements of a variety of County facilities.

Additionally, the County reports the following fund types:

Debt Service Funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Capital Projects Funds account for the acquisition and construction of the County's major capital facilities.

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 between various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

Deposits and Investments

The County's cash and investments consist of cash on hand, demand deposits, and investment pools.

Investments for the County are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations. The reported values of the pools are the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the time of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advance to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All property tax receivables are shown net of an allowance for uncollectibles.

Taxes are due October 1 and become delinquent after January 31. No split payments or discounts are allowed. Penalties and Interest: (a) a delinquent tax incurs a penalty of six percent of the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax on July 1 incurs a total penalty of 12 percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent; (b) a delinquent tax accrues interest at a rate of one percent for each month or portion of a month the tax remains unpaid; and an additional penalty up to a maximum of 15% of taxes, penalty and interest may be imposed to defray costs of collection for taxes delinquent after July 1.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$3,000 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 estimated fair market value at the date of donation.

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.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Infrastructure (roads and bridges)	20
Buildings and improvements	20 - 30
Vehicles	5
Machinery and equipment	3 - 15

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 the following items that qualify for reporting in this category.

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a four year period.

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 or fund balance 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 the following items that qualify for reporting in this category.

- Under the modified accrual basis of accounting, unavailable revenue is reported in the governmental funds balance sheet as a deferred inflow of resources.
- In the statement of net position, the difference in expected and actual pension experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the County's Total Pension Liability is obtained from TCERS through a report prepared for the County by TCERS' consulting actuary in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized during the current period.

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.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court or County Judge.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(65,404,404) difference are as follows:

Bonds and notes payable	\$(50,000,000)
Accrued interest payable	(1,735,741)
Compensated absences	(1,429,054)
Net OPEB obligation	(561,352)
Net pension liability	(7,651,374)
Bond premium	<u>(4,026,883)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$(65,404,404)</u></u>

Explanation of Certain Differences between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$2,487,533 difference are as follows:

Capital outlay	\$ 6,460,922
Depreciation expense	<u>(3,973,389)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 2,487,533</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$218,796 difference are as follows:

Property tax revenue	\$ 171,515
Fines and fees	<u>47,281</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 218,796</u>

Another element of that reconciliation states, “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 governmental funds.” The details of this \$(1,884,613) difference are as follows:

Compensated absences	\$(107,479)
Accrued interest	(1,722,143)
Increase in net OPEB obligation	(68,477)
Amortized bond premium	<u>13,486</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$(1,884,613)</u>

3. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2016, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Texas CLASS	\$ 40,245,879	53
TexPool	4,957,343	40
Certificates of deposit	<u>22,691,677</u>	
Total fair value	<u>\$ 67,894,899</u>	
Portfolio weighted average maturity (days)		42

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

The County's investment pools are 2a7-like pools. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Regulatory oversight for the operations of the external investment pools are found in the Public Funds Investment Act of the State of Texas. Required oversight for pools includes compliance with investment guidelines, annual independent audits, and the establishment of oversight boards.

Interest Rate Risk

In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 90 days.

Custodial Credit Risk

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. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2016, the County's deposit balance was entirely collateralized with securities held by the pledging financial institution or covered by FDIC insurance.

Credit Risk

It is the County's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The County's investment pools are rated as follows by Standard & Poor's Investors Service.

Texas CLASS	AAAm
TexPool	AAAm

Receivables

Receivables as of year-end for the County's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	2015 COB Capital Projects	Other Governmental Funds	Total
Receivables:				
Taxes	\$ 2,486,949	\$ -	\$ 115,114	\$ 2,602,063
Accounts	<u>5,481,963</u>	<u>123</u>	<u>39,788</u>	<u>5,521,874</u>
Gross receivables	7,968,912	123	154,902	8,123,937
Less: allowance for uncollectibles	<u>3,928,897</u>	<u>-</u>	<u>18,377</u>	<u>3,947,274</u>
Net total receivables	<u>\$ 4,040,015</u>	<u>\$ 123</u>	<u>\$ 136,525</u>	<u>\$ 4,176,663</u>

Capital Assets

Capital asset activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,790,009	\$ -	\$ -	\$ 3,790,009
Construction in progress	4,457,897	4,323,503	(4,457,895)	4,323,505
Total capital assets being depreciated	8,247,906	4,323,503	(4,457,895)	8,113,514
Capital assets, being depreciated:				
Buildings	61,995,847	4,645,348	-	66,641,195
Improvements other than buildings	57,870	-	-	57,870
Infrastructure	22,988,372	148,156	-	23,136,528
Machinery and equipment	18,401,370	1,801,808	(462,975)	19,740,203
Total capital assets being depreciated	103,443,459	6,595,312	(462,975)	109,575,796
Less accumulated depreciation:				
Buildings	(29,514,468)	(2,172,279)	-	(31,686,747)
Improvements other than buildings	(36,412)	(2,894)	-	(39,306)
Infrastructure	(19,948,472)	(323,120)	-	(20,271,592)
Machinery and equipment	(12,653,880)	(1,475,096)	416,200	(13,712,776)
Total accumulated depreciation	(62,153,232)	(3,973,389)	416,200	(65,710,421)
Total capital assets being depreciated, net	41,290,227	2,621,923	(46,775)	43,865,375
Governmental activities capital assets, net	\$ 49,538,133	\$ 6,945,426	\$ (4,504,670)	\$ 51,978,889

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General government	\$ 1,396,967
Public safety	1,251,823
Highways and streets	795,270
Culture and recreation	529,329
	<u>\$ 3,973,389</u>

Interfund Receivables, Payables and Transfers

Due to/from other funds:

	Due to:			
	General	Grants	Nonmajor Funds	Total
Due from:				
General	\$ -	\$ 269,217	\$ 3,950	\$ 273,167
Grants	2,039	-	-	2,039
Nonmajor	16,522	-	18,294	34,816
Total	<u>\$ 18,561</u>	<u>\$ 269,217</u>	<u>\$ 22,244</u>	<u>\$ 310,022</u>

These balances resulted from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers:

	Transfers out	
	Nonmajor	
	Funds	Total
Transfers in:		
General	\$ 87,900	\$ 87,900

Transfers are used to: (1) move revenues from the fund required by statute or budget to collect them to the fund required by budget to expend them; and (2) fund the County's match portion for grants.

Fund Balance

As of September 30, 2016, governmental fund balance is composed of the following:

Fund Balance Classification	General	2015 COB Capital Projects	Other Governmental	Total
Nonspendable:				
Inventories	\$ 6,550	\$ -	\$ -	\$ 6,550
Prepaid items	125	-	750	875
Total Nonspendable	<u>6,675</u>	<u>-</u>	<u>750</u>	<u>7,425</u>
Restricted:				
Retirement of long-term debt	-	-	172,528	172,528
Road and bridge	-	-	783,935	783,935
Library services	-	-	321,963	321,963
Federal and state programs	-	-	1,372,847	1,372,847
Judicial services	-	-	390,002	390,002
County Clerk	-	-	540,675	540,675
District Clerk	-	-	71,455	71,455
Justice Court technology	-	-	120,916	120,916
Courthouse security	-	-	94,538	94,538
County Attorney	-	-	50,396	50,396
Election services	-	-	117,314	117,314
Capital projects	-	51,669,178	7,022	51,676,200
Total Restricted	<u>-</u>	<u>51,669,178</u>	<u>4,043,591</u>	<u>55,712,769</u>
Assigned:				
Juvenile services	25,125	-	-	25,125
Judicial services	218,200	-	-	218,200
Total Assigned	<u>243,325</u>	<u>-</u>	<u>-</u>	<u>243,325</u>
Unassigned	<u>12,753,986</u>	<u>-</u>	<u>(5,262)</u>	<u>12,748,724</u>
Total governmental fund balance	<u>\$ 13,003,986</u>	<u>\$ 51,669,178</u>	<u>\$ 4,039,079</u>	<u>\$ 68,712,243</u>

Long-term Debt

The County had the following outstanding debt issue as of September 30, 2016:

\$50,000,000 Certificate of Obligation issued in 2015; interest at 3% - 5%. \$ 50,000,000

On December 10, 2015, the County issued \$50,000,000 of Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2015. The proceeds from the sale of the Certificates will be used for (i) constructing and equipping a new County jail, including related parking, landscaping and infrastructure; (ii) acquiring, constructing and equipping improvements and renovations to the County Courthouse; (iii) with any surplus funds being used for constructing and equipping a facility for justices of the peace and County tax assessor-collector, including related parking, landscaping and infrastructure, and/or constructing and equipping improvements and renovations to the County public library; (iv) the acquisition of land and interests in land for such projects; and (v) legal, fiscal, architectural, engineering and other professional fees in connection with such projects. The Certificates have an interest rate ranging from 4.00% to 5.00% and a maturity date of 2035.

