

**HILL COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2016**

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**ANNUAL FINANCIAL REPORT**  
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# **FINANCIAL SECTION**

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

## INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge  
and County Commissioners of Hill County, Texas  
Hillsboro, 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 Hill County, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise of Hill County, Texas' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 the Hill County, Texas, 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, budgetary comparison information, and pension information 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 Hill County, Texas' basic financial statements. The combining fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements 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 June 29, 2017, on our consideration of Hill County, Texas' 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 of Hill County, Texas internal control over financial reporting and compliance.

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

Waco, Texas  
June 29, 2017

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## HILL COUNTY, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Hill County, Texas (the "County") Financial Report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2016.

#### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Hill County, Texas exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$32,572,003 (net position). Of this amount, \$6,243,166 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$5,513,299. The primary reason for the increase in net position is the large amount of operating grants received for disaster recovery during the fiscal year. Two large one-time sales tax payments along with higher property taxes also attributed to the remainder of the increase. When comparing to the prior year, total revenues were \$5,097,927 greater than fiscal year 2015 and total expenses increased only \$1,356,407 from the prior year. 2015 yielded an increase in net position of \$1,771,779 while 2016 yielded an increase of \$3,741,520 over that gained in 2015.
- As of the close of the current fiscal year, Hill County, Texas' governmental funds reported combined ending fund balances of \$11,480,472 an increase of \$3,037,519 in comparison with the prior year. Approximately 41.0% of this total amount, \$4,704,344, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the General fund was \$4,710,156, or 43.0% of total General fund expenditures, the fund balance for the road and bridge fund was \$4,073,322, or 86.1% of total road and bridge fund expenditures, and the fund balance for the indigent health care fund was \$160,828, or 19.5% of total indigent health care expenditures.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information that indicates how net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The governmental activities of the County include general government, judicial, legal, public facilities, public safety, health and welfare, conservation, roads and bridges, cultural and recreation and interest on long-term debt.

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and 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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

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

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The County maintains 27 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the major governmental funds. Data from other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Budgets for the 2016 fiscal year were adopted for the General Fund, the Road and Bridge Funds, Indigent Health Care, the Law Library, the Jury Fund, the Interest and Sinking Fund, County Clerk Fund, District Clerk Records Preservation and Management, the Sheriff Investigative Fund, the D.A. Forfeited Property Fund, the Court Technology Fund, the District Clerk Archive Fund, the Courthouse Security Fund, the Hill County Tourism Fund and the Election Machine Lease Fund.

The basic governmental fund financial statements can be found on pages 12 - 18 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 – 39 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary information and the net pension liability information. Required supplementary information can be found on pages 40 – 48 of this report.

The combining statements and schedules referred to earlier in connection with major road and bridge funds and non-major governmental funds are presented immediately following the required supplementary information. Combining fund statements and schedules can be found on pages 49 - 62 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 63 - 74 of this report.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$32,572,003 at the close of the most recent fiscal year.

56.8% of the County's net position (\$18,489,999) reflects its net investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Hill County's Net Position

	Governmental Activities	
	2016	2015
Current and other assets	\$ 15,474,195	\$ 11,284,931
Capital assets	<u>23,096,696</u>	<u>22,822,099</u>
Total assets	<u>38,570,891</u>	<u>34,107,030</u>
Deferred outflows of resources	<u>2,167,860</u>	<u>795,035</u>
Long-term liabilities	6,885,485	6,516,100
Other liabilities	<u>691,109</u>	<u>1,167,401</u>
Total liabilities	<u>7,576,594</u>	<u>7,683,501</u>
Deferred inflows of resources	<u>590,154</u>	<u>159,860</u>
Net position:		
Net investment in capital assets	18,489,999	17,642,123
Restricted	7,838,838	4,933,906
Unrestricted	<u>6,243,166</u>	<u>4,482,675</u>
Total net position	<u>\$ 32,572,003</u>	<u>\$ 27,058,704</u>

An additional portion of the County's net position (24.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$6,243,166) may be used to meet the governments on going obligations to citizens and creditors. At the end of the current fiscal year, the County reported a positive balance in the governmental activities. For the prior fiscal year, the County, reported positive balances in net position, both for the government as a whole, as well as for its separate governmental activities.

### **Governmental activities:**

Governmental activities increased the County's net position by \$5,513,299.



The following table indicates changes in net position for governmental activities:

**Hill County's Changes in Net Position**

	Governmental Activities	
	2016	2015
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 3,699,037	\$ 3,970,851
Operating grants and contributions	5,233,201	1,584,960
Capital grants and contributions	593,535	1,180,430
General revenues:		
Property taxes	11,916,683	10,977,509
Sales taxes	2,488,016	1,589,207
Other taxes	71,731	72,801
Investment earnings	65,055	72,857
Gain on sale of capital assets	239,352	52,632
Miscellaneous	481,106	188,542
Total Revenues	<u>24,787,716</u>	<u>19,689,789</u>
<b>EXPENSES</b>		
General government	3,458,869	3,094,329
Judicial	3,064,389	3,033,042
Public safety	6,956,247	6,724,815
Public transportation	4,358,798	3,708,212
Health and welfare	1,100,162	1,011,174
Culture and recreation	163,898	156,103
Interest on long-term debt	172,054	190,335
Total Expenses	<u>19,274,417</u>	<u>17,918,010</u>
<b>INCREASE IN NET POSITION</b>	5,513,299	1,771,779
<b>NET POSITION, BEGINNING</b>	27,058,704	25,702,267
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>( 415,342)</u>
<b>NET POSITION, ENDING</b>	<u>\$ 32,572,003</u>	<u>\$ 27,058,704</u>

The charges for services decreased by \$271,814 due mainly to decreases in general government and the elimination of funding for housing out of County inmates. Operating grants and contributions increased mainly due to disaster recovery grants received during the current year, while capital grants and contributions decreased by \$586,895 due to fewer TXDOT bridge construction projects. Property taxes increased by \$939,174 due to an increase in assessed taxable property values and new construction.

Total expenses for governmental activities increased by \$1,356,407 primarily due to an increase related to disaster recovery within the public transportation functional expenses and higher general government expenses.

**Financial Analysis of the Government's Funds.** As noted earlier, the County's uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,480,472, an increase of \$3,037,519 in comparison with the prior year. Approximately 41.0% of this total amount \$4,704,344, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining restricted and assigned amounts of \$6,776,128 are to be used for the various functions of the County.

The General fund is the chief operating fund of the County. At the end of the current fiscal year, fund balance for the General fund was \$5,106,005 which included unassigned fund balance of \$4,710,156. 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 43.0% of total general fund expenditures.

The fund balance of the County's General fund increased by \$1,596,958 during the current fiscal year. Key factors in this change are as follows:

- Total revenue increased \$1,313,757 due to two one-time sales tax payments from the Comptroller yielding an increase in sales taxes of \$737,025 over the prior year. Property insurance proceeds from roof damages and a large health insurance rebate boosted miscellaneous income \$349,675 over the prior year. Property taxes also increased over the prior year. Total expenditures increased from \$10,716,980 to \$10,941,216 mainly due to increases in public safety and judicial expenditure offset by a decrease in health and welfare expenses. Transfers out of the General Fund were less by \$270,000.

At the end of the current fiscal year, total fund balance of the Road and Bridge fund was \$4,073,322 which was entirely restricted for public transportation. As a measure of the Road and Bridge fund's liquidity, it may be useful to compare restricted fund balance to total fund expenditures. Restricted fund balance represents 86.1% of total Road and Bridge fund expenditures.

The fund balance of the County's, Road and Bridge fund increased by \$1,192,800 during the current fiscal year. Key factors in this increase are as follows:

- The Road and Bridge Departments actually budgeted a decrease in their reserves of \$1,667,642, however, the actual reserve balance increased by \$1,192,800. Total unbudgeted FEMA awards for disaster recovery received during the year was \$2,059,105. The County did not spend as much as budgeted on construction materials, fuel, bridge construction and equipment purchases.

At the end of the current fiscal year, total fund balance of the Indigent Health Care fund was \$160,828 which was entirely restricted for health and welfare. As a measure of the Indigent Health Care fund's liquidity, it may be useful to compare restricted fund balance to total fund expenditures. Restricted fund balance represents 19.5% of total Indigent Health Care fund expenditures.

The fund balance of the County's Indigent Health Care fund increased by \$145,294 during the current fiscal year. Key factors in this increase are as follows:

- Health and welfare expenditures increased from \$812,027 to \$824,074.
- Transfers out decreased by \$100,000.

### **Fund Budgetary Highlights**

Differences between the original budget and the final amended budget for the General fund expenditures amounted to an increase of \$361,690 due to 2015 encumbrances budgeted in the current year. The largest components of the increase were attributable to increased combined public safety expenditures of \$229,856 along with higher expenditures in IT and non-departmental expense of \$121,455. For the year, actual General fund revenue was \$404,813 more than budgeted and transfers into the General fund were less than anticipated by \$305,700. Actual total expenditures were \$1,432,676 less than budgeted resulting in a surplus of \$1,533,492 for the year.

As the FEMA disaster revenue was received, it was certified and budgeted into the Road and Bridge fund increasing intergovernmental grant revenue \$2,059,105. The FEMA awards accounted for 95% of the increase to Road and Bridge revenue budget amendments. Corresponding amendments were made to increase various expenditures by the same amount as the revenue certifications with the majority of the budget amendments increasing construction materials by \$728,619 and equipment purchases by \$985,009. Overall, the actual expenditures were under budget by \$2,691,855 while actual revenue was \$70,525 over budget. These items primarily resulted in a total surplus over budget of \$2,762,410 in the Road and Bridge fund.

There was no difference between the original budget and the final amended budget for the indigent health care fund. Overall, the actual expenditures were under budget by \$810 while actual revenue was \$56,177 over budget.

### **Capital Assets and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental activities as of September 30, 2016, amounts to \$23,096,696 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was \$274,597 or 1.2%.

Depreciation on the County's capital assets of \$1,852,298 was less than its net capital purchases of \$2,180,851. Together with the sale and retirement of assets, this resulted in a net increase in capital assets.

