

WINKLER COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

Winkler County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2016

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Introductory Section

WINKLER COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2016

Principal Officials

<u>Name</u>	<u>Office</u>
District Courts	
Martin B. Muncy	District Judge
Sherry Terry	District Clerk
Amanda Navarette	District Attorney
Commissioners' Court	
Charles Wolf	County Judge
Billy Stevens	Commissioner, Precinct 1
Robbie Wolf	Commissioner, Precinct 2
Hope Williams	Commissioner, Precinct 3
Billy Ray Thompson	Commissioner, Precinct 4
County and Precinct Officials	
Thomas Duckworth, Jr.	County Attorney
Jeanna Wilhelm	County Auditor
Shethelia Reed	County Clerk
Minerva Soltero	Tax Assessor-Collector
Darin Mitchell	Sheriff
Shannon Nutt	County Treasurer
Erma Coleman	Justice of the Peace, Precinct 1
Glenda Mixon	Justice of the Peace, Precinct 2
Richard Crow	Constable, Precinct 1
Carl Garrett	Constable, Precinct 2
Raul Santillan	Chief Adult Probation Officer
Christi Gonzales	Chief Juvenile Probation Officer

Financial Section

Regina K. Johnston, P.C.
William P. Patton, P.C.

Members of
American Institute of Certified Public
Accountants,
Division of CPA Firms,
Private Companies Practice Section,
Texas Society of Certified Public
Accountants

Robison Johnston & Patton, LLP
C E R T I F I E D P U B L I C A C C O U N T A N T S
A P A R T N E R S H I P I N C L U D I N G P R O F E S S I O N A L C O R P O R A T I O N S

Independent Auditors' Report

To the Commissioners' Court
Winkler County, Texas
100 East Winkler
Kermit, Texas 79745

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Winkler County, Texas ("the County") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Memorial Hospital, which represents 100 percent of the assets, net position, and revenues of the enterprise fund. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts for the Memorial Hospital, is based solely on the report of the other auditors. 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 of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Winkler County, Texas as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2016, Winkler County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 72, *Fair Value*. Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2016, Winkler County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 76, *Hierarchy of GAAP*. Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2016, Winkler County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 77, *Tax Abatements*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Winkler County, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2017 on our consideration of Winkler 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 Winkler County, Texas' internal control over financial reporting and compliance.

Robison Johnston & Patten LLP

Lubbock, TX
June 20, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Winkler County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2016. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

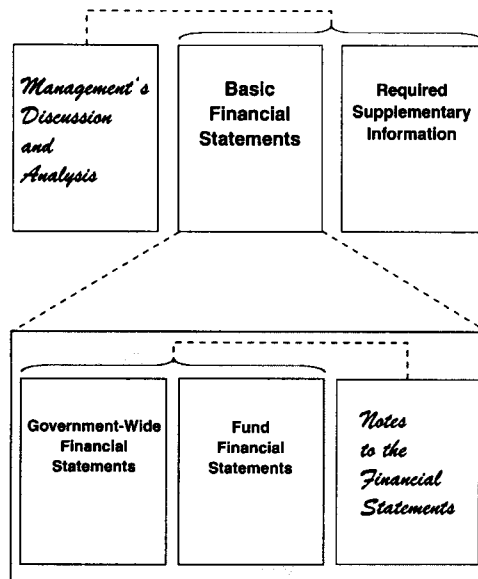
- The County's total combined net position was \$52,870,657 at December 31, 2016.
- During the year, the County's expenses were \$26,359 less than the \$13,541,653 generated in taxes and other revenues for governmental activities.
- The total cost of the County's governmental programs increased by 4.29% over last year, and no new programs were added this year.
- The general fund reported a total fund balance this year of \$24,653,614, of which \$16,701,470 is considered unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee* or *agent* for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the County's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Summary ↔ Detail

Figure A-1 shows how the required parts of

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how it has changed. Net position—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, public safety, transportation, health and welfare, culture and recreation, facilities, judicial, legal, and interest on long-term debt. Property taxes, sales taxes, charges for services and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.
- The Commissioners' Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

Governmental funds—Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

Proprietary funds—Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

- We use *internal service funds* to report activities that provide supplies and services for the County's other programs and activities.

Fiduciary funds—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

The financial statements include Memorial Hospital for which Winkler County provides support, oversees the operations, and promulgates the rules and regulations for. Financial information for this component unit is reported as an enterprise fund of the County.

Effective January 1, 2009, the County adopted GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Upon adoption of this standard, the County recognizes these post employment benefit costs utilizing an accrual method of accounting.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's combined net position was \$52,870,657 at December 31, 2016.

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2016	2015	2016	2015	2016	2015	2015-2016
Current assets:							
Cash and cash equivalents	\$19,531,000	\$19,640,985	\$918,391	\$383,156	\$20,449,391	\$20,024,141	2.12%
Assets limited as to use, current	0	0	25,500	25,500	25,500	25,500	0%
Receivables: (net of allowances)							
Accounts	952,243	1,096,415	0	0	952,243	1,096,415	13.15%
Taxes	7,148,005	6,464,971	0	0	7,148,005	6,464,971	10.57%
Ambulance, Fines & Fees	886,646	1,107,677	0	0	886,646	1,107,677	19.95%
Patient Accounts Rec.	0	0	819,572	923,071	819,572	923,071	11.21%
Estimated Third-Party Payor	0	0	1,057,243	1,153,651	1,057,243	1,153,651	8.36%
Other Current Assets	0	0	229,889	236,384	229,889	236,384	2.75%
Total current assets:	28,517,894	28,310,048	3,050,595	2,721,762	31,568,489	31,031,810	
Noncurrent assets:							
Land	232,196	232,196	5,544	5,544	237,740	237,740	0%
Building and Improvements	37,118,157	36,811,735	0	0	37,118,157	36,811,735	8.32%
Furniture and Equipment	13,115,093	13,048,072	470,599	470,599	13,585,692	13,518,671	.50%
Infrastructure	6,103,434	5,465,782	0	0	6,103,434	5,465,782	11.67%
Leased Assets	0	0	1,165,621	1,165,621	1,165,621	1,165,621	0%
Construction in Progress	262,109	568,053	0	0	262,109	568,053	53.86%
Less accumulated Depreciation	(26,291,132)	(24,812,141)	(1,555,520)	(1,481,746)	(27,846,652)	(26,293,887)	5.91%
Total noncurrent assets	30,539,857	31,313,697	86,244	160,018	30,626,101	31,473,715	
Total Assets	59,057,751	59,623,745	3,136,839	2,881,780	62,194,590	62,505,525	
Deferred Outflows:							
Prepaid Expenses	158,504	145,479	50,013	57,788	208,517	203,267	2.58%
Deferred Costs for Refunding	73,777	0	0	0	73,777	0	100%
Def. Outflow related to Pension	2,233,310	744,535	1,592,608	522,609	3,825,918	1,267,144	201.93%
Total Deferred Outflows	2,465,591	890,014	1,642,621	580,397	4,108,212	1,470,411	
Total Assets and Deferred Outflows	61,523,342	60,513,759	4,779,460	3,462,177	66,302,802	63,975,936	
Current liabilities:							
Accounts payable	312,554	328,172	147,937	94,242	460,491	422,414	9.01%
Building deposits	8,150	11,400	0	0	8,150	11,400	28.51%
Accrued expenses	0	0	392,379	298,296	392,379	298,296	31.54%
Est. Armts Due to Third Party	0	0	121,921	458,680	121,921	458,680	73.42%
Accrued payroll	132,978	118,082	0	0	132,978	118,082	12.62%
Accrued interest payable	69,741	180,543	0	0	69,741	180,543	61.37%
Total current liabilities	523,423	638,197	662,237	851,218	1,185,660	1,489,415	