Annual debt service requirements to maturity for the notes payable are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2017	\$ -	\$ 3,540,131
2018	1,365,000	2,129,125
2019	1,525,000	2,063,700
2020	1,605,000	1,985,450
2021	1,690,000	1,903,075
2022-2026	9,725,000	8,228,250
2027-2031	12,130,000	5,828,775
2032-2036	15,040,000	2,916,888
2037-2041	<u>6,920,000</u>	<u>261,938</u>
Total	<u>\$ 50,000,000</u>	<u>\$ 28,857,332</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government activities					
Tax anticipation note	\$ 2,780,000	\$ -	\$ 2,780,000	\$ -	\$ -
Certificate of obligation	-	50,000,000	-	50,000,000	-
Compensated absences	1,321,575	182,881	75,402	1,429,054	285,811
Unamortized bond premium	13,487	4,026,883	13,487	4,026,883	-
Net pension liability	1,859,963	11,441,343	5,649,932	7,651,374	-
Net OPEB obligation	<u>492,875</u>	<u>78,977</u>	<u>10,500</u>	<u>561,352</u>	<u>-</u>
Governmental activity					
long-term liabilities	<u>\$ 6,467,900</u>	<u>\$ 65,730,084</u>	<u>\$ 8,529,321</u>	<u>\$ 63,668,663</u>	<u>\$ 285,811</u>

Conduit Debt Obligations

In 2013, the County created the Tom Green County Cultural Education Facilities Finance Corporation, which issued Education Revenue Bonds, the proceeds thereof were loaned to an open enrollment public charter school in San Angelo, Texas. The proceeds were used to finance the construction and repair of public school facilities and the acquisition of land deemed to be in the public interest. The bonds are secured by the property financed and are payable solely by the public charter school. Tom Green County, the State, or any other political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2016, there are three series of Education Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$16.7 million.

Defined Benefit Pension Plan

Plan Description. The County participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tcdrs.org.

All eligible employees of the County are required to participate in TCDRS.

Benefits Provided. TCDRS provides retirement, disability and death benefits for all of its fulltime employees. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’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 employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefit terms

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	685
Active employees	<u>724</u>
	<u><u>1,409</u></u>

Contributions. The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 8.48% and 8.40% in calendar years 2015 and 2016, respectively. The County's contributions to TCDRS for the year ended September 30, 2016, were \$2,100,968, and were equal to the required contributions.

Net Pension Liability. The County's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.5% per year
Investment rate of return	8.1%, net of pension plan investment expense, including inflation

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.

The actuarial assumptions that determined the total pension liability as of December 31, 2015, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2016 information for a 7 to 10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.45%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE ⁽³⁾ EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index(4)	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index(3)	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	5.45%
International Equities - Emerging	MSCI World Ex USA (net)	8.00%	6.45%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	1.00%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index ⁽⁴⁾	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%

⁽¹⁾ Target asset allocation adopted at the April 2016 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 1.6%, per Cliffwater's 2016 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2014	\$ 88,849,052	\$ 86,989,090	\$ 1,859,962
Changes for the year:			
Service cost	2,962,064	-	2,962,064
Interest on total pension liability ⁽¹⁾	7,162,281	-	7,162,281
Effect of plan changes ⁽²⁾	(499,200)	-	(499,200)
Effect of economic/demographic gains or losses	(1,247,664)	-	(1,247,664)
Effect of assumptions changes or inputs	1,039,287	-	1,039,287
Refund of contributions	(722,021)	(722,021)	-
Benefit payments	(3,648,699)	(3,648,699)	-
Administrative expenses	-	(62,319)	62,319
Member contributions	-	1,786,305	(1,786,305)
Net investment income	-	5,530	(5,530)
Employer contributions	-	2,111,233	(2,111,233)
Other ⁽³⁾	-	(215,393)	215,393
Balance at 12/31/2015	<u>\$ 93,895,100</u>	<u>\$ 86,243,726</u>	<u>\$ 7,651,374</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Reflects new annuity purchase rates applicable to all TCDRS employers effective January 1, 2018.

⁽³⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-higher (9.1%) than the current rate:

	1% Decrease	Current	1% Increase
	7.1%	Discount Rate	9.1%
		8.1%	
Total pension liability	\$ 106,186,050	\$ 93,895,101	\$ 83,688,814
Fiduciary net position	<u>86,243,727</u>	<u>86,243,727</u>	<u>86,243,727</u>
Net pension liability/(asset)	<u>\$ 19,942,323</u>	<u>\$ 7,651,374</u>	<u>\$ (2,554,913)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. The report may be obtained on the Internet at www.tcdrs.org.

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

For the year ended September 30, 3016, the County recognized pension expense of \$2,200,842.

At September 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 996,213	\$ -
Changes in actuarial assumptions	-	779,465
Difference between projected and actual investment earnings	-	6,327,003
Contributions subsequent to the measurement date	-	1,616,720
Total	<u>\$ 996,213</u>	<u>\$ 8,723,188</u>

\$1,616,720 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended September 30,	
2017	\$ 1,555,135
2018	1,555,135
2019	1,585,368
2020	1,414,617

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases workers' compensation insurance coverage from the Texas Association of Counties Self-insurance Fund, a public entity risk pool, which is self-sustaining through member premiums. The Fund reinsures through commercial companies for claims in excess of \$300,000.

The County maintains commercial insurance coverage covering other risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. There have been no significant reductions in insurance coverage from the prior year.

Commitments and Contingencies

Litigation

The County is party to various legal proceedings which normally occur in governmental operations. In the opinion of management, these legal proceedings are not likely to have a material adverse impact on the affected funds of the County. No accrual has been made for any contingency in these financial statements.

Federal and State Grants

In the normal course of operations, the County receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

Post-Employment Benefits Other Than Pension Benefits

Plan Participants

Eligible plan participants are retirees who are eligible and elect to receive a monthly annuity from the Texas County and District Retirement System (TCDRS). TCDRS retirement forms must be completed prior to resignation and must take effect immediately upon terminating employment with the County. Retirees who subscribe to the County's plan may stay on the plan until they reach the age of Medicare eligibility (currently age 65). Dependents of retirees may be eligible only if the dependent has been on the County's insurance plan for a minimum of one year prior to the employee's retirement date.

Normal Retirement Benefits

Eligible plan participants who elect to continue with the County's health insurance plan are responsible for paying their own monthly premiums. The County does not provide any payment toward these premiums. In addition to the premium, a 2% fee above the premium rate is charged by the County to the retiree for administrative handling of these plan participants.

Health Care Benefit Eligibility Conditions

TCDRS monthly annuity retirement is required. Once a retiree reaches Medicare eligibility, they are no longer eligible to purchase the County's health insurance. Dependents of retirees must have been on the County's insurance plan at least one year prior to the employee's retirement date.