Additional information on the County's capital assets can be found in the notes to the financial statements on page 27 - 28 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$6,843,096. All of which comprises debt backed by the full faith and credit of the County.

The County's total bonded debt decreased by \$455,256 (9.12%) during the current fiscal year. The key factor in this decrease was the payment of bonds in the amount of \$455,000.

Additional information on the County's long term debt can be found in notes to the financial statements on pages 29 - 31 of this report.

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

- The County will focus on maintaining its current reserve for 2016 and 2017 except for some possible capital expenditures discussed below. State unfunded mandates are likely.
- Economic development in Hill County continues as a \$100 million asphalt shingle plant is scheduled to be in operation by November 2017 in Hillsboro. In addition, a local architectural concrete plant has announced it will add a structural concrete plant on a 50-acre site in the Hillsboro industrial park, adding 40 jobs. Production is expected by January 1, 2018. A wood molding manufacture has relocated from San Antonio in the past year in support of the local cabinet manufacture, which plans an expansion with the addition of over 100 jobs. Nearly all of the 13 or so plants in Hillsboro's industrial community are adding employees. In the county, an explosives manufacture is expanding and adding a plant south of Blum.
- The County is considering renovating the 4<sup>th</sup> floor of the courthouse in the near future to accommodate growing storage which can be funded from the capital project fund. A possible west side courthouse annex is being considered which would require use of County reserves that has not been budgeted for FY 2017. The County is in the process of creating a Master Plan with the help of an architectural firm in hopes that the documentation of needed structural repairs and improvements will help qualify the County for possible state funding in the future to cover those repairs.

Estimated general fund revenue for fiscal year 2017 is \$13,425,369 (including incoming transfers of \$390,834). Estimated expenditures for the General Fund are \$13,425,022 (including transfers out of \$199,000).

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If questions are encountered regarding this report; contact the Hill County Auditor's Office, P.O. Box 783, Hillsboro, TX 76645; Phone: (254) 582-4060, Fax: (254) 582-4033, or Email: auditor@co.hill.tx.us.

# **BASIC FINANCIAL STATEMENTS**

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**HILL COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2016**

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 11,360,620
Receivables (net of allowance for uncollectibles)	1,535,739
Due from other governments	1,903,530
Inventories	52,282
Prepaid items	622,024
Capital assets:	
Non-depreciable	62,977
Depreciable	23,033,719
Total Assets	38,570,891
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflow related to pensions	2,017,777
Deferred charge on refunding	150,083
Total Deferred Outflows of Resources	2,167,860
<b>LIABILITIES</b>	
Accounts payable	531,456
Accrued wages	147,324
Accrued interest	12,329
Noncurrent liabilities:	
Due within one year	703,075
Due in more than one year	6,182,410
Total Liabilities	7,576,594
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflow related to pensions	590,154
Total Deferred Inflows of Resources	590,154
<b>NET POSITION</b>	
Net investment in capital assets	18,489,999
Restricted for:	
Records management	437,968
Tourism	151,881
Construction	365,282
Debt service	99,740
Elections	13,328
Health and welfare	160,828
Judicial	438,769
Public safety	639,161
Public transportation	5,531,881
Unrestricted	6,243,166
Total Net Position	\$ 32,572,003

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

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**HILL COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>Primary Government:</b>					
Governmental activities:					
General government	\$ 3,458,869	\$ 1,123,537	\$ 76,186	\$ -	\$( 2,259,146)
Judicial	3,064,389	1,319,659	235,807	-	( 1,508,923)
Public safety	6,956,247	484,540	1,098,262	12,500	( 5,360,945)
Public transportation	4,358,798	720,275	3,807,553	581,035	750,065
Health and welfare	1,100,162	51,026	15,393	-	( 1,033,743)
Culture and recreation	163,898	-	-	-	( 163,898)
Interest and other	172,054	-	-	-	( 172,054)
Total Governmental Activities	<u>19,274,417</u>	<u>3,699,037</u>	<u>5,233,201</u>	<u>593,535</u>	<u>( 9,748,644)</u>
<b>Total Primary Government</b>	<u>\$ 19,274,417</u>	<u>\$ 3,699,037</u>	<u>\$ 5,233,201</u>	<u>\$ 593,535</u>	<u>( 9,748,644)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					11,318,445
Property taxes, levied for debt service					598,238
Sales taxes					2,488,016
Other taxes					71,731
Investment earnings					65,055
Miscellaneous					481,106
Gain on sale of capital assets					239,352
Total General Revenues					<u>15,261,943</u>
Change in Net Position					5,513,299
Net position, beginning					<u>27,058,704</u>
Net position, ending					<u>\$ 32,572,003</u>

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

# HILL COUNTY, TEXAS

## BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	General	Road and Bridge	Indigent Health Care	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,154,896	\$ 3,831,269	\$ 143,008	\$ 2,231,447	\$ 11,360,620
Receivables (net of allowance for uncollectibles)	918,706	227,608	85,449	63,282	1,295,045
Due from others funds	12,935	-	-	-	12,935
Intergovernmental receivable	10,484	1,861,855	-	31,191	1,903,530
Total Assets	6,097,021	5,920,732	228,457	2,325,920	14,572,130
<b>LIABILITIES</b>					
Accounts payable	245,810	174,980	5,846	104,820	531,456
Accrued liabilities	104,798	21,364	792	20,370	147,324
Due to other funds	-	-	-	12,935	12,935
Total Liabilities	350,608	196,344	6,638	138,125	691,715
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	640,408	192,507	60,991	47,478	941,384
Unavailable revenue-grants	-	1,458,559	-	-	1,458,559
Total Deferred Inflows of Resources	640,408	1,651,066	60,991	47,478	2,399,943
<b>FUND BALANCES</b>					
Restricted for:					
Records management	-	-	-	437,968	437,968
Tourism	-	-	-	151,881	151,881
Construction	-	-	-	365,282	365,282
Debt Service	-	-	-	99,740	99,740
Elections	-	-	-	13,328	13,328
Health and welfare	-	-	160,828	-	160,828
Judicial	-	-	-	438,769	438,769
Public safety	-	-	-	639,161	639,161
Public transportation	-	4,073,322	-	-	4,073,322
Assigned for:					
Purchases on order	395,849	-	-	-	395,849
Unassigned	4,710,156	-	-	( 5,812)	4,704,344
Total Fund Balances	5,106,005	4,073,322	160,828	2,140,317	11,480,472
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,097,021	\$ 5,920,732	\$ 228,457	\$ 2,325,920	\$ 14,572,130

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

## HILL COUNTY, TEXAS

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2016

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

Total fund balances - government funds	\$ 11,480,472
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,096,696
Certain receivables unavailable to pay for current period expenditures are reported as unavailable revenue in the funds.	
Property taxes	941,384
Court fines	240,694
Grants	1,458,559
Certain items are expenditures in the funds, but are recorded as assets in the governmental activities.	
Prepaid items	622,024
Inventory	52,282
The net pension liability reported in the governmental activities does not require the use of current financial resources and, therefore, are not reported in the governmental funds.	( 172,621)
Long-term liabilities, including bonds payable, capital leases, OPEB obligation and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>( 5,147,487)</u>
Net position of governmental activities - statement of net position	\$ <u><u>32,572,003</u></u>

**HILL COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	General Fund	Road and Bridge	Indigent Health Care	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes:					
Property	\$ 8,073,326	\$ 2,406,876	\$ 759,893	\$ 597,519	\$ 11,837,614
Sales	2,040,174	248,801	199,041	-	2,488,016
Other	30,638	-	-	41,093	71,731
Intergovernmental	1,093,556	2,348,994	-	1,065,364	4,507,914
Licenses and permits	-	717,697	-	-	717,697
Fees of office	629,286	-	-	1,078,223	1,707,509
Fines and forfeitures	103,473	106,050	-	319,067	528,590
Investment earnings	37,256	18,295	-	9,504	65,055
Miscellaneous	464,709	17,186	10,434	49,090	541,419
Total Revenues	<u>12,472,418</u>	<u>5,863,899</u>	<u>969,368</u>	<u>3,159,860</u>	<u>22,465,545</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,046,665	-	-	102,573	3,149,238
Judicial	1,982,158	-	-	1,036,871	3,019,029
Public safety	5,407,227	-	-	1,447,579	6,854,806
Roads and highways	-	4,667,211	-	-	4,667,211
Health and welfare	282,353	-	824,074	2,329	1,108,756
Culture and recreation	142,242	-	-	22,007	164,249
Debt Service:					
Principal retirement	74,619	60,080	-	455,000	589,699
Interest and other	5,952	3,075	-	159,319	168,346
Total Expenditures	<u>10,941,216</u>	<u>4,730,366</u>	<u>824,074</u>	<u>3,225,678</u>	<u>19,721,334</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,531,202</u>	<u>1,133,533</u>	<u>145,294</u>	<u>( 65,818)</u>	<u>2,744,211</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	22,463	260,057	-	10,788	293,308
Transfers in	255,293	215,708	-	217,151	688,152
Transfers out	<u>( 212,000)</u>	<u>( 416,498)</u>	<u>-</u>	<u>( 59,654)</u>	<u>( 688,152)</u>
Total Other Financing Sources (uses)	<u>65,756</u>	<u>59,267</u>	<u>-</u>	<u>168,285</u>	<u>293,308</u>
<b>NET CHANGES IN FUND BALANCES</b>	1,596,958	1,192,800	145,294	102,467	3,037,519
<b>FUND BALANCE, BEGINNING</b>	<u>3,509,047</u>	<u>2,880,522</u>	<u>15,534</u>	<u>2,037,850</u>	<u>8,442,953</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 5,106,005</u>	<u>\$ 4,073,322</u>	<u>\$ 160,828</u>	<u>\$ 2,140,317</u>	<u>\$ 11,480,472</u>

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

## HILL 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

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

Net Changes in Fund Balances - total government funds	\$ 3,037,519
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period including gains or losses on sales of assets.	274,597
Revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	
Property taxes	79,069
Court fines	( 1,822)
Grants	1,458,559
Repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.	589,699
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Amortization of loss on bond refunding	( 16,676)
Amortization of premium on bonds	256
Prepaid items	94,082
Inventory	( 14,563)
Compensated absences	90,053
Interest on long-term debt	12,712
Pension cost	( 67,797)
OPEB cost	( 22,389)
Change in net position of governmental activities	\$ <u>5,513,299</u>

**HILL COUNTY, TEXAS**

**STATEMENT OF IN FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**SEPTEMBER 30, 2016**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,959,310
Total Assets	<u>\$ 1,959,310</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 140,822
Due to others	<u>1,818,488</u>
Total Liabilities	<u>\$ 1,959,310</u>

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

# HILL COUNTY, TEXAS

## NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Hill County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (dispatch, jail, and law enforcement), public transportation (roads), health, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the County’s nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported primarily by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions 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 revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. 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 revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

**General Fund** – 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.

**Road and Bridge Fund** – The Road and Bridge Fund accounts for the activities of the County's road and bridge operations.