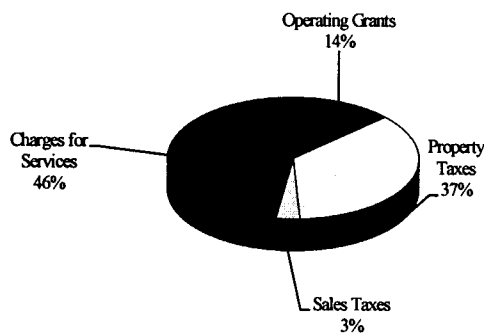
Noncurrent liabilities:							
Due within one year	563,999	556,814	70,217	73,838	634,216	630,652	.57%
Due in more than one year	8,536,292	9,038,321	3,638	73,067	8,539,930	9,111,388	6.27%
Net pension liability	1,502,696	24,992	1,071,295	17,196	2,573,991	42,188	6001.23%
Other Post Empl Benefits	206,935	206,935	78,165	69,404	285,100	276,339	3.17%
Total Liabilities	11,333,345	10,465,259	1,885,552	1,084,723	13,218,897	11,549,982	
Deferred Inflows:							
Def. Inflows Related to Pensions	124,495	9,356	88,753	6,437	213,248	15,793	1250.27%
Total Deferred Inflows	124,495	9,356	88,753	6,437	213,248	15,793	
Net Position:							
Net Invest. in capital assets	21,439,566	21,718,562	12,389	13,113	21,451,955	21,731,675	1.29%
Restricted For:							
Debt Service	812,000	962,838	0	0	812,000	962,838	15.67%
Expend. For Specific Activities	0	0	25,500	25,500	25,500	25,500	0%
Unrestricted	27,813,936	27,357,744	2,767,266	2,332,404	30,581,202	29,690,148	3.00%
Total Net Position	50,065,502	50,039,144	2,805,155	2,371,017	52,870,657	52,410,161	

The \$30,581,202 of unrestricted net position represents resources available to fund the programs of the County next year.

Changes in net position. The County's total revenues were \$23,340,675. A significant portion, 46 percent, of the County's revenue comes from charges for services. (See Figure A-3) 37 percent comes from property taxes, 14 percent comes from operating grants, and 3 percent comes from sales taxes.

The total cost of all programs and services was \$22,880,179; 40.93 percent of these costs are for the business-type activities of Memorial Hospital, 15.93 percent of these costs are for general administration.

Figure A-3 County
Sources of Revenue for Fiscal Year 2016



Changes in County's Net Position

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2015-2016
	2016	2015	2016	2015	2016	2015	
Program Revenues:							
Charges for services	2,581,556	2,803,139	7,494,935	6,807,435	10,076,491	9,610,574	4.85%
Operating Grants	841,247	813,582	2,302,046	2,085,835	3,143,293	2,899,417	8.41%
Property Taxes	7,904,349	9,607,198	0	0	7,904,349	9,607,198	17.72%
Sales Taxes	2,090,134	2,646,186	0	0	2,090,134	2,646,186	21.01%
Miscellaneous	33,050	99,962	0	0	33,050	99,962	66.94%
Donations	0	0	0	0	0	0	0%
Restricted Donations	0	0			0	0	100%
Investment Earnings	91,317	63,029	2,041	327	93,358	63,356	47.35%
Total Revenues	13,541,653	16,033,096	9,799,022	8,893,597	20,340,675	24,926,693	
Expenses:							
General administration	3,644,235	3,274,573	0	0	3,644,235	3,274,573	11.29%
Public safety	2,738,006	2,721,724	0	0	2,738,006	2,721,724	.60%
Transportation	1,009,112	924,885	0	0	1,009,112	924,885	9.11%
Health and welfare	3,264,324	3,174,126	0	0	3,264,324	3,174,126	2.84%
Culture and recreation	1,462,990	1,321,231	0	0	1,462,990	1,321,231	10.73%
Facilities	215,506	200,849	0	0	215,506	200,849	7.30%
Judicial	471,453	507,003	0	0	471,453	507,003	7.01%
Legal	405,648	361,121	0	0	405,648	361,121	12.33%
Interest on long-term debt	114,162	473,471	0	0	114,162	473,471	75.88%
Bond issuance costs	189,859	0	0	0	189,859	0	100%
Memorial Hospital	0	0	9,364,884	8,741,985	9,364,884	8,741,985	7.13%
Total Expenses	13,515,295	12,958,983	9,364,884	8,741,985	22,880,179	21,700,968	
Increase (Decrease) in net Assets before transfers	26,359	3,074,113	434,138	151,612	460,497	3,225,725	85.72%
Transfers	0	0	0	0	0	0	
Increase (Decrease) in Net Position	26,359	3,074,113	434,138	151,612	460,497	3,225,725	85.72%

The table below presents the cost of each of the County's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$13,515,295.
- The amount that our taxpayers paid for these activities through property taxes was \$7,904,349.
- Some of the cost was paid by those who directly benefited from the programs \$2,581,556 or
- By grants and contributions \$841,247.

Net Cost of Selected County Functions

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2016	2015		2016	2015	
General administration	3,644,235	3,274,573	11.29%	2,410,810	2,019,476	19.38%
Public Safety	2,738,006	2,721,724	.60%	1,235,575	1,296,461	4.70%
Health & Welfare	3,264,324	3,174,126	2.84%	2,889,188	2,682,621	7.70%
Debt Service – Interest & Fiscal Charges	114,162	473,471	75.88%	114,162	473,471	75.88%

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget several times. The resulting variances from these approved amendments are summarized below.