Health Care Benefits Provided by Plan

Member:	Health Insurance
Spouse:	Health Insurance
Dependent:	Health Insurance

Summary of Benefits

The County does not offer dental or vision insurance to retirees, but dental insurance is available for COBRA.

Early retirement benefits are available only if conditions for retirement have been met according to the TCDRS plan (vested and age 60, service time plus age equals 75, or completed 30 years service time at any age). Eight years of service credit in the TCDRS system are required to vest for retirement and qualify for the County's contribution.

Funding Policy and Annual OPEB Cost

The County's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The annual OPEB cost for the fiscal year ended September 30, 2016, is as follows:

Annual required contribution	\$ 80,620
Interest on OPEB obligation	22,179
Adjustment to ARC	<u>(23,822)</u>
Annual OPEB expense, end of year	78,977
Net estimated employer contributions	<u>(10,500)</u>
Increase in net OPEB obligation	68,477
Net OPEB obligation, beginning of year	<u>492,875</u>
Net OPEB obligation, end of year	<u><u>\$ 561,352</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2016, and the preceding two fiscal years, were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2014	\$ 85,314	\$ 21,959	25.7%	\$ 425,676
September 30, 2015	77,430	10,231	13.2%	492,875
September 30, 2016	78,977	10,500	13.3%	561,352

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$561,352 at December 31, 2016, the date of the most recent valuation.

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Inflation rate	3.0% per annum
Investment rate of return	8.00%, net of expenses
Actuarial cost method	Entry Age
Amortization method	Level as a percentage of employee payroll
Amortization period	13.5 years
Salary Growth	4.9% per annum

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

TOM GREEN COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 38,049,646	\$ 38,058,845	\$ 36,455,033	\$(1,603,812)
Fees of office	2,338,160	2,407,160	2,572,136	164,976
Intergovernmental	1,755,117	1,755,117	1,821,754	66,637
Fines and forfeitures	987,100	987,100	1,040,457	53,357
Licenses and permits	12,000	12,000	52,267	40,267
Investment income	38,002	38,002	111,783	73,781
Miscellaneous	706,846	723,615	818,314	94,699
Total revenues	<u>43,886,871</u>	<u>43,981,839</u>	<u>42,871,744</u>	<u>(1,110,095)</u>
EXPENDITURES				
Current:				
General government:				
Salaries and wages	5,013,979	5,103,396	4,917,228	186,168
Benefits	2,171,099	2,218,139	2,051,461	166,678
Operations	8,309,627	8,099,905	7,388,917	710,988
Capital outlay	<u>4,444,697</u>	<u>4,435,421</u>	<u>2,835,564</u>	<u>1,599,857</u>
Total general government	<u>19,939,402</u>	<u>19,856,861</u>	<u>17,193,170</u>	<u>2,663,691</u>
Public safety:				
Salaries and wages	12,440,649	12,460,378	12,157,683	302,695
Benefits	4,535,684	4,535,684	4,226,824	308,860
Operations	5,274,613	5,390,601	4,665,546	725,055
Capital outlay	<u>481,843</u>	<u>481,000</u>	<u>479,542</u>	<u>1,458</u>
Total public safety	<u>22,732,789</u>	<u>22,867,663</u>	<u>21,529,595</u>	<u>1,338,068</u>
Highways and streets:				
Salaries and wages	878,277	880,277	869,479	10,798
Benefits	352,533	352,533	340,326	12,207
Operations	586,865	584,327	438,940	145,387
Capital outlay	<u>-</u>	<u>538</u>	<u>479</u>	<u>59</u>
Total highways and streets	<u>1,817,675</u>	<u>1,817,675</u>	<u>1,649,224</u>	<u>168,451</u>
Conservation:				
Salaries and wages	91,435	91,435	91,990	(555)
Benefits	32,537	32,537	31,915	622
Operations	<u>25,660</u>	<u>25,660</u>	<u>24,626</u>	<u>1,034</u>
Total conservation	<u>149,632</u>	<u>149,632</u>	<u>148,531</u>	<u>1,101</u>

TOM GREEN COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
EXPENDITURES (Continued)				
Health and welfare:				
Salaries and wages	\$ 105,577	\$ 105,577	\$ 93,077	\$ 12,500
Benefits	52,824	52,824	41,505	11,319
Operations	399,327	428,327	269,669	158,658
Total health and welfare	<u>557,728</u>	<u>586,728</u>	<u>404,251</u>	<u>182,477</u>
Culture and recreation:				
Salaries and wages	1,394,785	1,387,385	1,350,145	37,240
Benefits	478,113	478,113	435,339	42,774
Operations	879,416	867,149	740,146	127,003
Capital outlay	-	7,204	4,262	2,942
Total culture and recreation	<u>2,752,314</u>	<u>2,739,851</u>	<u>2,529,892</u>	<u>209,959</u>
Total expenditures	<u>47,949,540</u>	<u>48,018,410</u>	<u>43,454,663</u>	<u>4,563,747</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,062,669)</u>	<u>(4,036,571)</u>	<u>(582,919)</u>	<u>3,453,652</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	15,000	15,000	16,390	1,390
Transfers in	92,188	95,788	87,900	(7,888)
Total other financing sources (uses)	<u>107,188</u>	<u>110,788</u>	<u>104,290</u>	<u>(6,498)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,955,481)</u>	<u>\$ (3,925,783)</u>	<u>(478,629)</u>	<u>\$ 3,447,154</u>
FUND BALANCE, BEGINNING			<u>13,482,615</u>	
FUND BALANCE, ENDING			<u>\$ 13,003,986</u>	

TOM GREEN COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GRANTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 689,395	\$ 1,094,760	\$ 914,985	\$ (179,775)
Miscellaneous	<u>139,860</u>	<u>147,360</u>	<u>28,330</u>	<u>(119,030)</u>
Total revenues	<u>829,255</u>	<u>1,242,120</u>	<u>943,315</u>	<u>(298,805)</u>
EXPENDITURES				
Current:				
General government	72,115	72,115	72,115	-
Public safety	179,089	500,523	393,720	106,803
Highways and streets	578,051	578,051	489,628	88,423
Culture and recreation	35,000	40,368	5,368	35,000
Conservation	35,000	40,368	29,073	11,295
Capital outlay	<u>315,000</u>	<u>371,970</u>	<u>54,169</u>	<u>317,801</u>
Total expenditures	<u>1,214,255</u>	<u>1,603,395</u>	<u>1,044,073</u>	<u>559,322</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (385,000)</u></u>	<u><u>\$ (361,275)</u></u>	<u>(100,758)</u>	<u><u>\$ 260,517</u></u>
FUND BALANCE, BEGINNING			<u>100,758</u>	
FUND BALANCE, ENDING			<u><u>\$ -</u></u>	

TOM GREEN COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY SCHEDULES

YEAR ENDED SEPTEMBER 30, 2016

Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial report:

1. The County Judge and Commissioners' Court have departmental meetings with management to determine the departmental budget requests.
2. The County Judge and Commissioners must meet in several workshops to establish a proposed budget for the fiscal year commencing the following October. The operational budget includes proposed expenditures and the means of financing them. The proposed budget is filed with the County Clerk and made available for public inspection at least 15 days prior to public budget hearing.
3. Public hearings are conducted to obtain taxpayer comments.
4. After the public hearings, the Commissioners' Court reviews the budget and makes any adjustments they feel necessary.
5. The budget is then legally enacted by the Commissioners' Court on or before October 1, in the timeframe required by statute.