**Indigent Health Care Fund** – The County uses this fund to account for the monies used to provide medical assistance to the poor citizens of Hill County.



Additionally, the County reports the following fund type:

***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. The County uses an agency fund to account for assets held for, and due to, employee benefits, payroll withholdings, deposits, and other. This fund is custodial in nature and does not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County’s own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

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

**Deposits and Investments**

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

Investments for the County are reported at fair value, except for the position in investment pools. The County’s investment in pools are 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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 will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.

**Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 10 percent of outstanding property taxes at year-end.

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1 of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

### **Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased in the government-wide financial statements. In the governmental funds the purchasing method is used thus expenditures are recognized at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements. The cost of prepaid items are recorded as expenses when consumed rather than when purchased in the government-wide financial statements. In the governmental funds the purchasing method is used thus expenditures are recognized at the time of purchase.

### **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. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Property, plant, and equipment of the County, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	20 -50
Building improvements	20 -50
System infrastructure	35 - 50
Vehicles	5 - 20
Office equipment	5 - 20
Computer equipment	5 - 20

## **Compensated Absences**

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

## **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 legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **Long-term Debt**

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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

## **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:

- Deferred charge on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- 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 closed five year period.

- Difference in expected and actual pension experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions – The changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from: grants and property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County also has one type of item that qualifies for reporting in this category in the government-wide financial statements. The difference in expected and actual pension expense is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

### **Fund Balance**

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 resolution of Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless 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 official delegated that authority by ordinance.
- 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 resources have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions.

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

### **Net Position**

Net position represents the difference between assets, deferred outflows (inflows) of resources 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 their 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.

### **Estimates**

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

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

### **Deficit Fund Balance**

The Jury Fund had a deficit fund balance in the amount of \$5,812. This amount will be funded with future resources and the General Fund.

### III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

#### A. Deposits and Investments

##### **Legal and Contractual Provisions Governing Deposits and Investments**

The Public Funds Investment Act (Government Code Chapter 2256) (the “Act”) 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: safety of principal and liquidity, portfolio diversification, allowable investments, acceptable risk levels, expected rates of return, maximum allowable stated maturity of portfolio investments, maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, investment staff quality and capabilities, and bid solicitation preferences for certificates of deposit.

Statutes authorize the County to invest in: obligations of the U. S. Treasury, certain U.S. agencies, and the State of Texas, certificates of deposit, certain municipal securities, money market savings accounts, repurchase agreements, bankers’ acceptances, mutual funds, investment pools, guaranteed investment contracts, and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in compliance with the requirement of the Act and with local policies.

***Custodial Credit Risk – Deposits:*** In the case of deposits, this is the risk that in the event of bank failure, the County’s deposits may not be returned to it. The County has a deposit policy for custodial credit risk. The County’s investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2016, pledged securities that are in the County’s name and FDIC insurance exceeded bank balances.

## B. Receivables

Receivables as of year-end including the applicable allowances for uncollectible accounts, were as follows:

	<u>General</u>	<u>Road and Bridge</u>	<u>Indigent Health Care</u>	<u>Other Governmental</u>	<u>Total</u>
Receivables:					
Ad valorem taxes	\$ 740,343	\$ 222,355	\$ 70,509	\$ 54,886	\$ 1,088,093
Sales taxes	225,414	27,489	21,991	-	274,894
Other	<u>26,983</u>	<u>-</u>	<u>-</u>	<u>13,884</u>	<u>40,867</u>
Gross receivables	992,740	249,844	92,500	68,770	1,403,854
Less: allowance for uncollectibles	<u>( 74,034)</u>	<u>( 22,236)</u>	<u>( 7,051)</u>	<u>( 5,488)</u>	<u>( 108,809)</u>
Net accounts receivable	<u>\$ 918,706</u>	<u>\$ 227,608</u>	<u>\$ 85,449</u>	<u>\$ 63,282</u>	<u>\$ 1,295,045</u>

## C. Capital Assets

Capital asset activity for the fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 62,977	\$ -	\$ -	\$ 62,977
Total assets not being depreciated	<u>62,977</u>	<u>-</u>	<u>-</u>	<u>62,977</u>
Capital assets, being depreciated:				
Buildings	21,283,665	188,676	-	21,472,341
Machinery and equipment	10,077,760	1,201,179	( 803,742)	10,475,197
Infrastructure	<u>9,292,407</u>	<u>790,996</u>	<u>-</u>	<u>10,083,403</u>
Total capital assets being depreciated	<u>40,653,832</u>	<u>2,180,851</u>	<u>( 803,742)</u>	<u>42,030,941</u>
Less accumulated depreciation:				
Buildings	( 7,871,782)	( 572,111)	-	( 8,443,893)
Machinery and equipment	( 7,806,944)	( 798,754)	749,786	( 7,855,912)
Infrastructure	<u>( 2,215,984)</u>	<u>( 481,433)</u>	<u>-</u>	<u>( 2,697,417)</u>
Total accumulated depreciation	<u>(17,894,710)</u>	<u>(1,852,298)</u>	<u>749,786</u>	<u>(18,997,222)</u>
Total capital assets being depreciated, net	<u>22,759,122</u>	<u>328,553</u>	<u>( 53,956)</u>	<u>23,033,719</u>
Total capital assets, net	<u>\$ 22,822,099</u>	<u>\$ 328,553</u>	<u>\$ ( 53,956)</u>	<u>\$ 23,096,696</u>

Depreciation expense was charged to governmental activities of the County as follows:

Governmental activities:	
General administration	\$ 418,760
Judicial	29,505
Public safety	388,052
Roads and highways	<u>1,015,981</u>
Total depreciation expense	<u>\$ 1,852,298</u>

**D. Interfund Receivables, Payables, and Transfers**

In the fund financial statements, interfund balances are the result of normal transactions between funds that will be liquidated in the subsequent fiscal year. The following is a summary of amounts due from and due to other funds.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 12,935

The following is a summary of interfund activity for the fiscal year.

<u>Transfer Out</u>	<u>Transfer In</u>			Total
	General Fund	Road and Bridge	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ 212,000	\$ 212,000
Road and Bridge	203,993	207,354	5,151	416,498
Nonmajor Governmental Funds	<u>51,300</u>	<u>8,354</u>	<u>-</u>	<u>59,654</u>
Total	<u>\$ 255,293</u>	<u>\$ 215,708</u>	<u>\$ 217,151</u>	<u>\$ 688,152</u>

\$62,000 was transferred to a non-major governmental fund (Juvenile Probation) for an annual required local match and \$150,000 was transferred to cover court appointed attorney fees and expenses in a non-major governmental fund (Jury Fund).

The Road and Bridge funds provided resources to General Fund in the amount of \$203,993 to cover some additional positions needed in the Sheriff's department. The General Road and Bridge Fund transferred back to the Road and Bridge precincts \$207,354 due to the dissolution of the Unit Road system.

Courthouse and Security and Justice Court Technology (non-major governmental funds) collect funds that can only be used for specific purposes and transfers were made from those funds to General Fund for the specified purposes in the amount of \$51,300.

A non-major governmental fund was closed and its balance in the amount of \$8,354 was transferred to Road and Bridge. Justice of the Peace court cost previously was a funding source for the Road and Bridge and now the fees associated with that fund are deposited directly into General Road and Bridge Fund.



**E. Leases**

Operating Leases

The County leases equipment under non-cancelable operating leases. Total costs for such leases were \$289,491 for the fiscal year. The future minimum lease payments for these leases are as follows:

<u>For the Year</u> <u>Ending September 30,</u>	<u>Amount</u>
2017	\$ 125,900
2018	108,966
2019	49,144
2020	6,675
2021	<u>1,012</u>
	<u>\$ 291,697</u>

**F. Long-term Liabilities**

**Capital Lease:**

The County has entered into a lease agreement as lessee for financing of three Ford F-150's and tax office equipment for the General Fund, Mack truck for precinct No. 1, 2 Ford Explorers for Sheriff's Office, and John Deere Tractor/Mower for Precinct No. 1. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The capital assets acquired through capital leases are as follows.

	<u>Governmental</u> <u>Activities</u>
Machinery and equipment	\$ 854,581
Less: accumulated depreciation	<u>( 516,481)</u>
	<u>\$ 338,100</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2016, were as follows:

<u>For the Fiscal Year Ending</u>	
2017	\$ 118,007
2018	58,341
2019	<u>33,703</u>
Total minimum lease payments	<u>210,051</u>
Less interest	<u>10,578</u>
Net present value of minimum lease payments	<u>\$ 199,473</u>

### **Limited Tax Refunding Bonds:**

In 2010, the County issued \$6,740,000 in limited tax refunding bonds with an interest rate ranging from 2.00% – 3.50%. The proceeds were used to refund \$6,560,000 of outstanding 1997 and 2001 certificates of obligations which had interest rates ranging from 4.25% to 5.50%. The net proceeds of \$6,970,502 (including a \$3,844 premium, a \$315,863 cash contribution and after payment of \$89,205 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 1997 and 2001 certificates of obligations were considered partially defeased and the liability for those bonds has been removed from the statement of net position. As of September 30, 2016, the funds deposited into the irrevocable trust have been used to pay the bondholders thus the bonds are no longer defeased.