The total actual general fund revenues exceeded budgeted amounts by \$969,138. The most significant line item variances were in the intergovernmental and jail categories.

The total actual general fund expenditures were less than the budgeted amounts by a total of \$2,345,277. Actual capital outlay expenditures were less than expected and overall costs were lower than budgeted totals.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the County had invested \$30,626,101 in a broad range of capital assets, including land, furniture and equipment, and buildings and improvements.

	Governmental Activities		Business-type Activities		Total		Percentage Change 2015-2016
	2016	2015	2016	2015	2016	2015	
Land	\$232,196	\$232,196	\$5,544	\$5,544	\$237,740	\$237,740	0%
Buildings and improvements	37,118,157	36,811,735	0	0	37,118,157	36,811,735	8.32%
Furniture and Equipment	13,115,093	13,048,072	470,599	470,599	13,585,692	13,518,671	.50%
Leased Assets	0	0	1,165,621	1,165,621	1,165,621	1,165,621	0%
Construction in Progress	262,109	568,053	0	0	262,109	568,053	53.86%
Infrastructure	6,103,434	5,465,782	0	0	6,103,434	5,465,782	11.67%
Totals at historical cost	56,830,989	56,125,838	1,641,764	1,641,764	58,472,753	57,767,602	
Total accumulated depreciation	(26,291,132)	(24,812,141)	(1,555,520)	(1,481,746)	(27,846,652)	(26,293,887)	5.91%
Net capital assets	\$30,539,857	\$31,313,697	\$86,244	\$160,018	\$30,626,101	\$31,473,715	

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

Long Term Debt

At year-end the County had \$12,033,237 in capital leases and bonds payable outstanding as shown below. More detailed information about the County's debt is presented in the notes to the financial statements.

County's Long Term Debt

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2015-2016
	2016	2015	2016	2015	2016	2015	
Capital Leases Payable	\$0	\$156,250	\$73,855	\$146,905	\$73,855	\$303,155	310.47%
Bonds Payable	8,880,000	9,315,000	0	0	8,880,000	9,315,000	4.67%
Bond Premium	220,291	123,885	0	0	220,291	123,885	77.82%
Net Pension Liability	1,502,696	24,992	1,071,295	17,196	2,573,991	42,188	6001.24%
Other Post Empl Benefits	206,935	206,935	78,165	69,404	285,100	276,339	3.17%
Total bonds & notes	\$10,809,922	\$9,827,062	\$1,223,315	\$233,505	\$12,033,237	\$10,060,567	

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office. Complete financial statements for the Hospital, which are audited by other auditors, may be obtained at the Hospital's administrative offices or at the offices of the County Auditor of Winkler County.

Basic Financial Statements

WINKLER COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS:			
<i>Cash and Cash Equivalents</i>	\$ 19,531,000	\$ 918,391	\$ 20,449,391
<i>Assets limited as to use, current</i>		25,500	25,500
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	952,243		952,243
<i>Taxes</i>	7,148,005		7,148,005
<i>Ambulance, Fines, Fees & Court Costs</i>	886,646		886,646
<i>Patient Accounts Receivable</i>		819,572	819,572
<i>Estimated Third-Party Payor Settlements</i>		1,057,243	1,057,243
<i>Other Current Assets</i>		229,889	229,889
<i>Capital Assets (net of accumulated depreciation):</i>			
<i>Land</i>	232,196	5,544	237,740
<i>Buildings and Improvements</i>	23,074,651		23,074,651
<i>Furniture and Equipment</i>	4,882,061	24,641	4,906,702
<i>Infrastructure</i>	2,088,840		2,088,840
<i>Leased Assets</i>		56,059	56,059
<i>Construction in Progress</i>	262,109		262,109
Total Assets	59,057,751	3,136,839	62,194,590
DEFERRED OUTFLOWS:			
<i>Prepaid Expenses</i>	158,504	50,013	208,517
<i>Deferred Costs for Refunding</i>	73,777		73,777
<i>Deferred Outflows Related to Pensions</i>	2,233,310	1,592,608	3,825,918
Total Deferred Outflows	2,465,591	1,642,621	4,108,212
Total Assets and Deferred Outflows	61,523,342	4,779,460	66,302,802
LIABILITIES:			
<i>Accounts Payable and Other Current Liabilities</i>	312,554	147,937	460,491
<i>Building Deposits</i>	8,150		8,150
<i>Accrued Payroll</i>	132,978		132,978
<i>Accrued Interest Payable</i>	69,741		69,741
<i>Estimated Amounts Due to Third-Party Payers</i>		121,921	121,921
<i>Accrued Expenses</i>		392,379	392,379
<i>Noncurrent Liabilities-</i>			
<i>Due within one year</i>	563,999	70,217	634,216
<i>Due in more than one year</i>	8,536,292	3,638	8,539,930
<i>Net Pension Liability</i>	1,502,696	1,071,295	2,573,991
<i>Other Post Employment Benefits Obligation</i>	206,935	78,165	285,100
Total Liabilities	11,333,345	1,885,552	13,218,897
DEFERRED INFLOWS:			
<i>Deferred Inflows Related to Pensions</i>	124,495	88,753	213,248
Total Deferred Inflows	124,495	88,753	213,248
Total Liabilities and Deferred Inflows	11,457,840	1,974,305	13,432,145
NET POSITION:			
<i>Net Investment in Capital Assets</i>	21,439,566	12,389	21,451,955
<i>Restricted For:</i>			
<i>Debt Service</i>	812,000	25,500	837,500
<i>Unrestricted</i>	27,813,936	2,767,266	30,581,202
Total Net Position	\$ 50,065,502	\$ 2,805,155	\$ 52,870,657

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs		Program Revenues	
<u>PRIMARY GOVERNMENT:</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental Activities:			
<i>General Administration</i>	\$ 3,644,235	\$ 688,973	\$ 544,452
<i>Public Safety</i>	2,738,006	1,348,929	153,502
<i>Transportation</i>	1,009,112	48,940	
<i>Health and Welfare</i>	3,264,324	303,417	71,719
<i>Culture and Recreation</i>	1,462,990	84,797	
<i>Facilities</i>	215,506		
<i>Judicial</i>	471,453	55,570	36,574
<i>Legal</i>	405,648	50,930	35,000
<i>Interest on Long-term Debt</i>	114,162		
<i>Bond Issuance Costs</i>	189,859		
Total Governmental Activities	<u>13,515,295</u>	<u>2,581,556</u>	<u>841,247</u>
Business-type Activities:			
Memorial Hospital	9,364,884	7,494,935	2,302,046
Total Business-type Activities	<u>9,364,884</u>	<u>7,494,935</u>	<u>2,302,046</u>
Total Primary Government	<u>\$ 22,880,179</u>	<u>\$ 10,076,491</u>	<u>\$ 3,143,293</u>