Only the governing body, composed of the Commissioners' Court, may amend the budget after its adoption so long as the amendment continues to meet the requirements of Section 111 of the Local Government Code. During the year, several supplementary amendments to the original budget were required. All amendments were legally made. The final budget amounts shown in the financial statements represent the budget as amended at September 30, 2016. Under state statute, actual expenditures cannot exceed budgetary appropriations at any level for which the budget is formally approved. The County's legally adopted budget is at the department level in those funds with multiple departments and at the fund level in single department funds. Management can, with the exception of personnel items, make adjustments to their budget within the departmental level with Commissioners' Court approval. All budgets are fixed in nature. All governmental funds have legally adopted budgets. For internal management purposes, the budgets are detailed by line item and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget appropriations lapse at year-end. All encumbrances lapse at year-end.

TOM GREEN COUNTY, TEXAS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Plan Year Ended December 31	2014	2015
Total Pension Liability:		
Service Cost	\$ 2,813,846	\$ 2,962,064
Interest total pension liability	6,716,896	7,162,281
Effect of plan changes	-	(499,200)
Effect of assumption changes or inputs	-	1,039,287
Effect of economic/demographic (gains) or losses	(120,929)	(1,247,664)
Benefit payments/refunds of contributions	(4,131,317)	(4,370,720)
Net change in total pension liability	5,278,496	5,046,048
Total pension liability - beginning	<u>83,570,558</u>	<u>88,849,053</u>
Total pension liability - ending (a)	<u>\$ 88,849,054</u>	<u>\$ 93,895,101</u>
Plan Fiduciary Net Position:		
Employer contributions	\$ 2,067,828	\$ 2,111,233
Member contributions	1,706,935	1,786,305
Investment income net of investment expenses	5,555,011	5,530
Benefit payments, including refunds of contributions	(4,131,317)	(4,370,720)
Administrative expenses	(64,944)	(62,319)
Other	<u>224,601</u>	<u>(215,393)</u>
Net change in plan fiduciary net position	5,358,114	(745,364)
Plan fiduciary net position - beginning	<u>81,630,977</u>	<u>86,989,091</u>
Plan fiduciary net position - ending (b)	<u>86,989,091</u>	<u>86,243,727</u>
Net pension liability - ending (a) - (b)	<u>\$ 1,859,963</u>	<u>\$ 7,651,374</u>
Fiduciary net position as a percentage of total pension liability	97.91%	91.85%
Pensionable covered payroll	\$ 24,384,792	\$ 25,133,798
Net pension liability as a percentage of covered payroll	7.63%	30.44%

TOM GREEN COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TWO FISCAL YEARS

<u>Fiscal Year Ended September 30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll (1)</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 2,067,828	\$ 2,067,828	\$ -	\$ 24,384,792	8.5%
2016	2,111,233	2,111,233	-	25,133,798	8.4%

Note: This schedule is intended to show ten years of information. Additional year's information will be displayed as it becomes available.

TOM GREEN COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry age normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	0.03
Salary Increases	Annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
Investment Rate of Return	8.1%
Cost-of Living Adjustments	Cost-of-Living Adjustments are considered to be substantively automatic under GASB 68. Therefore, an annual 100% CPI cost-of-living adjustment is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Experience-based table of rates based on a study of the period 2009-2012.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	
Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.
Other Information	There were no benefit changes during the year.

TOM GREEN COUNTY, TEXAS

**SCHEDULE OF FUNDING PROGRESS
POST-RETIREMENT HEALTH CARE BENEFIT PLAN**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)
12/31/2010	\$ -	\$ 673,440	0%	\$ 673,440
12/31/2012	-	609,889	0%	609,889
12/31/2014	-	561,352	0%	561,352

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**COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

TOM GREEN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
ASSETS				
Cash	\$ 23,560	\$ 13,171	\$ 1,942	\$ 206,927
Investments	512,776	327,251	40,198	80,304
Receivables (net of allowance for uncollectibles):				
Accounts	13,203	11,247	70	1,130
Property taxes	-	-	-	-
Due from other funds	16,570	-	-	-
Due from other governments	16,758	16,758	-	-
Prepaid Items	-	-	-	-
Total assets	<u>\$ 582,867</u>	<u>\$ 368,427</u>	<u>\$ 42,210</u>	<u>\$ 288,361</u>
LIABILITIES				
Accounts payable	\$ 65,010	\$ 118,953	\$ 4,790	\$ 3,457
Accrued liabilities	-	-	361	-
Due to other funds	-	-	-	-
Total liabilities	<u>65,010</u>	<u>118,953</u>	<u>5,151</u>	<u>3,457</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	517,857	249,474	37,059	284,904
Unassigned	-	-	-	-
Total fund balances	<u>517,857</u>	<u>249,474</u>	<u>37,059</u>	<u>284,904</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 582,867</u>	<u>\$ 368,427</u>	<u>\$ 42,210</u>	<u>\$ 288,361</u>

Special Revenue				
County Clerk Preservation and Archive	Justice Court Technology	Records Management District Clerk	Courthouse and Justice Security	County Attorney Fee Account
\$ 25,443	\$ 5,069	\$ 1,392	\$ 7,098	\$ -
690,608	108,000	16,449	87,779	12,971
-	-	15	11	212
-	-	-	-	-
100	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>716,151</u>	<u>113,069</u>	<u>17,856</u>	<u>94,888</u>	<u>13,183</u>
\$ 173,805	\$ 1,796	\$ 1,702	\$ 350	\$ -
1,570	-	-	-	423
101	-	-	-	361
<u>175,476</u>	<u>1,796</u>	<u>1,702</u>	<u>350</u>	<u>784</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
540,675	111,273	16,154	94,538	12,399
-	-	-	-	-
<u>540,675</u>	<u>111,273</u>	<u>16,154</u>	<u>94,538</u>	<u>12,399</u>
\$ 716,151	\$ 113,069	\$ 17,856	\$ 94,888	\$ 13,183

TOM GREEN COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2016

	Special Revenue		
	District Attorney Fee Accounts	Records Management County Courts	Judicial Efficiency
ASSETS			
Cash	\$ -	\$ 6,840	\$ 17,780
Investments	-	377,790	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	46	-
Property taxes	-	-	-
Due from other funds	-	-	1,693
Due from other governments	-	-	-
Prepaid Items	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>-</u>	\$ <u>384,676</u>	\$ <u>19,473</u>
LIABILITIES			
Accounts payable	\$ -	\$ 24,966	\$ 407
Accrued liabilities	-	640	-
Due to other funds	<u>819</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>819</u>	<u>25,606</u>	<u>407</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	359,070	19,066
Unassigned	<u>(819)</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(819)</u>	<u>359,070</u>	<u>19,066</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>-</u>	\$ <u>384,676</u>	\$ <u>19,473</u>

Special Revenue				
LEOSE Training	Judicial Education County Judge	Lateral Road	TCDP Christoval Water Project	Graffiti Eradication
\$ 26,511	\$ 7,829	\$ 43,433	\$ 2,078	\$ 627
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	803	-	16,453	-
-	-	-	413,561	-
750	-	-	-	-
<u>\$ 27,261</u>	<u>\$ 8,632</u>	<u>\$ 43,433</u>	<u>432,092</u>	<u>\$ 627</u>
\$ 273	\$ -	\$ 10,259	432,092	\$ -
-	-	-	-	-
-	-	16,570	-	-
273	-	26,829	432,092	-
-	-	-	-	-
-	-	-	-	-
750	-	-	-	-
26,238	8,632	16,604	-	627
-	-	-	-	-
26,988	8,632	16,604	-	627
<u>\$ 27,261</u>	<u>\$ 8,632</u>	<u>\$ 43,433</u>	<u>\$ 432,092</u>	<u>\$ 627</u>