The reacquisition price exceeded the net carrying amount of the old debt by \$410,502. Of this amount, \$160,363 represented an early interest payment and \$250,139 was the loss on refunding. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded the 1997 and 2001 certificates of obligations to reduce its total debt service payments over 17 years by \$1,037,163 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$628,719.

Annual debt service requirements to maturity for the Refunding Bonds are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 465,000	\$ 147,944	\$ 612,944
2018	480,000	136,319	616,319
2019	500,000	121,919	621,919
2020	515,000	106,919	621,919
2021	535,000	90,825	625,825
2022-2024	<u>2,040,000</u>	<u>169,050</u>	<u>2,209,050</u>
Total	<u>\$ 4,535,000</u>	<u>\$ 772,976</u>	<u>\$ 5,307,976</u>

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
Limited tax refunding bonds	\$ 4,990,000	\$ -	\$ 455,000	\$ 4,535,000	\$ 465,000
Premium on bonds	<u>2,563</u>	<u>-</u>	<u>256</u>	<u>2,307</u>	<u>-</u>
Total bonds payable	<u>4,992,563</u>	<u>-</u>	<u>455,256</u>	<u>4,537,307</u>	<u>465,000</u>
Capital leases	334,172	-	134,699	199,473	111,557
Compensated absences	596,125	108,457	198,510	506,072	126,518
Net pension liability	573,240	1,607,869	580,865	1,600,244	-
OPEB obligation	<u>-</u>	<u>27,389</u>	<u>5,000</u>	<u>22,389</u>	<u>-</u>
Total long-term liabilities	<u>\$ 6,496,100</u>	<u>\$ 1,743,715</u>	<u>\$ 1,374,330</u>	<u>\$ 6,865,485</u>	<u>\$ 703,075</u>

Compensated absences, OPEB obligation and the net pension liability are primarily liquidated by the General Fund, Probation Funds, and Road and Bridge Funds.

## VI. OTHER INFORMATION

### A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. There were no instances where settlements exceeded insurance coverage in any part of the three previous years.

### B. Related Party Transactions

Justice of the Peace – Whitney owns a paint and body shop that does business with the County. The total amount paid to the shop in fiscal year 2016 was \$3,676. There were no amounts payable to the shop by the County or payable to the County by the shop at September 30, 2016.

Justice of the Peace – Itasca owns Poteet Motors that does business with the County. The total amount paid to the business in fiscal year 2016 was \$13,519. There were no amounts payable to the business by the County or payable to the County by the business at September 30, 2016.

### D. Contingent Liabilities

Various claims and lawsuits are pending against the County. The evaluation of County management is that any liability to the County relating to such claims and lawsuits will not have a material impact on the County's financial position. Historically, the County has not incurred significant losses from claims or lawsuits which arise during the ordinary course of business.

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

## **E. 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](http://www.tcdrs.org).

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

### **Benefits Provided**

TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any 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. Updated annuity purchase rates will go into effect for post-2017 benefit accruals earned after 2017. Benefits accrued before 2018 will not be impacted by this update. This change was reflected in the 2015 actuarial valuation.

### ***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	113
Inactive employees entitled to but not yet receiving benefits	128
Active employees	199
	<hr/>
	440
	<hr/> <hr/>

## 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 6% of their annual gross earnings during the fiscal year. The contribution rates for the County were 7.84% and 7.6% in calendar years 2015 and 2016, respectively. The County's contributions to TCDRS for the year ended September 30, 2016, were \$596,235, 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	8.0%, 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 and scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and 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 for mortality assumptions. Mortality assumptions were updated for the 2015 valuation to reflect projected improvements.

The long-term expected rate of return on pension plan investments is 8.0%. 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 application of the investment return assumption was changed for purposes of determining plan liabilities in the 2015 actuarial valuation. All plan liabilities are now valued using an 8% discount rate. Previously, some liabilities were valued using a 7% discount rate and others were valued using a 9% discount rate.

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:

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation <sup>(1)</sup></b>	<b>Geometric Real Rate of Return (Expected minus Inflation) <sup>(2)</sup></b>
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	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 EM Standard (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	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE 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 <sup>(4)</sup>	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%

<sup>(1)</sup> Target asset allocation adopted at the April 2016 TCDRS Board meeting.

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

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> 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	\$ 21,111,735	\$ 20,538,495	\$ 573,240
Changes for the year:			
Service cost	741,781	-	741,781
Interest on total pension liability <sup>(1)</sup>	1,696,658	-	1,696,658
Effect of plan changes <sup>(2)</sup>	( 128,791)	-	( 128,791)
Effect of economic/demographic gains or losses	( 604,476)	-	( 604,476)
Effect of assumptions changes or inputs	243,723	-	243,723
Refund of contributions	( 154,978)	( 154,978)	-
Benefit payments	( 1,038,976)	( 1,038,976)	-
Administrative expenses	-	( 14,665)	14,665
Member contributions	-	444,556	( 444,556)
Net investment income	-	124,531	( 124,531)
Employer contributions	-	580,880	( 580,880)
Other <sup>(3)</sup>	-	( 213,411)	213,411
Balance at 12/31/2015	<u>\$ 21,866,676</u>	<u>\$ 20,266,432</u>	<u>\$ 1,600,244</u>

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

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

<sup>(3)</sup> 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:

	Current		
	1% Decrease 7.1%	Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$ 24,709,090	\$ 21,866,677	\$ 19,511,358
Fiduciary net position	<u>20,266,433</u>	<u>20,266,433</u>	<u>20,266,433</u>
Net pension liability/(asset)	<u>\$ 4,442,657</u>	<u>\$ 1,600,244</u>	<u>\$ ( 755,075)</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](http://www.tcdrs.org).

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

For the year ended September 30, 2016, the County recognized pension expense of \$664,047. At September 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 590,154
Changes in actuarial assumptions	194,978	-
Difference between projected and actual investment earnings	1,384,147	-
Contributions subsequent to the measurement date	438,652	-
Total	<u>\$ 2,017,777</u>	<u>\$ 590,154</u>

\$438,652 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, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

<u>For The Year Ended September 30,</u>	
2017	\$ 233,412
2018	233,412
2019	286,698
2020	235,449

### **E. Postemployment Health Care**

**Plan description and Funding Policy.** In addition to the pension benefits described above, the Commissioners Court established a medical insurance benefit plan for retirees. The County administers this single-employer defined benefit medical plan (“the Retiree Medical Plan”). The Retiree Medical Plan does not issue a publicly available financial report. Eligible retirees will be provided medical insurance benefits. Retirees are responsible for paying the premiums. A retiree is defined as someone who is receiving lifetime monthly Texas County and District retirement pension benefit payments and who retired directly from active employment with the County.

**Annual OPEB Cost and Net OPEB Obligation.** The County’s annual other postemployment benefit (OPEB) cost is calculated based on annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is

projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's OPEB obligation to the postemployment medical plan.

Fiscal Year	<u>2016</u>
Annual Required Contribution (ARC)	\$ 27,389
Interest on Net OPEB Obligation	-
Adjustment to the ARC	<u>-</u>
Annual OPEB Cost	27,389
Contributions Made	<u>5,000</u>
Increase in Net OPEB Obligation	22,389
Net OPEB Obligation, beginning of year	<u>-</u>
Net OPEB Obligation, ending of year	<u><u>\$ 22,389</u></u>

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

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
09/30/2016	\$ 27,389	\$ 5,000	18.3%	\$ 22,389

Funded Status and Funding Progress. The funding status of the post-employment medical plan as of the most recent actuarial valuation date is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
10/1/2015	\$ -	\$ 154,319	\$ 154,319	0.0%	\$ 5,978,702	2.58%

Actuarial valuation of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The October 1, 2015, actuarial valuation is the only one available; therefore, multi-trend information is not presented as required supplementary information.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Inflation rate	3.0% per annum
Actuarial cost method	Projected unit credit cost method
Amortization method	Level dollar basis
Amortization period	30-year open amortization
Salary scale	Not applicable
Health care cost trend rate	Initial rate of 8.0% declining to an ultimate rate of 5.0% after 7 years

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# **REQUIRED SUPPLEMENTARY INFORMATION**

# HILL 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 with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 8,267,139	\$ 8,267,139	\$ 8,073,326	\$( 193,813)
Sales	1,345,680	1,345,680	2,040,174	694,494
Other	30,200	30,200	30,638	438
Intergovernmental	978,820	1,016,704	1,093,556	76,852
Fees of office	744,126	744,126	629,286	( 114,840)
Fines and Forfeitures	111,731	111,731	103,473	( 8,258)
Investment earnings	32,000	32,000	37,256	5,256
Miscellaneous	287,400	520,025	464,709	( 55,316)
Total Revenues	<u>11,797,096</u>	<u>12,067,605</u>	<u>12,472,418</u>	<u>404,813</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Computer	988,038	1,057,397	618,406	438,991
County Clerk	317,323	317,323	308,994	8,329
County Judge	176,689	176,689	174,970	1,719
Elections Administration	169,739	169,739	163,257	6,482
Non-Departmental	719,001	771,097	541,053	230,044
Financial Administration:				
County Auditor	219,579	219,792	216,649	3,143
County Treasurer	211,973	211,973	175,824	36,149
Tax Assessor-Collector	452,117	452,117	449,797	2,320
Public Facilities:				
Courthouse	452,352	452,352	397,715	54,637
Total general government	<u>3,706,811</u>	<u>3,828,479</u>	<u>3,046,665</u>	<u>781,814</u>
Judicial:				
County Court at Law	323,746	323,746	322,184	1,562
District Attorney	338,906	353,017	302,163	50,854
District Clerk	356,038	356,038	349,941	6,097
District Judge	208,615	208,615	204,120	4,495
Justices of the Peace	465,407	466,504	452,012	14,492
Legal:				
County Attorney	385,659	372,952	350,973	21,979
County Attorney Excess	7,500	7,500	765	6,735
Total judicial	<u>2,085,871</u>	<u>2,088,372</u>	<u>1,982,158</u>	<u>106,214</u>