General Revenues:
Property Taxes, Levied for General Purposes
Property Taxes, Levied for Debt Service
Sales Taxes
Miscellaneous
Unrestricted Investment Earnings
Total General Revenues
Change in Net Assets
Net Assets - Beginning
Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,410,810)		\$ (2,410,810)
(1,235,575)		(1,235,575)
(960,172)		(960,172)
(2,889,188)		(2,889,188)
(1,378,193)		(1,378,193)
(215,506)		(215,506)
(379,309)		(379,309)
(319,718)		(319,718)
(114,162)		(114,162)
(189,859)		(189,859)
<u>(10,092,492)</u>		<u>(10,092,492)</u>
	\$ 432,097	432,097
	<u>432,097</u>	<u>432,097</u>
<u>(10,092,492)</u>	<u>432,097</u>	<u>(9,660,395)</u>
7,225,602		7,225,602
678,747		678,747
2,090,134		2,090,134
33,050		33,050
91,317	2,041	93,358
<u>10,118,850</u>	<u>2,041</u>	<u>10,120,891</u>
26,359	434,138	460,497
50,039,143	2,371,017	52,410,160
<u>\$ 50,065,502</u>	<u>\$ 2,805,155</u>	<u>\$ 52,870,657</u>

WINKLER COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 18,064,333	\$ 788,755	\$ 18,853,088
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	916,212	36,031	952,243
<i>Taxes</i>	6,508,258	639,747	7,148,005
<i>Ambulance, Fines, Fees & Court Costs</i>	886,646		886,646
Total Assets	<u>26,375,449</u>	<u>1,464,533</u>	<u>27,839,982</u>
Total Assets and Deferred Outflows	<u>\$ 26,375,449</u>	<u>\$ 1,464,533</u>	<u>\$ 27,839,982</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
<i>Accounts Payable and Other Current Liabilities</i>	\$ 142,064	\$	\$ 142,064
<i>Deposits</i>	4,705		4,705
<i>Accrued Payroll</i>	132,978		132,978
<i>Due to Other Funds</i>	29,156		29,156
Total Liabilities	<u>308,903</u>		<u>308,903</u>
Deferred Inflows:			
<i>Taxes</i>	526,286	62,887	589,173
<i>Ambulance, Fines, Fees & Court Costs</i>	886,646		886,646
Total Deferred Inflows	<u>1,412,932</u>	<u>62,887</u>	<u>1,475,819</u>
Fund Balances:			
Restricted For:			
<i>Debt Service</i>		812,000	812,000
<i>Public Safety</i>		113,579	113,579
<i>Legal Services</i>		72,587	72,587
<i>Judicial Services</i>		166,671	166,671
<i>General Administration</i>		236,809	236,809
Committed	7,952,144		4,816,347
Unassigned	16,701,470		16,701,470
Total Fund Balance	<u>24,653,614</u>	<u>1,401,646</u>	<u>26,055,260</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 26,375,449</u>	<u>\$ 1,464,533</u>	<u>\$ 27,839,982</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016**

Total fund balances - governmental funds balance sheet	\$ 26,055,260
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	30,539,858
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	589,173
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	533,133
Payables for bond principal which are not due in the current period are not reported in the funds.	(8,880,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(69,740)
Payables for OPEB which are not due in the current period are not reported in the funds.	(206,935)
Payables for contracts which are not due in the current period are not reported in the funds.	158,504
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	886,646
Deferred Resource Outflows related to bond refunding are not reported in the funds.	73,777
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(1,502,696)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(124,495)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	2,233,310
Bond premiums are amortized in the SNA but not in the funds.	(220,291)
Rounding difference	(2)
Net position of governmental activities - Statement of Net Position	<u>\$ 50,065,502</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
Ad Valorem Taxes	\$ 7,097,119	\$ 678,747	\$ 7,775,866
General Sales and Use Taxes	2,090,134		2,090,134
License and Permits	257,905		257,905
Intergovernmental	618,110	69,577	687,687
Fines and Forfeitures	121,906	2,965	124,871
Fees	583,910	213,076	796,986
Investment Earnings	90,651	666	91,317
Jail Revenue	1,404,074		1,404,074
Other	437,987	1,976	439,963
Total revenues	<u>12,701,796</u>	<u>967,007</u>	<u>13,668,803</u>
Expenditures:			
Current:			
General Administration	3,180,007	495	3,180,502
Public Safety	2,299,707	153,518	2,453,225
Transportation	999,811		999,811
Health and Welfare	2,546,599		2,546,599
Culture and Recreation	1,116,632		1,116,632
Facilities	137,034		137,034
Judicial	462,093	4,784	466,877
Legal	339,539	9,836	349,375
Debt Service:			
Principal	156,250	385,000	541,250
Interest and Fiscal Charges	3,311	274,819	278,130
Bond Issuance Costs		189,859	189,859
Capital Outlay	849,933		849,933
Total Expenditures	<u>12,090,916</u>	<u>1,018,311</u>	<u>13,109,227</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>610,880</u>	<u>(51,304)</u>	<u>559,576</u>
Other Financing Sources (Uses):			
Operating Transfers In		7,610	7,610
Operating Transfers Out	(7,610)		(7,610)
Refunding Bonds Issued		8,880,000	8,880,000
Premiums on Bonds Sold		257,894	257,894
Payment to Refunded Bond Escrow Agent		(9,118,383)	(9,118,383)
Total Other Financing Sources (Uses)	<u>(7,610)</u>	<u>27,121</u>	<u>19,511</u>
Net Change in Fund Balances	603,270	(24,183)	579,087
Fund Balances - Beginning	24,050,344	1,425,829	25,476,173
Fund Balances - Ending	<u>\$ 24,653,614</u>	<u>\$ 1,401,646</u>	<u>\$ 26,055,260</u>

The accompanying notes are an integral part of this statement.