TOM GREEN COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2016

	Special Revenue			
	Election Contract Service	Guardianship	Child Abuse Prevention	County Attorney Pretrial Diversion Program
ASSETS				
Cash	\$ 103,579	\$ 2,202	\$ 1,949	\$ 20
Investments	-	1,033	-	39,948
Receivables (net of allowance for uncollectibles):				
Accounts	13,826	-	-	-
Property taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid Items	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 117,405</u>	<u>\$ 3,235</u>	<u>\$ 1,949</u>	<u>\$ 39,968</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	91	-	-	1,418
Due to other funds	-	-	-	553
	<u>-</u>	<u>-</u>	<u>-</u>	<u>553</u>
Total liabilities	<u>91</u>	<u>-</u>	<u>-</u>	<u>1,971</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	117,314	3,235	1,949	37,997
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>117,314</u>	<u>3,235</u>	<u>1,949</u>	<u>37,997</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 117,405</u>	<u>\$ 3,235</u>	<u>\$ 1,949</u>	<u>\$ 39,968</u>

Special Revenue				Debt Service		Capital Projects	Total Governmental Funds
District Attorney Pretrial Diversion Program	District Clerk Technology	District/ County Court Technology	Texas Juvenile Probation Contracts	2009 TAN I&S	2015 COB I&S	2009 TAN	
\$ -	\$ 2,876	\$ 1,389	\$ 1,396,005	\$ 187,543	\$ 8,857	\$ 7,022	\$ 2,101,142
-	52,397	8,254	-	-	-	-	2,355,758
-	28	-	-	-	-	-	39,788
-	-	-	-	96,737	-	-	96,737
-	-	-	-	-	-	-	34,816
-	-	-	5,113	-	-	-	452,993
-	-	-	-	-	-	-	750
<u>\$ -</u>	<u>\$ 55,301</u>	<u>\$ 9,643</u>	<u>\$ 1,401,118</u>	<u>\$ 284,280</u>	<u>\$ 8,857</u>	<u>\$ 7,022</u>	<u>\$ 5,081,984</u>
\$ 7	\$ -	\$ -	\$ 52,663	\$ 27,205	\$ -	\$ -	\$ 917,735
596	-	-	4,423	-	8,857	-	18,379
3,840	-	-	-	-	-	-	22,244
<u>4,443</u>	<u>-</u>	<u>-</u>	<u>57,086</u>	<u>27,205</u>	<u>8,857</u>	<u>-</u>	<u>958,358</u>
-	-	-	-	84,547	-	-	84,547
-	-	-	-	84,547	-	-	84,547
-	-	-	-	-	-	-	750
-	55,301	9,643	1,344,032	172,528	-	7,022	4,043,591
(4,443)	-	-	-	-	-	-	(5,262)
<u>(4,443)</u>	<u>55,301</u>	<u>9,643</u>	<u>1,344,032</u>	<u>172,528</u>	<u>-</u>	<u>7,022</u>	<u>4,039,079</u>
<u>\$ -</u>	<u>\$ 55,301</u>	<u>\$ 9,643</u>	<u>\$ 1,401,118</u>	<u>\$ 284,280</u>	<u>\$ 8,857</u>	<u>\$ 7,022</u>	<u>\$ 5,081,984</u>

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	702,734	629,586	72,297	-
Intergovernmental	194,609	165,778	-	-
Fines and forfeitures	-	-	-	-
Investment income	2,563	1,934	190	933
Miscellaneous	-	499	195	32,338
Total revenues	<u>899,906</u>	<u>797,797</u>	<u>72,682</u>	<u>33,271</u>
EXPENDITURES				
Current:				
General government	-	-	65,045	-
Public safety	-	-	-	-
Highways and streets	597,109	476,688	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	28,381
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	<u>334,423</u>	<u>395,268</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>931,532</u>	<u>871,956</u>	<u>65,045</u>	<u>28,381</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(31,626)</u>	<u>(74,159)</u>	<u>7,637</u>	<u>4,890</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	8,585	-	-	-
Bond premium	-	-	-	-
Transfers out	<u>(1,800)</u>	<u>(1,800)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>6,785</u>	<u>(1,800)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(24,841)</u>	<u>(75,959)</u>	<u>7,637</u>	<u>4,890</u>
FUND BALANCES, BEGINNING	<u>542,698</u>	<u>325,433</u>	<u>29,422</u>	<u>280,014</u>
FUND BALANCES, ENDING	<u>\$ 517,857</u>	<u>\$ 249,474</u>	<u>\$ 37,059</u>	<u>\$ 284,904</u>

Special Revenue

County Clerk Preservation and Archive	Justice Court Technology	Records Management District Clerk	Courthouse and Justice Security	County Attorney Fee Account
\$ -	\$ -	\$ -	\$ -	\$ -
378,158	31,617	9,579	65,819	9,461
-	-	-	-	-
-	-	-	-	-
3,079	680	168	465	87
-	-	-	-	25
<u>381,237</u>	<u>32,297</u>	<u>9,747</u>	<u>66,284</u>	<u>9,573</u>
407,654	-	30,798	-	-
-	55,290	-	23,677	22,136
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,894	-	-	-	-
<u>417,548</u>	<u>55,290</u>	<u>30,798</u>	<u>23,677</u>	<u>22,136</u>
(36,311)	(22,993)	(21,051)	42,607	(12,563)
-	-	-	-	-
-	-	-	-	-
-	-	-	(50,000)	-
-	-	-	(50,000)	-
(36,311)	(22,993)	(21,051)	(7,393)	(12,563)
<u>576,986</u>	<u>134,266</u>	<u>37,205</u>	<u>101,931</u>	<u>24,962</u>
<u>\$ 540,675</u>	<u>\$ 111,273</u>	<u>\$ 16,154</u>	<u>\$ 94,538</u>	<u>\$ 12,399</u>

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue		
	District Attorney Fee Accounts	Records Management County Courts	Judicial Efficiency
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fees of office	-	67,220	-
Intergovernmental	-	-	6,558
Fines and forfeitures	-	-	-
Investment income	4	1,955	42
Miscellaneous	4,690	-	-
Total revenues	4,694	69,175	6,600
EXPENDITURES			
Current:			
General government	-	94,914	-
Public safety	7,900	-	2,026
Highways and streets	-	-	-
Conservation	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	-
Total expenditures	7,900	94,914	2,026
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,206)	(25,739)	4,574
OTHER FINANCING SOURCES (USES)			
Proceeds from the sale of capital assets	-	-	-
Bond premium	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCES	(3,206)	(25,739)	4,574
FUND BALANCES, BEGINNING	2,387	384,809	14,492
FUND BALANCES, ENDING	\$(819)	\$ 359,070	\$ 19,066

Special Revenue

LEOSE Training	Judicial Education County Judge	Lateral Road	TCDP Christoval Water Project	Graffiti Eradication
\$ -	\$ -	\$ -	\$ -	\$ -
-	802	-	-	-
13,508	-	33,926	1,042,034	-
-	-	-	-	-
64	20	132	-	2
-	-	-	44,804	-
<u>13,572</u>	<u>822</u>	<u>34,058</u>	<u>1,086,838</u>	<u>2</u>
-	-	-	-	-
5,039	176	-	-	-
-	-	35,070	-	-
-	-	-	1,086,838	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,039</u>	<u>176</u>	<u>35,070</u>	<u>1,086,838</u>	<u>-</u>
<u>8,533</u>	<u>646</u>	<u>(1,012)</u>	<u>-</u>	<u>2</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,533	646	(1,012)	-	2
<u>18,455</u>	<u>7,986</u>	<u>17,616</u>	<u>-</u>	<u>625</u>
\$ <u>26,988</u>	\$ <u>8,632</u>	\$ <u>16,604</u>	\$ <u>-</u>	\$ <u>627</u>