# HILL COUNTY, TEXAS

## 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 Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Public Safety:</b>				
911 Dispatch	\$ 475,468	\$ 464,030	\$ 452,040	\$ 11,990
Constables	259,876	260,876	237,465	23,411
Courthouse Security	251,430	236,361	220,022	16,339
Emergency Management	100,769	100,769	92,008	8,761
Jail	2,639,354	2,715,317	2,651,966	63,351
Sheriff	1,902,670	2,083,070	1,691,031	392,039
Animal Control	<u>76,440</u>	<u>73,940</u>	<u>62,695</u>	<u>11,245</u>
Total public safety	5,706,007	5,934,363	5,407,227	527,136
<b>Health and Welfare:</b>				
Public Assistance	167,179	179,270	191,049	( 11,779)
Veterans Service	30,435	30,435	29,705	730
Health and Safety	<u>70,692</u>	<u>70,692</u>	<u>61,599</u>	<u>9,093</u>
Total health and welfare	268,306	280,397	282,353	( 1,956)
<b>Culture and recreation:</b>				
Agriculture Extension Service	164,636	161,710	142,242	19,468
<b>Debt Service:</b>				
Principal retirement	74,619	74,619	74,619	-
Interest and other	<u>5,952</u>	<u>5,952</u>	<u>5,952</u>	<u>-</u>
Total debt service	<u>80,571</u>	<u>80,571</u>	<u>80,571</u>	<u>-</u>
Total expenditures	<u>12,012,202</u>	<u>12,373,892</u>	<u>10,941,216</u>	<u>1,432,676</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 215,106)</u>	<u>( 306,287)</u>	<u>1,531,202</u>	<u>1,837,489</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	20,760	22,463	1,703
Transfers in	560,993	560,993	255,293	( 305,700)
Transfers out	<u>( 212,000)</u>	<u>( 212,000)</u>	<u>( 212,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>348,993</u>	<u>369,753</u>	<u>65,756</u>	<u>( 303,997)</u>
<b>NET CHANGE IN FUND BALANCE</b>	133,887	63,466	1,596,958	1,533,492
<b>FUND BALANCE, BEGINNING</b>	<u>3,509,047</u>	<u>3,509,047</u>	<u>3,509,047</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 3,642,934</u>	<u>\$ 3,572,513</u>	<u>\$ 5,106,005</u>	<u>\$ 1,533,492</u>

**HILL COUNTY, TEXAS**

**ROAD AND BRIDGE FUNDS**

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

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 2,450,584	\$ 2,450,584	\$ 2,406,876	\$( 43,708)
Sales	128,160	128,160	248,801	120,641
Intergovernmental	205,093	2,357,189	2,348,994	( 8,195)
Licenses and permits	716,000	716,000	717,697	1,697
Fines and forfeitures	114,551	114,551	106,050	( 8,501)
Investment earnings	16,300	16,300	18,295	1,995
Miscellaneous	-	10,590	17,186	6,596
Total Revenues	<u>3,630,688</u>	<u>5,793,374</u>	<u>5,863,899</u>	<u>70,525</u>
<b>EXPENDITURES</b>				
Current:				
Roads and highways	5,031,240	7,359,154	4,667,211	2,691,943
Debt service:				
Principal retirement	60,080	60,080	60,080	-
Interest and other	<u>3,017</u>	<u>3,017</u>	<u>3,075</u>	( 58)
Total Expenditures	<u>5,094,337</u>	<u>7,422,251</u>	<u>4,730,366</u>	<u>2,691,885</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>( 1,463,649)</u>	<u>( 1,628,877)</u>	<u>1,133,533</u>	<u>2,762,410</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	177,733	260,057	82,324
Transfers in	200,000	200,000	215,708	15,708
Transfers out	<u>( 403,993)</u>	<u>( 416,782)</u>	<u>( 416,498)</u>	<u>284</u>
Total Other Financing Sources (Uses)	<u>( 203,993)</u>	<u>( 39,049)</u>	<u>59,267</u>	<u>98,316</u>
Net Change in Fund Balances	( 1,667,642)	( 1,667,926)	1,192,800	2,860,726
Fund Balances - Beginning	<u>2,880,522</u>	<u>2,880,522</u>	<u>2,880,522</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,212,880</u>	<u>\$ 1,212,596</u>	<u>\$ 4,073,322</u>	<u>\$ 2,860,726</u>



**HILL COUNTY, TEXAS**

**INDIGENT HEALTH CARE FUND**

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

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 779,631	\$ 779,631	\$ 759,893	\$( 19,738)
Sales	128,160	128,160	199,041	70,881
Miscellaneous	5,400	5,400	10,434	5,034
Total Revenues	<u>913,191</u>	<u>913,191</u>	<u>969,368</u>	<u>56,177</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	824,884	824,884	824,074	810
Total Expenditures	<u>824,884</u>	<u>824,884</u>	<u>824,074</u>	<u>810</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>88,307</u>	<u>88,307</u>	<u>145,294</u>	<u>56,987</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	( 100,000)	( 100,000)	-	100,000
Total Other Financing Sources (Uses)	<u>( 100,000)</u>	<u>( 100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balances	( 11,693)	( 11,693)	145,294	156,987
Fund Balances - Beginning	<u>15,534</u>	<u>15,534</u>	<u>15,534</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,841</u>	<u>\$ 3,841</u>	<u>\$ 160,828</u>	<u>\$ 156,987</u>

## HILL COUNTY, TEXAS

### NOTES TO BUDGETARY INFORMATION

SEPTEMBER 30, 2016

#### BUDGET INFORMATION

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

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. The County Judge prepares the budget by July 31 of each year pursuant to statute.

The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash.

When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund. Unused appropriations lapse at the end of each year.

Budgets for all budgeted General, Debt Service and Special Revenue Funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2016 fiscal year were adopted for the General Fund, the Road and Bridge Funds, County Clerk, the Law Library Fund, the Jury Fund, the Records Preservation and Management Fund, the D.A. Forfeited Property Fund, the Indigent Health Care, Justice Court Technology Fund, the Interest and Sinking Fund, the Investigative Fund, the Courthouse Security Fund, the Elections Machine Fund, the Hill County Tourism Fund and the District Clerk Archive Fund.

## **EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds had expenditures in excess of appropriations:

General Fund	
Health and Welfare - Public Assistance	\$ 11,779
Road and Bridge	
Debt Service - Interest and Other	58
Jury Fund	
Judicial	53,675

## HILL COUNTY, TEXAS

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

SEPTEMBER 30, 2016

<b>Plan Year Ended December 31,</b>	<b>2014</b>	<b>2015</b>
<b>Total Pension Liability</b>		
Service Cost	\$ 736,319	\$ 741,781
Interest total pension liability	1,618,264	1,696,658
Effect of plan changes	-	( 128,791)
Effect of assumption changes or inputs	-	243,723
Effect of economic/demographic (gains) or losses	( 213,147)	( 604,476)
Benefit payments/refunds of contributions	( 1,269,827)	( 1,193,954)
Net change in total pension liability	871,609	754,941
Total pension liability - beginning	<u>20,240,126</u>	<u>21,111,735</u>
Total pension liability - ending (a)	<u>\$ 21,111,735</u>	<u>\$ 21,866,676</u>
<b>Plan Fiduciary Net Position</b>		
Employer contributions	\$ 582,857	\$ 580,880
Member contributions	432,819	444,556
Investment income net of investment expenses	1,323,214	124,531
Benefit payments/refunds of contributions	( 1,269,827)	( 1,193,954)
Administrative expenses	( 15,369)	( 14,665)
Other	<u>84,216</u>	<u>( 213,411)</u>
Net change in plan fiduciary net position	1,137,910	( 272,063)
Plan fiduciary net position - beginning	<u>19,400,585</u>	<u>20,538,495</u>
Plan fiduciary net position - ending (b)	<u>20,538,495</u>	<u>20,266,432</u>
Net pension liability - ending (a) - (b)	<u>\$ 573,240</u>	<u>\$ 1,600,244</u>
Fiduciary net position as a percentage of total pension liability	97.28%	92.68%
Pensionable covered payroll	\$ 7,213,645	\$ 7,409,269
Net pension liability as a percentage of covered payroll	7.95%	21.60%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

# HILL COUNTY, TEXAS

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

SEPTEMBER 30, 2016

<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>
2014	\$ 573,479	\$ 573,479	\$ -	\$ 7,235,095	7.9%
2015	581,944	581,944	-	7,362,640	7.9%
2016	596,235	596,235	-	7,781,758	7.7%

(1) Payroll is calculated based on contributions as reported to TCDRS.

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

# HILL COUNTY, TEXAS

## NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

SEPTEMBER 30, 2016

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Entry age
<b>Amortization Method</b>	Level percentage of payroll, closed
<b>Remaining Amortization Period</b>	12.3 years (based on contribution rate calculated in 12/31/2015 valuation)
<b>Asset Valuation Method</b>	5-year smoothed market
<b>Inflation</b>	3.0%
<b>Salary Increases</b>	Varies by age and service. 4.9% average over career including inflation.
<b>Investment Rate of Return</b>	8.0%, net of investment expenses, including inflation.
<b>Retirement Age</b>	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
<b>Mortality</b>	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
<b>Changes in Plan Provisions Reflected in the Schedule</b>	No changes in plan provisions are reflected in the Schedule of Employer Contributions.