WINKLER 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 DECEMBER 31, 2016*

Net change in fund balances - total governmental funds	\$ 579,087
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,181,641
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,920,879)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(34,602)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	128,483
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(221,031)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	13,025
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	385,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	156,250
(Increase) decrease in accrued interest from beginning of period to end of period.	110,802
The net revenue (expense) of internal service funds is reported with governmental activities.	(274,721)
Proceeds of bond premiums do not provide revenue in the SOA, but are reported as current resources in the funds.	(257,893)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(8,880,000)
Bond premiums are reported in the funds but not in the SOA.	53,166
Deferred charges for refunding are amortized in the SOA but not in the funds.	(6,284)
Payments to refunded debt escrow agent do not reflect expenditures in the SOA.	9,118,383
Pension contributions made before the measurement date and during the previous FY were expensed and reduced NPL.	(544,295)
Pension contributions made after the measurement date but in current FY were de-expensed and recorded as deferred resource outflows.	533,733
The County's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	(45,403)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(48,104)
Rounding difference	1
Change in net position of governmental activities - Statement of Activities	<u>\$ 26,359</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2016

	Enterprise Fund	Nonmajor Internal Service Fund
	Memorial Hospital	Employee Health Benefit Fund
ASSETS AND DEFERRED OUTFLOWS:		
Current Assets:		
<i>Cash and Cash Equivalents</i>	\$ 918,391	\$ 677,912
<i>Assets limited as to use, current</i>	25,500	
<i>Receivables (net of allowances for uncollectibles):</i>		
<i>Patient Accounts Receivable</i>	819,572	
<i>Estimated Third-Party Payor Settlements</i>	1,057,243	
<i>Due from other funds</i>		29,156
<i>Other Current Assets</i>	229,889	
Noncurrent Assets:		
Capital Assets:		
<i>Land</i>	5,544	
<i>Furniture and Equipment</i>	24,641	
<i>Leased Assets</i>	56,059	
Total Assets	<u>3,136,839</u>	<u>707,068</u>
Deferred Outflows:		
<i>Prepaid Items</i>	50,013	
<i>Deferred Outflows Related to Pension</i>	1,592,608	
Total Deferred Outflows	<u>1,642,621</u>	
Total Assets and Deferred Outflows	<u>\$ 4,779,460</u>	<u>\$ 707,068</u>
LIABILITIES:		
Current Liabilities:		
<i>Accounts payable</i>	\$ 147,937	\$ 173,935
<i>Accrued Expenses</i>	392,379	
<i>Estimated Amounts Due to Third-Party Payers</i>	121,921	
<i>Capital Leases Payable- Current</i>	70,217	
Total Current Liabilities	<u>732,454</u>	<u>173,935</u>
Noncurrent Liabilities:		
<i>Capital Leases Payable</i>	3,638	
<i>Other Post Employment Benefits Obligation</i>	78,165	
<i>Net Pension Liability</i>	1,071,295	
Total Noncurrent Liabilities	<u>1,153,098</u>	
Total Liabilities	<u>1,885,552</u>	<u>173,935</u>
DEFERRED INFLOWS:		
<i>Deferred Revenue</i>		
<i>Deferred Inflows Related to Pensions</i>	88,753	
Total Deferred Inflows	<u>88,753</u>	
NET POSITION:		
<i>Net Investment in Capital Assets</i>	12,389	
<i>Restricted- Expendable for Specific Operating Activities</i>	25,500	
<i>Unrestricted</i>	2,767,266	533,133
Total Net Position	<u>\$ 2,805,155</u>	<u>\$ 533,133</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION - PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	Enterprise Fund	Nonmajor Internal Service Fund
	Memorial Hospital	Employee Health Benefit Fund
OPERATING REVENUES:		
<i>Insurance Premiums</i>	\$	\$ 1,922,876
<i>Net Patient Service Revenue</i>	7,308,189	
<i>Other Revenue</i>	186,746	
Total Operating Revenues	<u>7,494,935</u>	<u>1,922,876</u>
OPERATING EXPENSES:		
<i>Paid Claims</i>		2,198,695
<i>Operating Expenses</i>	9,286,404	
<i>Depreciation and Amortization</i>	73,774	
Total Operating Expenses	<u>9,360,178</u>	<u>2,198,695</u>
Operating Income	<u>(1,865,243)</u>	<u>(275,819)</u>
NON-OPERATING REVENUES (EXPENSES):		
<i>Government Subsidies</i>	2,217,566	
<i>Interest Income</i>	2,041	1,098
<i>Interest Expense</i>	(4,706)	
<i>Non-capital Grants and Contributions</i>	84,480	
Total Non-operating Revenues (Expenses)	<u>2,299,381</u>	<u>1,098</u>
Income before Contributions and Transfers	<u>434,138</u>	<u>(274,721)</u>
Change in Net Position	<u>434,138</u>	<u>(274,721)</u>
Total Net Position - Beginning	2,371,017	807,854
Total Net Position - Ending	<u>\$ 2,805,155</u>	<u>\$ 533,133</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Enterprise Funds	Nonmajor Internal Service Fund
	Memorial Hospital	Employee Health Benefit Fund
Cash Flows from Operating Activities:		
<i>Cash Received from Patients and Third-Party Payers</i>	\$ 7,172,580	\$ 1,922,876
<i>Interfund Services Provided and Used</i>		(2,153,258)
<i>Cash Payments to Employees for Services</i>	(4,586,370)	
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(3,871,290)	
<i>Other Operating Cash Receipts (Payments)</i>	186,747	
Net Cash Provided (Used) by Operating Activities	<u>(1,098,333)</u>	<u>(230,382)</u>
Cash Flows from Non-capital Financing Activities:		
<i>Government Subsidies</i>	1,624,803	
<i>Non-Capital Grants and Contributions</i>	84,480	
Net Cash Provided (Used) by Non-capital Financing Activities	<u>1,709,283</u>	
Cash Flows from Capital and Related Financing Activities:		
<i>Principal Payments on Long-Term Debt</i>	(73,050)	
<i>Interest Payments on Long-Term Debt</i>	(4,706)	
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(77,756)</u>	
Cash Flows from Investing Activities:		
<i>Investment Earnings</i>	2,041	1,098
Net Cash Provided (Used) for Investing Activities	<u>2,041</u>	<u>1,098</u>
Net Increase (Decrease) in Cash and Cash Equivalents	535,235	(229,284)
Cash and Cash Equivalents at Beginning of Year	408,656	907,196
Cash and Cash Equivalents at End of Year	<u>\$ 943,891</u>	<u>\$ 677,912</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ (1,865,243)	\$ (275,819)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
<i>Depreciation and Amortization</i>	73,774	
<i>Nonmonetary Appropriations from Winkler County</i>	592,763	
<i>Provision for Uncollectible Accounts</i>	1,521,370	
Change in Assets and Liabilities:		
<i>Decrease (Increase) in Receivables</i>	(1,416,628)	
<i>Decrease (Increase) in Other Assets and Liabilities</i>	145,859	
<i>Decrease (Increase) in Deferred Outflows of Resources-Pensions</i>	1,069,999	
<i>Decrease (Increase) in Third-Party Payor Settlements</i>	(240,351)	
<i>Increase (Decrease) in Accounts Payable and Accrued Expenses</i>	156,539	45,437
<i>Increase (Decrease) in Deferred Inflows of Resources- Pensions</i>	(82,316)	
<i>Increase (Decrease) in Net Pension Liability</i>	(1,054,099)	
Total Adjustments	<u>766,910</u>	<u>45,437</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,098,333)</u>	<u>\$ (230,382)</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