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue			
	Election Contract Service	Guardianship	Child Abuse Prevention	County Attorney Pretrial Diversion Program
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	8,144	-	61,000
Intergovernmental	14,513	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	221	18	5	284
Miscellaneous	129,900	-	-	-
Total revenues	<u>144,634</u>	<u>8,162</u>	<u>5</u>	<u>61,284</u>
EXPENDITURES				
Current:				
General government	109,644	-	-	-
Public safety	-	-	-	85,660
Highways and streets	-	-	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>109,644</u>	<u>-</u>	<u>-</u>	<u>85,660</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>34,990</u>	<u>8,162</u>	<u>5</u>	<u>(24,376)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	-	-	-	-
Bond premium	-	-	-	-
Transfers out	-	(9,300)	-	(25,000)
Total other financing sources (uses)	<u>-</u>	<u>(9,300)</u>	<u>-</u>	<u>(25,000)</u>
NET CHANGE IN FUND BALANCES	34,990	(1,138)	5	(49,376)
FUND BALANCES, BEGINNING	<u>82,324</u>	<u>4,373</u>	<u>1,944</u>	<u>87,373</u>
FUND BALANCES, ENDING	<u>\$ 117,314</u>	<u>\$ 3,235</u>	<u>\$ 1,949</u>	<u>\$ 37,997</u>

Special Revenue				Debt Service		Capital Projects	
District Attorney Pretrial Diversion Program	District Clerk Technology	District/ County Court Technology	Texas Juvenile Probation Contracts	2009 TAN I&S	2015 COB I&S	2009 TAN	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,849,387	\$ -	\$ -	\$ 2,849,387
27,208	17,563	3,511	-	-	-	-	2,084,699
-	-	-	-	-	-	-	1,470,926
-	-	-	1,021,534	-	-	-	1,021,534
11	240	49	3,139	576	-	82	16,943
-	-	-	24,899	-	-	-	237,350
<u>27,219</u>	<u>17,803</u>	<u>3,560</u>	<u>1,049,572</u>	<u>2,849,963</u>	<u>-</u>	<u>82</u>	<u>7,680,839</u>
-	-	-	-	-	526,883	-	1,234,938
41,064	-	4,481	1,140,020	-	-	-	1,387,469
-	-	-	-	-	-	-	1,108,867
-	-	-	-	-	-	-	1,086,838
-	-	-	-	-	-	-	28,381
-	-	-	-	-	-	-	-
-	-	-	-	2,780,000	-	-	2,780,000
-	-	-	-	69,205	-	-	69,205
-	-	-	20,178	-	-	30,100	789,863
<u>41,064</u>	<u>-</u>	<u>4,481</u>	<u>1,160,198</u>	<u>2,849,205</u>	<u>526,883</u>	<u>30,100</u>	<u>8,485,561</u>
(13,845)	17,803	(921)	(110,626)	758	(526,883)	(30,018)	(804,722)
-	-	-	-	-	-	-	8,585
-	-	-	-	-	526,883	-	526,883
-	-	-	-	-	-	-	(87,900)
-	-	-	-	-	526,883	-	447,568
(13,845)	17,803	(921)	(110,626)	758	-	(30,018)	(357,154)
<u>9,402</u>	<u>37,498</u>	<u>10,564</u>	<u>1,454,658</u>	<u>171,770</u>	<u>-</u>	<u>37,040</u>	<u>4,396,233</u>
<u>\$(4,443)</u>	<u>\$ 55,301</u>	<u>\$ 9,643</u>	<u>\$ 1,344,032</u>	<u>\$ 172,528</u>	<u>\$ -</u>	<u>\$ 7,022</u>	<u>\$ 4,039,079</u>

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AGENCY FUNDS

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<u>COUNTY SHERIFF</u>				
ASSETS				
Cash	\$ -	\$ 50,299	\$ 50,299	\$ -
TOTAL ASSETS	\$ -	\$ 50,299	\$ 50,299	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 50,299	\$ 50,299	\$ -
TOTAL LIABILITIES	\$ -	\$ 50,299	\$ 50,299	\$ -
<u>COUNTY CLERK</u>				
ASSETS				
Cash	\$ 99,583	\$ 196,512	\$ 186,786	\$ 109,309
Investments	421,917	35,152	4,542	452,527
TOTAL ASSETS	\$ 521,500	\$ 231,664	\$ 191,328	\$ 561,836
LIABILITIES				
Accounts payable	\$ 521,500	\$ 231,664	\$ 191,328	\$ 561,836
TOTAL LIABILITIES	\$ 521,500	\$ 231,664	\$ 191,328	\$ 561,836
<u>DISTRICT CLERK</u>				
ASSETS				
Cash	\$ 139,871	\$ 715,139	\$ 587,677	\$ 267,333
Investments	666,777	144,693	279,438	532,032
TOTAL ASSETS	\$ 806,648	\$ 859,832	\$ 867,115	\$ 799,365
LIABILITIES				
Accounts payable	\$ 806,648	\$ 859,832	\$ 867,115	\$ 799,365
TOTAL LIABILITIES	\$ 806,648	\$ 859,832	\$ 867,115	\$ 799,365