**COMBINING STATEMENTS  
AND SCHEDULES**

**HILL COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2016**

	Special Revenue		
	Adult Probation	Law Library	Jury
<b>ASSETS</b>			
Cash and cash equivalents	\$ 445,057	\$ 22,758	\$ 31,519
Receivables (net of allowance for uncollectibles)	-	-	10,051
Due from other funds	-	-	-
Intergovernmental receivable	-	-	-
Total Assets	445,057	22,758	41,570
<b>LIABILITIES</b>			
Accounts payable	4,950	1,834	47,271
Accrued liabilities	13,262	-	51
Due to other funds	-	-	60
Total Liabilities	18,212	1,834	47,382
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	-	-	-
Total Deferred Inflows of Resources	-	-	-
<b>FUND BALANCES</b>			
Restricted:			
Records management	-	-	-
Tourism	-	-	-
Construction	-	-	-
Debt Service	-	-	-
Elections	-	-	-
Judicial	-	20,924	-
Public safety	426,845	-	-
Unassigned	-	-	( 5,812)
Total Fund Balances	426,845	20,924	( 5,812)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 445,057	\$ 22,758	\$ 41,570



Special Revenue

Election Machine Lease	Election Contract Fund	Juvenile Probation	Crime Victim Assistance	County Clerk	Hill County Tourism	District Clerk Archive Fund
\$ 2,608	\$ 6,863	\$ 149,667	\$ -	\$ 413,421	\$ 151,881	\$ 5,526
-	3,833	-	-	-	-	-
-	-	-	-	-	-	-
-	-	21,602	9,589	-	-	-
<u>2,608</u>	<u>10,696</u>	<u>171,269</u>	<u>9,589</u>	<u>413,421</u>	<u>151,881</u>	<u>5,526</u>
-	-	42,020	359	2,752	-	-
-	-	6,203	755	-	-	-
-	-	-	8,475	-	-	-
<u>-</u>	<u>-</u>	<u>48,223</u>	<u>9,589</u>	<u>2,752</u>	<u>-</u>	<u>-</u>
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<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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-	-	-	-	410,669	-	5,526
-	-	-	-	-	151,881	-
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2,608	10,696	-	-	-	-	-
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-	-	123,046	-	-	-	-
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<u>2,608</u>	<u>10,696</u>	<u>123,046</u>	<u>-</u>	<u>410,669</u>	<u>151,881</u>	<u>5,526</u>
<u>\$ 2,608</u>	<u>\$ 10,696</u>	<u>\$ 171,269</u>	<u>\$ 9,589</u>	<u>\$ 413,421</u>	<u>\$ 151,881</u>	<u>\$ 5,526</u>

**HILL COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2016**

	Special Revenue			
	Election Chapter 19 Funds	Records Preservation and Management	Courthouse Security	Probate Records Management
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,658	\$ 42,825	\$ 20,708	\$ 21,773
Receivables (net of allowance for uncollectibles)	-	-	-	-
Due from other funds	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total Assets	5,658	42,825	20,708	21,773
<b>LIABILITIES</b>				
Accounts payable	5,634	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	5,634	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<b>FUND BALANCES</b>				
Restricted:				
Records management	-	-	-	21,773
Tourism	-	-	-	-
Construction	-	-	-	-
Debt Service	-	-	-	-
Elections	24	-	-	-
Judicial	-	42,825	20,708	-
Public safety	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	24	42,825	20,708	21,773
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,658	\$ 42,825	\$ 20,708	\$ 21,773

Special Revenue

Hot Check Restitution	Sheriff Department	D.A. Forfeited Property	J.P. Court Costs	Justice Court Technology	Child Welfare Board	C.A. Hot Check Fund
\$ 4,334	\$ 89,270	\$ 326,641	\$ -	\$ 12,458	\$ -	\$ 15,278
-	-	-	-	-	-	-
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-	-	-	-	-	-	-
<u>4,334</u>	<u>89,270</u>	<u>326,641</u>	<u>-</u>	<u>12,458</u>	<u>-</u>	<u>15,278</u>
-	-	-	-	-	-	-
-	-	99	-	-	-	-
<u>4,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,300</u>	<u>-</u>	<u>99</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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**HILL COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**SEPTEMBER 30, 2016**

	<u>Special Revenue</u>			
	Constable Federal Seizure	Debt Service Fund	Courthouse Project	Non-Major Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 100	\$ 97,820	\$ 365,282	\$ 2,231,447
Receivables (net of allowance for uncollectibles)	-	49,398	-	63,282
Due from other funds	-	-	-	-
Intergovernmental receivable	-	-	-	31,191
Total Assets	<u>100</u>	<u>147,218</u>	<u>365,282</u>	<u>2,325,920</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	104,820
Accrued liabilities	-	-	-	20,370
Due to other funds	100	-	-	12,935
Total Liabilities	<u>100</u>	<u>-</u>	<u>-</u>	<u>138,125</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	-	47,478	-	47,478
Total Deferred Inflows of Resources	<u>-</u>	<u>47,478</u>	<u>-</u>	<u>47,478</u>
<b>FUND BALANCES</b>				
Restricted:				
Records management	-	-	-	437,968
Tourism	-	-	-	151,881
Construction	-	-	365,282	365,282
Debt Service	-	99,740	-	99,740
Elections	-	-	-	13,328
Judicial	-	-	-	438,769
Public safety	-	-	-	639,161
Unassigned	-	-	-	( 5,812)
Total Fund Balances	<u>-</u>	<u>99,740</u>	<u>365,282</u>	<u>2,140,317</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 100</u>	<u>\$ 147,218</u>	<u>\$ 365,282</u>	<u>\$ 2,325,920</u>

# HILL COUNTY, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Special Revenue		
	Adult Probation	Law Library	Jury
<b>REVENUES</b>			
Taxes:			
Property	\$ -	\$ -	\$ -
Other	-	-	-
Intergovernmental	408,596	-	49,110
Fees of office	421,299	20,965	353,268
Fines and forfeitures	-	-	-
Investment earnings	427	20	37
Miscellaneous	-	-	3,839
Total Revenues	830,322	20,985	406,254
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Judicial	-	17,930	577,225
Public safety	917,467	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Debt Service:			
Principal retirement	-	-	-
Interest and other	-	-	-
Total Expenditures	917,467	17,930	577,225
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 87,145)	3,055	( 170,971)
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	-	-
Transfers in	-	-	150,000
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	150,000
<b>NET CHANGE IN FUND BALANCES</b>	( 87,145)	3,055	( 20,971)
<b>FUND BALANCES - BEGINNING</b>	513,990	17,869	15,159
<b>FUND BALANCES - ENDING</b>	\$ 426,845	\$ 20,924	\$( 5,812)

Special Revenue

Election Machine Lease	Election Contract Fund	Juvenile Probation	Crime Victim Assistance	County Clerk	Hill County Tourism	District Clerk Archive Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	41,093	-
-	-	551,575	42,704	-	-	-
-	-	59,325	-	151,851	-	2,970
-	-	-	-	-	-	-
46	-	144	-	1,830	570	-
<u>1,600</u>	<u>35,706</u>	<u>1,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,646</u>	<u>35,706</u>	<u>612,895</u>	<u>42,704</u>	<u>153,681</u>	<u>41,663</u>	<u>2,970</u>
13,094	32,676	-	-	50,790	-	-
-	-	175,423	-	750	-	4,000
-	-	479,554	42,704	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	22,007	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>13,094</u>	<u>32,676</u>	<u>654,977</u>	<u>42,704</u>	<u>51,540</u>	<u>22,007</u>	<u>4,000</u>
( 11,448)	3,030	( 42,082)	-	102,141	19,656	( 1,030)
-	-	-	-	-	-	-
-	-	67,151	-	-	-	-
<u>-</u>	<u>-</u>	<u>(5,151)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>62,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
( 11,448)	3,030	19,918	-	102,141	19,656	( 1,030)
<u>14,056</u>	<u>7,666</u>	<u>103,128</u>	<u>-</u>	<u>308,528</u>	<u>132,225</u>	<u>6,556</u>
<u>\$ 2,608</u>	<u>\$ 10,696</u>	<u>\$ 123,046</u>	<u>\$ -</u>	<u>\$ 410,669</u>	<u>\$ 151,881</u>	<u>\$ 5,526</u>

# HILL COUNTY, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Special Revenue			
	Election Chapter 19 Funds	Records Preservation and Management	Courthouse Security	Probate Records Management
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental	6,013	-	-	-
Fees of office	-	24,268	21,942	815
Fines and forfeitures	-	-	-	-
Investment earnings	-	274	134	123
Miscellaneous	-	-	-	-
Total Revenues	6,013	24,542	22,076	938
<b>EXPENDITURES</b>				
Current:				
General government	6,013	-	-	-
Judicial	-	29,253	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest and other	-	-	-	-
Total Expenditures	6,013	29,253	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	( 4,711)	22,076	938
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	( 25,000)	-
Total Other Financing Sources (Uses)	-	-	( 25,000)	-
<b>NET CHANGE IN FUND BALANCES</b>				
	-	( 4,711)	( 2,924)	938
<b>FUND BALANCES - BEGINNING</b>				
	24	47,536	23,632	20,835
<b>FUND BALANCES - ENDING</b>				
	\$ 24	\$ 42,825	\$ 20,708	\$ 21,773



Special Revenue

Hot Check Restitution	Sheriff Department	D.A. Forfeited Property	J.P. Court Costs	Justice Court Technology	Child Welfare Board	C.A. Hot Check Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	7,366	-	-	-	-	-
3,990	-	-	-	17,530	-	-
-	1,412	316,910	-	-	-	745
-	188	1,585	15	86	-	-
-	1,882	1,883	-	-	2,329	-
<u>3,990</u>	<u>10,848</u>	<u>320,378</u>	<u>15</u>	<u>17,616</u>	<u>2,329</u>	<u>745</u>
-	-	-	-	-	-	-
2,977	-	229,313	-	-	-	-
-	7,854	-	-	-	-	-
-	-	-	-	-	2,329	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,977</u>	<u>7,854</u>	<u>229,313</u>	<u>-</u>	<u>-</u>	<u>2,329</u>	<u>-</u>
<u>1,013</u>	<u>2,994</u>	<u>91,065</u>	<u>15</u>	<u>17,616</u>	<u>-</u>	<u>745</u>
-	7,858	2,930	-	-	-	-
-	-	-	-	-	-	-
( 4,300)	-	-	( 3,203)	( 22,000)	-	-
<u>( 4,300)</u>	<u>7,858</u>	<u>2,930</u>	<u>( 3,203)</u>	<u>( 22,000)</u>	<u>-</u>	<u>-</u>
( 3,287)	10,852	93,995	( 3,188)	( 4,384)	-	745
<u>3,321</u>	<u>78,418</u>	<u>232,547</u>	<u>3,188</u>	<u>16,842</u>	<u>-</u>	<u>14,533</u>
<u>\$ 34</u>	<u>\$ 89,270</u>	<u>\$ 326,542</u>	<u>\$ -</u>	<u>\$ 12,458</u>	<u>\$ -</u>	<u>\$ 15,278</u>