	Agency Funds
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 1,368,760
Total Assets	<u>\$ 1,368,760</u>
LIABILITIES:	
<i>Accounts Payable</i>	\$ 434,971
<i>Due to Other Governments</i>	149,736
<i>Due to Trust Beneficiaries</i>	770,035
<i>Deposits</i>	10,985
<i>Other Liabilities</i>	3,033
Total Liabilities	<u>\$ 1,368,760</u>

The accompanying notes are an integral part of this statement.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

A. Summary of Significant Accounting Policies

The combined financial statements of Winkler County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; and 2) The County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

Based on these criteria, the following is a brief review of each potential component unit addressed in defining the County's reporting entity:

Winkler County maintains a hospital (Memorial Hospital) and accounts for the operating deficits as disbursements in the General Fund. These disbursements were \$1,624,803 for the current fiscal year. The Hospital keeps its books and records and issues its financial statements using the accrual basis of accounting. The Hospital financial statements are presented as an Enterprise Fund of the County. Some financial statement disclosures in the reporting entity of Winkler County include information of the Hospital. These disclosures are required by certain state statutes or are necessary for proper disclosure for the County's financial statements. Complete financial statements for the Hospital, which are audited by other auditors, may be obtained at the Hospital's administrative offices or at the offices of the County Auditor of Winkler County.

Excluded from the reporting entity:

The Winkler County Appraisal District has a separately appointed Board, with one position appointed by the Commissioners' Court. This entity is excluded from the reporting entity because the County does not exercise influence over its daily operations.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

Memorial Hospital. This fund accounts for the activities of the County's hospital, a blended component unit. The hospital is a not-for-profit government acute care and outpatient services facility.

In addition, the County reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary Funds: These funds are used to report other resources held in a purely custodial capacity (assets equal liabilities). Fiduciary funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

The County records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings & Improvements	15-40
Furniture & Equipment	3-25

e. **Receivable and Payable Balances**

The County believes that sufficient detail of payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

f. **Pensions**

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

g. **Interfund Activity**

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

i. **Deferred Outflows and Inflows of Resources**

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) 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 and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements 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 one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

j. Net Patient Revenue

Net patient service revenue within the Enterprise Fund is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not included in net revenue.

k. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the County's Commissioners' Court. Committed amounts cannot be used for any other purpose unless the Commissioners' Court removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Commissioners' Court. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Committed fund balances consist of the following:

Park Improvements	\$	177,747
TCDRS		272,000
District Clerk Imaging		234,848
Law Library		10,000
VFD Tire Fund		5,000
Kermit Parks Equipment- Mower		30,000
Volunteer Fire Departments		200,000
Courthouse Capital Improvements & Elevator		1,454,082
Lateral Road		496,112
Medical & Emergency Response		626,607
Wink Volunteer Fire Department		7,500
Wheel Loaders		120,000
County Day Travel		5,000
Recreation Center Roof		100,000
Wink VFD Suite		10,000
Election Expense		13,770
County Wide Equipment & Buildings		50,000
Senior Citizens Lighting		5,000
Badge Printer		5,000
Golf Course Funds		116,000

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Wink Water Well	7,250
Digital Radios- Law Enforcement & Fire	162,000
Hospital Software	474,419
Hospital Capital Improvements	240,562
Precinct 1 Equipment & Barn	13,700
Self Funded Health Plan	500,000
Debt Service Hospital	695,825
Sheriff Vehicles	223,500
Survey Expense	5,000
Community Buildings	837,663
Courthouse Computer Equipment	83,601
Courthouse Improvements	262,056
Precinct 2 Equipment & Barn	36,336
Tax Software	100,000
Airport Capital Improvements	186,066
Agriculture Funds	3,500
Jail Improvements	15,000
EMS Equipment	76,000
Wink Parks Equipment- Mower	30,000
WFVD Pumper	27,000
County Wide Fertilizer	11,000
Precinct 2 Equipment- Water Tank	20,000
Probation Storage	3,000

Assigned Fund Balance - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners' Court or by an official or body to which the Commissioners' Court delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

i. Net Position Flow Assumption

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

m. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

4. New Accounting Standards Adopted

In fiscal year 2016, the County adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- Statement No. 72, *Fair Value Measurement and Application*
- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- Statement No. 77, *Tax Abatement Disclosures*

- a. Statement No. 72 requires state and local governments to measure investments at fair value using a consistent definition and valuation techniques; also defines what assets and liabilities governments should measure at fair value and expands fair value disclosures in financial disclosure notes. While the Statement generally requires restatement of prior period balances in the year of implementation, the nature of the County's investments was such that their carrying amount was not affected.
- b. The GAAP hierarchy prioritizes guidance governments follow when preparing U.S. GAAP financial statements. Statement No. 76 reduces authoritative GAAP hierarchy from four categories to two and lists the order of priority for pronouncements to which a government should look for guidance.
- c. Statement No. 77 requires state and local governments that enter into tax abatement agreements to disclose certain information about these agreements.

The adoption of Statement No. 77 has no impact on the County's financial statements.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
Expenditures exceeded appropriations in the following areas of the General Fund:	The County will review its procedures for amending the budget.
Principal	\$ 119,640
Interest and Fiscal Charges	359

C. Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash Deposits:

At December 31, 2016, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$21,843,651 and the bank balance was \$21,615,150. The County's cash deposits at December 31, 2016 and during the year ended December 31, 2016, were not entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: West Texas National Bank
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$6,000,000.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$8,191,948 and occurred during the month of February, 2016.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

As of August 31, 2016, the following are the District's cash and cash equivalents with respective maturities and credit rating:

Type of Deposit	Fair Value	Percentage	Maturity in Less Than One Year	Maturity in 1-10 Years	Maturity in Over 10 Years	Credit Rating
Cash	\$4,061,702	18.59%	\$4,061,702			N/A
Certificates of Deposit	10,150,024	46.47%	9,400,025	749,999		N/A
	14,211,726	65.06%	13,461,727	749,999		
Investment Pools:						
TexPool	7,631,925	34.94%	7,631,925			AAAm
Total Investment Pools	7,631,925	34.94%	7,631,925			
Total Cash and Cash Equivalents	<u>\$21,843,651</u>	<u>100.00%</u>	<u>\$21,093,652</u>	<u>\$749,999</u>		