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<u>TAX ASSESSOR-COLLECTOR</u>				
ASSETS				
Cash	\$ 1,513,744	\$ 53,137,531	\$ 53,383,048	\$ 1,268,227
Accounts receivable	<u>4,045</u>	<u>3,046,669</u>	<u>3,019,314</u>	<u>31,400</u>
TOTAL ASSETS	<u>\$ 1,517,789</u>	<u>\$ 56,184,200</u>	<u>\$ 56,402,362</u>	<u>\$ 1,299,627</u>
LIABILITIES				
Accounts payable	\$ -	\$ 25,585	\$ 25,090	\$ 495
Due to other governments	<u>1,517,789</u>	<u>56,158,615</u>	<u>56,377,272</u>	<u>1,299,132</u>
TOTAL LIABILITIES	<u>\$ 1,517,789</u>	<u>\$ 56,184,200</u>	<u>\$ 56,402,362</u>	<u>\$ 1,299,627</u>
<u>WATER WASTE TREATMENT FEES</u>				
ASSETS				
Cash	\$ 940	\$ 2,320	\$ 2,650	\$ 610
Accounts receivable	<u>40</u>	<u>50</u>	<u>40</u>	<u>50</u>
TOTAL ASSETS	<u>\$ 980</u>	<u>\$ 2,370</u>	<u>\$ 2,690</u>	<u>\$ 660</u>
LIABILITIES				
Accounts payable	\$ <u>980</u>	\$ <u>2,390</u>	\$ <u>2,710</u>	\$ <u>660</u>
TOTAL LIABILITIES	<u>\$ 980</u>	<u>\$ 2,390</u>	<u>\$ 2,710</u>	<u>\$ 660</u>
<u>JUROR DONATIONS</u>				
ASSETS				
Cash	\$ 12	\$ 139	\$ 151	\$ -
Accounts receivable	<u>43</u>	<u>369</u>	<u>43</u>	<u>369</u>
TOTAL ASSETS	<u>\$ 55</u>	<u>\$ 508</u>	<u>\$ 194</u>	<u>\$ 369</u>
LIABILITIES				
Accounts payable	\$ <u>55</u>	\$ <u>465</u>	\$ <u>151</u>	\$ <u>369</u>
TOTAL LIABILITIES	<u>\$ 55</u>	<u>\$ 465</u>	<u>\$ 151</u>	<u>\$ 369</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<u>CAFETERIA PLAN TRUST</u>				
ASSETS				
Cash	\$ 30,825	\$ 77,971	\$ 72,694	\$ 36,102
TOTAL ASSETS	<u>\$ 30,825</u>	<u>\$ 77,971</u>	<u>\$ 72,694</u>	<u>\$ 36,102</u>
LIABILITIES				
Accounts payable	\$ 30,825	\$ 82,289	\$ 77,012	\$ 36,102
TOTAL LIABILITIES	<u>\$ 30,825</u>	<u>\$ 82,289</u>	<u>\$ 77,012</u>	<u>\$ 36,102</u>
<u>119TH DISTRICT ATTORNEY</u>				
<u>DPS FORFEITURE</u>				
ASSETS				
Cash	\$ 98	\$ -	\$ -	\$ 98
TOTAL ASSETS	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98</u>
LIABILITIES				
Accounts payable	\$ 98	\$ -	\$ -	\$ 98
TOTAL LIABILITIES	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98</u>
<u>51ST DISTRICT ATTORNEY SPECIAL</u>				
<u>FORFEITURE</u>				
ASSETS				
Cash	\$ 38,070	\$ 53,111	\$ 64,216	\$ 26,965
Accounts receivable	-	766	-	766
Due from other governments	10,548	-	10,548	-
TOTAL ASSETS	<u>\$ 48,618</u>	<u>\$ 53,877</u>	<u>\$ 74,764</u>	<u>\$ 27,731</u>
LIABILITIES				
Accounts payable	\$ 48,618	\$ 54,994	\$ 75,881	\$ 27,731
TOTAL LIABILITIES	<u>\$ 48,618</u>	<u>\$ 54,994</u>	<u>\$ 75,881</u>	<u>\$ 27,731</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<u>119TH DISTRICT ATTORNEY</u>				
<u>SPECIAL FORFEITURE</u>				
ASSETS				
Cash	\$ 14,158	\$ 25,171	\$ 14,121	\$ 25,208
TOTAL ASSETS	<u>\$ 14,158</u>	<u>\$ 25,171</u>	<u>\$ 14,121</u>	<u>\$ 25,208</u>
LIABILITIES				
Accounts payable	\$ 14,158	\$ 16,810	\$ 5,760	\$ 25,208
TOTAL LIABILITIES	<u>\$ 14,158</u>	<u>\$ 16,810</u>	<u>\$ 5,760</u>	<u>\$ 25,208</u>
<u>STATE MUNICIPAL FEES</u>				
ASSETS				
Cash	\$ 6,549	\$ 344,722	\$ 103,054	\$ 248,217
Accounts receivable	112	5	117	-
TOTAL ASSETS	<u>\$ 6,661</u>	<u>\$ 344,727</u>	<u>\$ 103,171</u>	<u>\$ 248,217</u>
LIABILITIES				
Accounts payable	\$ 6,661	\$ 340,998	\$ 99,442	\$ 248,217
TOTAL LIABILITIES	<u>\$ 6,661</u>	<u>\$ 340,998</u>	<u>\$ 99,442</u>	<u>\$ 248,217</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<u>STATE FEES - CRIMINAL</u>				
ASSETS				
Cash	\$ 51,500	\$ 1,662,612	\$ 1,659,927	\$ 54,185
Investments	169,566	685,800	677,000	178,366
Accounts receivable	<u>2,912</u>	<u>485</u>	<u>2,911</u>	<u>486</u>
TOTAL ASSETS	<u>\$ 223,978</u>	<u>\$ 2,348,897</u>	<u>\$ 2,339,838</u>	<u>\$ 233,037</u>
LIABILITIES				
Accounts payable	<u>\$ 223,978</u>	<u>\$ 827,324</u>	<u>\$ 818,265</u>	<u>\$ 233,037</u>
TOTAL LIABILITIES	<u>\$ 223,978</u>	<u>\$ 827,324</u>	<u>\$ 818,265</u>	<u>\$ 233,037</u>
<u>STATE FEES - CIVIL</u>				
ASSETS				
Cash	\$ 38,178	\$ 861,310	\$ 862,298	\$ 37,190
Investments	83,040	365,900	367,600	81,340
Accounts receivable	<u>2,074</u>	<u>3,188</u>	<u>2,074</u>	<u>3,188</u>
TOTAL ASSETS	<u>\$ 123,292</u>	<u>\$ 1,230,398</u>	<u>\$ 1,231,972</u>	<u>\$ 121,718</u>
LIABILITIES				
Accounts payable	<u>\$ 123,292</u>	<u>\$ 493,689</u>	<u>\$ 495,263</u>	<u>\$ 121,718</u>
TOTAL LIABILITIES	<u>\$ 123,292</u>	<u>\$ 493,689</u>	<u>\$ 495,263</u>	<u>\$ 121,718</u>
<u>CHILD SAFETY FEE</u>				
ASSETS				
Cash	\$ 26,778	\$ 24,448	\$ 19,507	\$ 31,719
Accounts receivable	<u>-</u>	<u>507</u>	<u>-</u>	<u>507</u>
TOTAL ASSETS	<u>\$ 26,778</u>	<u>\$ 24,955</u>	<u>\$ 19,507</u>	<u>\$ 32,226</u>
LIABILITIES				
Accounts payable	<u>\$ 26,778</u>	<u>\$ 24,941</u>	<u>\$ 19,493</u>	<u>\$ 32,226</u>
TOTAL LIABILITIES	<u>\$ 26,778</u>	<u>\$ 24,941</u>	<u>\$ 19,493</u>	<u>\$ 32,226</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<u>DISTRICT ATTORNEY</u>				
ASSETS				
Cash	\$ 644,228	\$ 208,232	\$ 163,880	\$ 688,580
TOTAL ASSETS	<u>\$ 644,228</u>	<u>\$ 208,232</u>	<u>\$ 163,880</u>	<u>\$ 688,580</u>
LIABILITIES				
Accounts payable	\$ 644,228	\$ 208,232	\$ 163,880	\$ 688,580
TOTAL LIABILITIES	<u>\$ 644,228</u>	<u>\$ 208,232</u>	<u>\$ 163,880</u>	<u>\$ 688,580</u>
<u>COUNTY ATTORNEY</u>				
ASSETS				
Cash	\$ 21,288	\$ 74,666	\$ 75,205	\$ 20,749
TOTAL ASSETS	<u>\$ 21,288</u>	<u>\$ 74,666</u>	<u>\$ 75,205</u>	<u>\$ 20,749</u>
LIABILITIES				
Accounts payable	\$ 21,288	\$ 74,666	\$ 75,205	\$ 20,749
TOTAL LIABILITIES	<u>\$ 21,288</u>	<u>\$ 74,666</u>	<u>\$ 75,205</u>	<u>\$ 20,749</u>
<u>CHILD RESTRAINT STATE FEE</u>				
ASSETS				
Cash	\$ 4,019	\$ 5,275	\$ 4,019	\$ 5,275
TOTAL ASSETS	<u>\$ 4,019</u>	<u>\$ 5,275</u>	<u>\$ 4,019</u>	<u>\$ 5,275</u>
LIABILITIES				
Accounts payable	\$ 4,019	\$ 5,275	\$ 4,019	\$ 5,275
TOTAL LIABILITIES	<u>\$ 4,019</u>	<u>\$ 5,275</u>	<u>\$ 4,019</u>	<u>\$ 5,275</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued) SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<u>SHERIFF FORFEITURE</u>				
ASSETS				
Cash	\$ 76,847	\$ 95,607	\$ 99,610	\$ 72,844
TOTAL ASSETS	\$ 76,847	\$ 95,607	\$ 99,610	\$ 72,844
LIABILITIES				
Accounts payable	\$ 76,847	\$ 23,834	\$ 27,837	\$ 72,844
TOTAL LIABILITIES	\$ 76,847	\$ 23,834	\$ 27,837	\$ 72,844
<u>THIRD COURT OF APPEALS</u>				
ASSETS				
Cash	\$ 804	\$ 10,389	\$ 10,348	\$ 845
Accounts receivable	80	10	80	10
TOTAL ASSETS	\$ 884	\$ 10,399	\$ 10,428	\$ 855
LIABILITIES				
Accounts payable	\$ 884	\$ 10,389	\$ 10,418	\$ 855
TOTAL LIABILITIES	\$ 884	\$ 10,389	\$ 10,418	\$ 855
<u>CAFETERIA/ZP</u>				
ASSETS				
Cash	\$ -	\$ 72,694	\$ 72,694	\$ -
TOTAL ASSETS	\$ -	\$ 72,694	\$ 72,694	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 72,694	\$ 72,694	\$ -
TOTAL LIABILITIES	\$ -	\$ 72,694	\$ 72,694	\$ -