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# HILL COUNTY, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

### NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2016

	Special Revenue			
	Constable Federal Seizure	Debt Service Fund	Courthouse Project	Non-Major Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ 597,519	\$ -	\$ 597,519
Other	-	-	-	41,093
Intergovernmental	-	-	-	1,065,364
Fees of office	-	-	-	1,078,223
Fines and forfeitures	-	-	-	319,067
Investment earnings	-	1,062	2,963	9,504
Miscellaneous	-	-	-	49,090
Total Revenues	-	598,581	2,963	3,159,860
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	102,573
Judicial	-	-	-	1,036,871
Public safety	-	-	-	1,447,579
Health and welfare	-	-	-	2,329
Culture and recreation	-	-	-	22,007
Debt Service:				
Principal retirement	-	455,000	-	455,000
Interest and other	-	159,319	-	159,319
Total Expenditures	-	614,319	-	3,225,678
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	-	( 15,738)	2,963	( 65,818)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	10,788
Transfers in	-	-	-	217,151
Transfers out	-	-	-	( 59,654)
Total Other Financing Sources (Uses)	-	-	-	168,285
<b>NET CHANGE IN FUND BALANCES</b>	-	( 15,738)	2,963	102,467
<b>FUND BALANCES - BEGINNING</b>	-	115,478	362,319	2,037,850
<b>FUND BALANCES - ENDING</b>	\$ -	\$ 99,740	\$ 365,282	\$ 2,140,317

**HILL COUNTY, TEXAS**  
**ROAD AND BRIDGE FUNDS**  
**COMBINING BALANCE SHEET**

**SEPTEMBER 30, 2016**

	Road and Bridge General	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
<b>ASSETS</b>					
Cash and cash equivalents	\$ 133,447	\$ 821,449	\$ 326,996	\$ 644,983	\$ 841,971
Receivables (net of allowance for uncollectibles)	-	22,236	22,100	25,237	21,372
Intergovernmental receivable	<u>-</u>	<u>1,364,443</u>	<u>255,649</u>	<u>212,888</u>	<u>28,875</u>
Total Assets	<u>133,447</u>	<u>2,208,128</u>	<u>604,745</u>	<u>883,108</u>	<u>892,218</u>
<b>LIABILITIES</b>					
Accounts payable	10,575	21,532	61,984	33,414	10,530
Accrued wages payable	<u>600</u>	<u>5,819</u>	<u>4,710</u>	<u>6,156</u>	<u>4,079</u>
Total Liabilities	<u>11,175</u>	<u>27,351</u>	<u>66,694</u>	<u>39,570</u>	<u>14,609</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	-	14,912	14,821	16,925	14,332
Unavailable revenue-grants	<u>-</u>	<u>1,042,002</u>	<u>174,794</u>	<u>212,888</u>	<u>28,875</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>1,056,914</u>	<u>189,615</u>	<u>229,813</u>	<u>43,207</u>
<b>FUND BALANCES</b>					
Restricted for:					
Public transportation	<u>122,272</u>	<u>1,123,863</u>	<u>348,436</u>	<u>613,725</u>	<u>834,402</u>
Total Fund Balances	<u>122,272</u>	<u>1,123,863</u>	<u>348,436</u>	<u>613,725</u>	<u>834,402</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 133,447</u>	<u>\$ 2,208,128</u>	<u>\$ 604,745</u>	<u>\$ 883,108</u>	<u>\$ 892,218</u>

<u>Lateral Road No. 1</u>	<u>Lateral Road No. 2</u>	<u>Lateral Road No. 3</u>	<u>Lateral Road No. 4</u>	<u>Total Road and Bridge</u>
\$ 107,776	\$ 113,911	\$ 432,556	\$ 408,180	\$ 3,831,269
33,414	33,209	37,924	32,116	227,608
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,861,855</u>
<u>141,190</u>	<u>147,120</u>	<u>470,480</u>	<u>440,296</u>	<u>5,920,732</u>
13,327	10,962	8,152	4,504	174,980
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,364</u>
<u>13,327</u>	<u>10,962</u>	<u>8,152</u>	<u>4,504</u>	<u>196,344</u>
32,156	31,958	36,496	30,907	192,507
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,458,559</u>
<u>32,156</u>	<u>31,958</u>	<u>36,496</u>	<u>30,907</u>	<u>1,651,066</u>
<u>95,707</u>	<u>104,200</u>	<u>425,832</u>	<u>404,885</u>	<u>4,073,322</u>
<u>95,707</u>	<u>104,200</u>	<u>425,832</u>	<u>404,885</u>	<u>4,073,322</u>
<u>\$ 141,190</u>	<u>\$ 147,120</u>	<u>\$ 470,480</u>	<u>\$ 440,296</u>	<u>\$ 5,920,732</u>

# HILL COUNTY, TEXAS

## ROAD AND BRIDGE FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

**SEPTEMBER 30, 2016**

	Road and Bridge General	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
<b>REVENUES</b>					
Taxes					
Property	\$ -	\$ 190,436	\$ 189,269	\$ 216,139	\$ 183,038
Sales	-	60,832	60,459	69,042	58,468
Intergovernmental	-	1,339,468	555,652	324,832	129,042
License and permits	-	175,477	174,400	199,161	168,659
Fines and forfeitures	106,050	-	-	-	-
Investment earnings	916	1,723	1,505	5,718	8,433
Miscellaneous	-	3,211	987	12,196	792
Total Revenues	106,966	1,771,147	982,272	827,088	548,432
<b>EXPENDITURES</b>					
Roads and highways	103,455	907,904	876,085	737,454	446,673
Debt Service:					
Principal retirement	-	31,754	-	-	-
Interest and other	-	1,949	-	-	-
Total Expenditures	103,455	941,607	876,085	737,454	446,673
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	3,511	829,540	106,187	89,634	101,759
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	-	166,835	54,823	-	20,899
Transfers in	3,203	61,405	48,600	55,500	47,000
Transfers out	( 200,000)	( 62,445)	( 51,000)	( 50,337)	( 51,000)
Total Other Financing Sources (Uses)	( 196,797)	165,795	52,423	5,163	16,899
Net Changes in Fund Balances	( 193,286)	995,335	158,610	94,797	118,658
Fund Balances - Beginning	315,558	128,528	189,826	518,928	715,744
Fund Balances - Ending	\$ 122,272	\$ 1,123,863	\$ 348,436	\$ 613,725	\$ 834,402

<u>Lateral Road No. 1</u>	<u>Lateral Road No. 2</u>	<u>Lateral Road No. 3</u>	<u>Lateral Road No. 4</u>	<u>Total Road and Bridge</u>
\$ 398,044	\$ 395,604	\$ 451,768	\$ 382,578	\$ 2,406,876
-	-	-	-	248,801
-	-	-	-	2,348,994
-	-	-	-	717,697
-	-	-	-	106,050
-	-	-	-	18,295
-	-	-	-	17,186
<u>398,044</u>	<u>395,604</u>	<u>451,768</u>	<u>382,578</u>	<u>5,863,899</u>
364,858	506,706	359,649	364,427	4,667,211
28,326	-	-	-	60,080
1,126	-	-	-	3,075
<u>394,310</u>	<u>506,706</u>	<u>359,649</u>	<u>364,427</u>	<u>4,730,366</u>
3,734	( 111,102)	92,119	18,151	1,133,533
-	12,500	-	5,000	260,057
-	-	-	-	215,708
( 1,716)	-	-	-	( 416,498)
<u>( 1,716)</u>	<u>12,500</u>	<u>-</u>	<u>5,000</u>	<u>59,267</u>
2,018	( 98,602)	92,119	23,151	1,192,800
<u>93,689</u>	<u>202,802</u>	<u>333,713</u>	<u>381,734</u>	<u>2,880,522</u>
<u>\$ 95,707</u>	<u>\$ 104,200</u>	<u>\$ 425,832</u>	<u>\$ 404,885</u>	<u>\$ 4,073,322</u>

HILL COUNTY, TEXAS

LAW LIBRARY

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 26,000	\$ 26,000	\$ 20,965	\$( 5,035)
Investment earnings	<u>150</u>	<u>150</u>	<u>20</u>	<u>( 130)</u>
Total Revenues	<u>26,150</u>	<u>26,150</u>	<u>20,985</u>	<u>( 5,165)</u>
<b>EXPENDITURES</b>				
Current				
Judicial	<u>30,000</u>	<u>30,000</u>	<u>17,930</u>	<u>12,070</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>17,930</u>	<u>12,070</u>
Net Change in Fund Balances	( 3,850)	( 3,850)	3,055	6,905
Fund Balances - Beginning	<u>17,869</u>	<u>17,869</u>	<u>17,869</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 14,019</u>	<u>\$ 14,019</u>	<u>\$ 20,924</u>	<u>\$ 6,905</u>



# HILL COUNTY, TEXAS

## JURY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 49,110	\$( 10,890)
Fees of office	368,600	368,600	353,268	( 15,332)
Investment earnings	75	75	37	( 38)
Miscellaneous	-	-	3,839	3,839
Total Revenues	<u>428,675</u>	<u>428,675</u>	<u>406,254</u>	<u>( 22,421)</u>
<b>EXPENDITURES</b>				
Current				
Judicial	523,550	523,550	577,225	( 53,675)
Total Expenditures	<u>523,550</u>	<u>523,550</u>	<u>577,225</u>	<u>( 53,675)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	( 94,875)	( 94,875)	( 170,971)	( 76,096)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	150,000	150,000	150,000	-
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net Change in Fund Balances	55,125	55,125	( 20,971)	( 76,096)
Fund Balances - Beginning	<u>15,159</u>	<u>15,159</u>	<u>15,159</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 70,284</u>	<u>\$ 70,284</u>	<u>\$( 5,812)</u>	<u>\$( 76,096)</u>