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

During the current year, there were no fair value adjustments made to the financial statements since the County did not have funds that met the definition of an investment according to GASB 72.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

D. Receivables

Receivables at year end, including, the applicable allowances for uncollectible accounts, are as follows:

	Governmental		Proprietary	Total
	General Fund	Other Governmental Funds	Enterprise Memorial Hospital	
Receivables				
Accounts	\$ 916,212	\$ 36,031	\$	\$ 952,243
Taxes	7,091,584	662,969		7,754,553
Ambulance, Fines & Fees	2,075,265			2,075,265
Patient Accounts			2,107,856	2,107,856
Total Gross Receivables	10,083,061	699,000	2,107,856	12,889,917
Less: Allowance for Uncollectible Accounts				
Taxes	(583,326)	(23,222)		(606,548)
Ambulance, Fines & Fees	(1,188,619)			(1,188,619)
Patient Accounts			(231,041)	(231,041)
Net Total Receivables	\$ 8,311,116	\$ 675,778	\$ 1,876,815	\$ 10,863,709

E. Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 232,196	\$	\$	\$ 232,196
Construction in progress	568,053	331,708	637,652	262,109
Total capital assets not being depreciated	800,249	331,708	637,652	494,305
<i>Capital assets being depreciated:</i>				
Infrastructure	5,465,782		(637,652)	6,103,434
Buildings and improvements	36,811,735	306,422		37,118,157
Furniture and equipment	13,048,072	543,510	476,489	13,115,093
Total capital assets being depreciated	55,325,589	849,932	(161,163)	56,336,684
Less accumulated depreciation for:				
Infrastructure	(3,934,893)	(79,701)		(4,014,594)
Buildings and improvements	(13,213,010)	(830,496)		(14,043,506)
Furniture and equipment	(7,664,238)	(1,010,681)	(441,887)	(8,233,032)
Total accumulated depreciation	(24,812,141)	(1,920,878)	(441,887)	(26,291,132)
Total capital assets being depreciated, net	30,513,448	(1,070,946)	(603,050)	30,045,552
Governmental activities capital assets, net	\$ 31,313,697	\$ (739,238)	\$ 34,602	\$ 30,539,857

WINKLER COUNTY, TEXAS
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	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 5,544			\$ 5,544
Total capital assets not being depreciated	<u>5,544</u>			<u>5,544</u>
<i>Capital assets being depreciated:</i>				
Equipment	470,599			470,599
Leased Equipment	1,165,621			1,165,621
Total capital assets being depreciated	<u>1,636,220</u>			<u>1,636,220</u>
Less accumulated depreciation for:				
Equipment	(442,144)	(3,814)		(445,958)
Leased Equipment	(1,039,602)	(69,960)		(1,109,562)
Total accumulated depreciation	<u>(1,481,746)</u>	<u>(73,774)</u>		<u>(1,555,520)</u>
Total capital assets being depreciated, net	<u>154,474</u>	<u>(73,774)</u>		<u>80,700</u>
Business-type activities capital assets, net	<u>\$ 160,018</u>	<u>\$ (73,774)</u>		<u>\$ 86,244</u>

Depreciation within the governmental activities was charged to functions as follows:

General Government	\$ 161,301
Public Safety	252,017
Transportation	334,768
Health	707,075
Culture and Recreation	334,302
Facilities	80,534
Legal	50,881
	<u>\$ 1,920,878</u>

Depreciation within the business-type activities was charged to functions as follows:

Memorial Hospital	<u>\$ 73,774</u>
-------------------	------------------

F. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at December 31, 2016, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
Internal Service Fund	General Fund	\$ 29,156	Short-term loans
	Total	<u>\$ 29,156</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2016, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	Other Governmental Funds	\$ 7,610	Reimburse expenditures
	Total	<u>\$ 7,610</u>	

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

G. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2016, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds Payable					
General Obligation Bonds	\$ 9,315,000	\$	\$ 9,315,000	\$	
Refunding Bonds		8,880,000		8,880,000	515,000
Premiums	123,885	257,893	161,487	220,291	48,999
Capital leases	156,250		156,250		
Other Post Employ. Benefits	206,935			206,935	
Net Pension Liability *	24,992	2,017,417	539,713	1,502,696	
Total governmental activities	\$ 9,827,062	\$ 11,155,310	\$ 10,172,450	\$ 10,809,922	\$ 563,999
Business-type activities:					
Capital leases	\$ 146,905	\$	\$ 73,050	\$ 73,855	70,217
Other Post Employ. Benefits	69,404	8,761		78,165	
Net Pension Liability	17,196	1,438,868	384,769	1,071,295	
Total business-type activities	\$ 233,505	\$ 1,447,629	\$ 457,819	\$ 1,223,315	\$ 70,217

Payments for other post-employment benefits and pension expense that pertain to Winkler County's governmental activities are made through the general fund and special revenue funds.

2. During a prior period, Winkler County issued general obligation bonds to finance the construction and equipping of a new hospital and paying for the costs of issuance. General obligations are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with various amounts of principal maturing each year. During the current fiscal year, the County refunded the remaining \$8,930,000 of the original issue by issuing General Obligation Refunding Bonds, Series 2016.

During the current fiscal year, the County issued General Obligation Refunding Bonds, Series 2016 to refund the County's General Obligation Bonds, Series 2006 in order to lower the overall debt service requirements of the County. The bonds are issued as serial bonds maturing February 15, 2017 through February 15, 2031.

General obligation refunding bonds currently outstanding are as follows:

Purpose	Interest Rate	Principal (Par Value)
Governmental Activities	2.000%	\$ 6,880,000
Governmental Activities	2.250%	650,000
Governmental Activities	2.500%	1,350,000
		<u>\$ 8,880,000</u>

Debt Service Requirements

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Debt service requirements on long-term debt at December 31, 2016, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2017	\$ 515,000	\$ 180,825	\$ 695,825
2018	525,000	170,425	695,425
2019	535,000	159,825	694,825
2020	545,000	149,025	694,025
2021	555,000	138,025	693,025
2022-2026	2,945,000	517,625	3,462,625
2027-2031	3,260,000	197,113	3,457,113
Totals	<u>\$ 8,880,000</u>	<u>\$ 1,512,863</u>	<u>\$ 10,392,863</u>

3. Capital Leases

Business-Type Activities

The Hospital has entered into various capital lease obligations, at varying rates of imputed interest from 3% to 10%, collateralized by leased equipment. Minimum future lease payments as of December 31, 2016, are as follows:

Year Ending December 31:	
2017	72,062
2018	3,704
Total Minimum Rentals	\$ 75,766
Less Amounts Representing Interest	(1,911)
Present Value of Net Min. Lease Payments	<u>\$ 73,855</u>

4. Continuing Disclosure

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the County.