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<u>UNCLAIMED PROPERTY</u>				
ASSETS				
Cash	\$ 870	\$ 11,332	\$ 10,903	\$ 1,299
Investments	<u>10,501</u>	<u>2,504</u>	<u>8,016</u>	<u>4,989</u>
TOTAL ASSETS	<u>\$ 11,371</u>	<u>\$ 13,836</u>	<u>\$ 18,919</u>	<u>\$ 6,288</u>
LIABILITIES				
Accounts payable	<u>\$ 11,371</u>	<u>\$ 6,608</u>	<u>\$ 11,691</u>	<u>\$ 6,288</u>
TOTAL LIABILITIES	<u>\$ 11,371</u>	<u>\$ 6,608</u>	<u>\$ 11,691</u>	<u>\$ 6,288</u>
<u>BAILBONDSMEN COLLATERAL</u>				
ASSETS				
Cash	<u>\$ 747,200</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 757,200</u>
TOTAL ASSETS	<u>\$ 747,200</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 757,200</u>
LIABILITIES				
Accounts payable	<u>\$ 747,200</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 757,200</u>
TOTAL LIABILITIES	<u>\$ 747,200</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 757,200</u>
<u>JUVENILE PROBATION</u>				
ASSETS				
Cash	<u>\$ 9,408</u>	<u>\$ 1,133</u>	<u>\$ 1,343</u>	<u>\$ 9,198</u>
TOTAL ASSETS	<u>\$ 9,408</u>	<u>\$ 1,133</u>	<u>\$ 1,343</u>	<u>\$ 9,198</u>
LIABILITIES				
Accounts payable	<u>\$ 9,408</u>	<u>\$ 1,133</u>	<u>\$ 1,343</u>	<u>\$ 9,198</u>
TOTAL LIABILITIES	<u>\$ 9,408</u>	<u>\$ 1,133</u>	<u>\$ 1,343</u>	<u>\$ 9,198</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
	<u>2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>2016</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 3,464,970	\$ 57,640,613	\$ 57,444,430	\$ 3,661,153
Investments	1,351,801	1,234,049	1,336,596	1,249,254
Accounts receivable	9,306	3,052,049	3,024,579	36,776
Due from other governments	<u>10,548</u>	<u>-</u>	<u>10,548</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 4,836,625</u>	<u>\$ 61,926,711</u>	<u>\$ 61,816,153</u>	<u>\$ 4,947,183</u>
LIABILITIES				
Accounts payable	\$ 3,318,836	\$ 3,424,111	\$ 3,094,896	\$ 3,648,051
Due to other governments	<u>1,517,789</u>	<u>56,158,615</u>	<u>56,377,272</u>	<u>1,299,132</u>
TOTAL LIABILITIES	<u>\$ 4,836,625</u>	<u>\$ 59,582,726</u>	<u>\$ 59,472,168</u>	<u>\$ 4,947,183</u>

SINGLE AUDIT

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PATILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable County Judge and Members of the
Commissioners' Court of Tom Green County
San Angelo, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Tom Green County, Texas' basic financial statements, and have issued our report thereon dated April 17, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tom Green County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
April 17, 2017



P A T T I L L O , B R O W N & H I L L , L L P .
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable County Judge and Members of the
Commissioners' Court of Tom Green County
San Angelo, Texas

Report on Compliance for Each Major Federal Program

We have audited Tom Green County, Texas' compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Tom Green County, Texas' major federal programs for the year ended September 30, 2016. Tom Green County, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Tom Green County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tom Green County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Tom Green County, Texas' compliance.

Opinion on Each Major Federal and State Program

In our opinion, Tom Green County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control over Compliance

Management of Tom Green County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tom Green County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tom Green County, Texas' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on compliance for each major program and internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and UGMS. Accordingly, this report is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
April 17, 2017

TOM GREEN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2016

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's ID Number	Federal Expenditures	Pass-through Expenditures
<u>FEDERAL AWARDS</u>				
<u>U.S. Department of Agriculture</u>				
Passed through the Texas Department of Agriculture:				
School Breakfast Program	10.553	226-2004	\$ 21,547	\$ -
Total passed through the Texas Department of Agriculture			<u>21,547</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>21,547</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the Texas Department of Agriculture:				
Grape Creek Water System Improvements	14.228	7214037	335,084	-
Dove Creek Water System Improvements	14.228	7214047	318,184	-
Carlsbad First Time Water Connections and Water System	14.228	7214105	<u>413,967</u>	<u>-</u>
Total passed through the Texas Department of Agriculture			<u>1,067,235</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>1,067,235</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Direct Program:				
State Criminal Alien Assistance Program (SCAAP)	16.606	2016-AP-BX-0414	6,363	-
Passed through the City of San Angelo:				
Edward Byrne Memorial Formula Grant Program	16.738	2015-DJ-BX-0583	5,691	-
Passed through the Office of the Governor:				
Edward Byrne Memorial Formula Grant Program	16.738	28802-01	26,655	-
Body Worn Camera Grant	16.835	31708-01	<u>19,582</u>	<u>-</u>
Total U.S. Department of Justice			<u>58,291</u>	<u>-</u>

TOM GREEN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2016

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's ID Number	Federal Expenditures	Pass-through Expenditures
<u>U.S. Department of Transportation</u>				
Passed through the Texas Department of Transportation:				
State and Community Highway Safety	20.600	2016-Tomgreen-S-1YG-0051	\$ 36,828	\$ -
Total passed through the Texas Department of Transportation			36,828	-
Total U.S. Department of Transportation			36,828	-
<u>U.S. Institute of Museum and Library Services</u>				
Passed through the Texas State Library and Archives Commission:				
Grants to States Program - Interlibrary Loan Program	45.310	LS-00-15-0044-15	20,489	-
Grants to States Program - Texas Reads	45.310	451-15008	2,980	-
Total passed through the Texas State Library and Archives Commission			23,469	-
Passed through Humanities Texas:				
Hank and Friends Reading Rodeo	45.129	HTx-2016-4955	3,472	-
Total passed through Humanities Texas			3,472	-
Total U.S. Institute of Museum and Library Services			26,941	-
<u>U.S. Department of Health and Human Services</u>				
Passed through the Texas Juvenile Justice Department:				
Foster Care - Title IV-E	93.658	TJPC-E-2014-226	3,785	-
Foster Care - Title IV-E	93.658	TJPC-E-2015-226	21,114	-
Foster Care - Title IV-E	93.658	TJPC-E-2016-226	46,795	-
Total passed through the Texas Juvenile Justice Department			71,694	-
Total U.S. Department of Health and Human Services			71,694	-
<u>U.S. Department of Homeland Security</u>				
Passed through the Texas Department of Public Safety:				
Homeland Security Grant Program	97.067	29527-01	56,873	-
Total passed through the Texas Department of Public Safety			56,873	-
Total U.S. Department of Homeland Security			56,873	-
Total Expenditures of Federal Awards			\$ 1,339,409	\$ -

TOM GREEN COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SEPTEMBER 30, 2016

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal and state awards programs of Tom Green County, Texas (County). The County's reporting entity is defined in Note 1 of the basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

TOM GREEN COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	None
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Grant Guidance?	None
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster:</u>
14.228	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B federal programs	\$300,000
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Auditee qualified as low-risk auditee?	No
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Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

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