**HILL COUNTY, TEXAS**

**RECORDS PRESERVATION AND MANAGEMENT**

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

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 27,000	\$ 27,000	\$ 24,268	\$ ( 2,732)
Investment earnings	<u>120</u>	<u>120</u>	<u>274</u>	<u>154</u>
Total Revenues	<u>27,120</u>	<u>27,120</u>	<u>24,542</u>	<u>( 2,578)</u>
 <b>EXPENDITURES</b>				
Current				
Judicial	<u>30,500</u>	<u>30,500</u>	<u>29,253</u>	<u>1,247</u>
Total Expenditures	<u>30,500</u>	<u>30,500</u>	<u>29,253</u>	<u>1,247</u>
 Net Change in Fund Balances	( 3,380)	( 3,380)	( 4,711)	( 1,331)
 Fund Balances - Beginning	<u>47,536</u>	<u>47,536</u>	<u>47,536</u>	<u>-</u>
 Fund Balances - Ending	<u>\$ 44,156</u>	<u>\$ 44,156</u>	<u>\$ 42,825</u>	<u>\$ ( 1,331)</u>

**HILL COUNTY, TEXAS**

**D.A. FORFEITED PROPERTY**

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

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ 316,910	\$ 316,910	\$ -
Investment earnings	500	500	1,585	1,085
Miscellaneous	-	-	1,883	1,883
Total Revenues	<u>500</u>	<u>317,410</u>	<u>320,378</u>	<u>2,968</u>
<b>EXPENDITURES</b>				
Current				
Judicial	<u>57,367</u>	<u>374,277</u>	<u>229,313</u>	<u>144,964</u>
Total Expenditures	<u>57,367</u>	<u>374,277</u>	<u>229,313</u>	<u>144,964</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(56,867)</u>	<u>(56,867)</u>	<u>91,065</u>	<u>147,932</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	2,930	2,930
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,930</u>	<u>2,930</u>
Net Change in Fund Balances	( 56,867)	( 56,867)	93,995	150,862
Fund Balances - Beginning	<u>232,547</u>	<u>232,547</u>	<u>232,547</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 175,680</u>	<u>\$ 175,680</u>	<u>\$ 326,542</u>	<u>\$ 150,862</u>

**HILL COUNTY, TEXAS**

**INTEREST AND SINKING FUND**

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

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property	\$ 529,037	\$ 529,037	\$ 597,519	\$ 68,482
Investment earnings	<u>1,600</u>	<u>1,600</u>	<u>1,062</u>	( <u>538</u> )
Total Revenues	<u>530,637</u>	<u>530,637</u>	<u>598,581</u>	<u>67,944</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	455,000	455,000	455,000	-
Interest and other	<u>159,319</u>	<u>159,319</u>	<u>159,319</u>	<u>-</u>
Total Expenditures	<u>614,319</u>	<u>614,319</u>	<u>614,319</u>	<u>-</u>
Net Change in Fund Balances	( 83,682 )	( 83,682 )	( 15,738 )	67,944
Fund Balances - Beginning	<u>115,478</u>	<u>115,478</u>	<u>115,478</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 31,796</u>	<u>\$ 31,796</u>	<u>\$ 99,740</u>	<u>\$ 67,944</u>

# HILL COUNTY, TEXAS

## COUNTY CLERK

(COUNTY CLERK RECORDS, PROBATE EDUCATION AND COUNTY CLERK ARCHIVE FUNDS)

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 159,520	\$ 159,520	\$ 151,851	\$( 7,669)
Investment earnings	<u>1,092</u>	<u>1,092</u>	<u>1,830</u>	<u>738</u>
Total Revenues	<u>160,612</u>	<u>160,612</u>	<u>153,681</u>	<u>( 6,931)</u>
<b>EXPENDITURES</b>				
Current				
General administration	84,000	84,000	50,790	33,210
Judicial	<u>750</u>	<u>750</u>	<u>750</u>	<u>-</u>
Total Expenditures	<u>84,750</u>	<u>84,750</u>	<u>51,540</u>	<u>33,210</u>
Net Change in Fund Balances	75,862	75,862	102,141	26,279
Fund Balances - Beginning	<u>308,528</u>	<u>308,528</u>	<u>308,528</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 384,390</u>	<u>\$ 384,390</u>	<u>\$ 410,669</u>	<u>\$ 26,279</u>

# HILL COUNTY, TEXAS

## HILL COUNTY TOURISM

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Other	\$ 26,000	\$ 26,000	\$ 41,093	\$ 15,093
Investment earnings	<u>-</u>	<u>-</u>	<u>570</u>	<u>570</u>
Total Revenues	<u>26,000</u>	<u>26,000</u>	<u>41,663</u>	<u>15,663</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	<u>27,200</u>	<u>27,200</u>	<u>22,007</u>	<u>5,193</u>
Total Expenditures	<u>27,200</u>	<u>27,200</u>	<u>22,007</u>	<u>5,193</u>
Net Change in Fund Balances	( 1,200)	( 1,200)	19,656	20,856
Fund Balances - Beginning	<u>132,225</u>	<u>132,225</u>	<u>132,225</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 131,025</u>	<u>\$ 131,025</u>	<u>\$ 151,881</u>	<u>\$ 20,856</u>

**HILL COUNTY, TEXAS**

**JUSTICE COURT TECHNOLOGY**

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

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 19,380	\$ 19,380	\$ 17,530	\$( 1,850)
Investment earnings	<u>150</u>	<u>150</u>	<u>86</u>	<u>( 64)</u>
Total Revenues	<u>19,530</u>	<u>19,530</u>	<u>17,616</u>	<u>( 1,914)</u>
<b>EXPENDITURES</b>				
Current				
Judicial	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,530</u>	<u>19,530</u>	<u>17,616</u>	<u>( 1,914)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>( 22,000)</u>	<u>( 22,000)</u>	<u>( 22,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>( 22,000)</u>	<u>( 22,000)</u>	<u>( 22,000)</u>	<u>-</u>
Net Change in Fund Balances	( 2,470)	( 2,470)	( 4,384)	( 1,914)
Fund Balances - Beginning	<u>16,842</u>	<u>16,842</u>	<u>16,842</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 14,372</u>	<u>\$ 14,372</u>	<u>\$ 12,458</u>	<u>\$( 1,914)</u>

**HILL COUNTY, TEXAS**

**COURTHOUSE SECURITY**

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

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 24,650	\$ 24,650	\$ 21,942	\$ ( 2,708)
Investment earnings	<u>130</u>	<u>130</u>	<u>134</u>	<u>4</u>
Total Revenues	<u>24,780</u>	<u>24,780</u>	<u>22,076</u>	<u>( 2,704)</u>
 <b>EXPENDITURES</b>				
Current				
Judicial	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,780</u>	<u>24,780</u>	<u>22,076</u>	<u>( 2,704)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>( 25,000)</u>	<u>( 25,000)</u>	<u>( 25,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>( 25,000)</u>	<u>( 25,000)</u>	<u>( 25,000)</u>	<u>-</u>
 Net Change in Fund Balances	( 220)	( 220)	( 2,924)	( 2,704)
 Fund Balances - Beginning	<u>23,632</u>	<u>23,632</u>	<u>23,632</u>	<u>-</u>
 Fund Balances - Ending	<u>\$ 23,412</u>	<u>\$ 23,412</u>	<u>\$ 20,708</u>	<u>\$ ( 2,704)</u>



**HILL COUNTY, TEXAS**

**ELECTION MACHINE LEASE**

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

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 46	\$ 46
Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>1,600</u>	<u>( 2,400)</u>
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>1,646</u>	<u>( 2,354)</u>
<b>EXPENDITURES</b>				
Current				
General administration	<u>13,500</u>	<u>13,500</u>	<u>13,094</u>	<u>406</u>
Total Expenditures	<u>13,500</u>	<u>13,500</u>	<u>13,094</u>	<u>406</u>
Net Change in Fund Balances	( 9,500)	( 9,500)	( 11,448)	( 1,948)
Fund Balances - Beginning	<u>14,056</u>	<u>14,056</u>	<u>14,056</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,556</u>	<u>\$ 4,556</u>	<u>\$ 2,608</u>	<u>\$( 1,948)</u>

**HILL COUNTY, TEXAS**

**DISTRICT CLERK ARCHIVE**

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

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 4,040	\$ 4,040	\$ 2,970	\$ ( 1,070)
Total Revenues	<u>4,040</u>	<u>4,040</u>	<u>2,970</u>	<u>( 1,070)</u>
<b>EXPENDITURES</b>				
Current				
Judicial	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net Change in Fund Balances	40	40	( 1,030)	( 1,070)
Fund Balances - Beginning	<u>6,556</u>	<u>6,556</u>	<u>6,556</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 6,596</u>	<u>\$ 6,596</u>	<u>\$ 5,526</u>	<u>\$ ( 1,070)</u>

**HILL COUNTY, TEXAS**

**SHERIFF DEPARTMENT FUND**

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

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 7,366	\$ 7,366
Fines and forfeitures	-	-	1,412	1,412
Investment earnings	50	50	188	138
Miscellaneous	-	-	1,882	1,882
Total Revenues	<u>50</u>	<u>50</u>	<u>10,848</u>	<u>10,798</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>73,000</u>	<u>47,740</u>	<u>7,854</u>	<u>39,886</u>
Total Expenditures	<u>73,000</u>	<u>47,740</u>	<u>7,854</u>	<u>39,886</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>( 72,950)</u>	<u>( 47,690)</u>	<u>2,994</u>	<u>50,684</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>7,858</u>	<u>7,858</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,858</u>	<u>7,858</u>
Net Change in Fund Balances	( 72,950)	( 47,690)	10,852	58,542
Fund Balances - Beginning	<u>78,418</u>	<u>78,418</u>	<u>78,418</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 5,468</u>	<u>\$ 30,728</u>	<u>\$ 89,270</u>	<u>\$ 58,542</u>

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