5. Advance Refunding of Debt

The County issued \$8,880,000 of general obligation refunding bonds to provide resources to acquire securities of the United States of America. These securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$8,930,000 of general obligation bonds, series 2006. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental section within the statement of net assets. The bonds were issued at a premium of \$257,893. At December 31, 2016, the deferred charges on the refunding was \$73,777.

This advance refunding was established to save on debt service costs of the amounts outstanding and also to pay the costs of issuance. The projected gross savings over the next 20 years totals \$2,340,385 and will result in a net present value savings of \$2,168,730.

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt" provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of December 31, 2016, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Bond Issue	Maturity Date	Interest Rate	Amount
General Obligation Bonds, Series 2006	02/15/17	4.375%	405,000
General Obligation Bonds, Series 2006	02/15/18	4.500%	425,000
General Obligation Bonds, Series 2006	02/15/19	5.375%	445,000
General Obligation Bonds, Series 2006	02/15/20	5.375%	470,000
General Obligation Bonds, Series 2006	02/15/21	5.375%	495,000
General Obligation Bonds, Series 2006	02/15/22	5.375%	520,000
General Obligation Bonds, Series 2006	02/15/23	5.250%	550,000
General Obligation Bonds, Series 2006	02/15/24	5.250%	580,000
General Obligation Bonds, Series 2006	02/15/25	5.250%	610,000
General Obligation Bonds, Series 2006	02/15/26	5.250%	645,000
General Obligation Bonds, Series 2006	02/15/27	5.250%	680,000
General Obligation Bonds, Series 2006	02/15/28	5.250%	715,000
General Obligation Bonds, Series 2006	02/15/29	5.250%	755,000
General Obligation Bonds, Series 2006	02/15/30	5.250%	795,000
General Obligation Bonds, Series 2006	02/15/31	5.250%	840,000
			\$ 8,930,000

H. Commitments Under Noncapitalized Leases

During the prior fiscal year, the County entered into an agreement to lease the land on which the airport was built. The terms of the lease are \$1,500 per year for 10 years beginning January 1, 2016 and ending on December 31, 2025. Commitments under this operating lease agreement provide for minimum future lease rental payments as of December 31, 2016, as follows:

Year Ending December 31,	
2017	\$ 1,500
2018	1,500
2019	1,500
2020	1,500
2021	1,500
2022-2025	6,000
Total Minimum Rentals	\$ 13,500
Rental Expenditures in 2016	\$ 1,500

The County leases janitorial services at the airport for \$300 per month for a term of twenty years beginning March 8, 2004 and ending on March 7, 2024. Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of December 31, 2016, as follows:

Year Ending December 31,	
2017	\$ 3,600
2018	3,600
2019	3,600
2020	3,600
2021	3,600
2022-2024	8,100
Total Minimum Rentals	\$ 26,100
Rental Expenditures in 2016	\$ 3,600

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

I. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2016, the County obtained unemployment, workers' compensation, property, general liability, public official liability, physical damage, automobile liability, and law enforcement coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Association of Counties Self Insurance Funds ("TAC"). TAC is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TAC for its above insurance coverage. The agreement for the formation of TAC provides that TAC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The risk of loss is transferred to the self-funded pools for all insurance except unemployment insurance. The Hospital is included in these self-funded pools.

The self-funded unemployment program provides that the County will maintain a one year reserve based on prior claims and estimated future losses. During 2016, the County was required to make a payment in the amount of \$4,341.

The County continues to carry commercial insurance for firefighter liability and accident coverage, public official bonds, and medical liability coverage. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

J. Pension Plan

1. Plan Description

The County participates as one of 677 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas County & District Retirement System (TCDRS). TCDRS is an agency created by the State of Texas and administered in accordance with the TCDRS Act, Subtitle F, Title 8, Texas Government Code (the TCDRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TCDRS Act places the general administration and management of the System with a nine-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TCDRS is not fiscally dependent on the State of Texas. TCDRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tcdrs.org.

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

2. Benefits Provided

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the County-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution with a reduced monthly benefit.

The plan provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. The plan also provides death benefits and disability benefits.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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	105
Inactive employees entitled to but not yet receiving benefits	181
Active employees	191
Total covered employees	<u>477</u>

3. Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for each County is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rate for the County was 11.59% in calendar year 2016. The County's contributions to TCDRS for the year ended December 31 2016 were \$914,168, and were equal to the required contributions. This amount includes contributions made on behalf of the Hospital employees.

4. 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	2.5% per year
Investment Rate of Return	8.00%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members were based on 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.

Mortality rates for retirees and beneficiaries were based on 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.

Mortality rates for disabled retirees were based on the RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the period January 1, 2009 through December 31,

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

2012. Assumptions are reviewed annually. Updated mortality assumptions were adopted in 2015. No additional changes were made for the 2015 valuation.

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. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers are based on January 2016 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009- December 31, 2013 for more details.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equities	14.50%	5.45%
Private Equity	14.00%	8.45%
Global Equities	1.50%	5.75%
International Equities-Developed	10.00%	5.45%
International Equities- Emerging	8.00%	6.45%
Investment-Grade Bonds	3.00%	1.00%
High-Yield Bonds	3.00%	5.10%
Opportunistic Credit	2.00%	5.09%
Direct Lending	5.00%	6.40%
Distressed Debt	3.00%	8.10%
REIT Equities	3.00%	4.00%
Master Limited Partnerships (MLPs)	3.00%	6.80%
Private Real Estate Partnerships	5.00%	6.90%
Hedge Funds	25.00%	5.25%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.10%. 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 periods of projected benefit payments to determine the Total Pension Liability.

Development of the Single Discount Rate:

	2015
Single Discount Rate	8.10%
Long-Term Expected Rate of Return	8.10%
Long-Term Municipal Bond Rate	N/A

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Last year ending December 31 in the 100 year projection period for which projected benefit payments are fully funded N/A

The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

Changes in Net Pension Liability	Increase (Decrease)		
	\$ Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2014	\$ 32,371,393	\$ 32,329,205	\$ 42,188
Changes for the year			
Service cost	1,081,444		1,081,444
Interest	2,612,407		2,612,407
Effect of plan changes	(173,596)		(173,596)
Effect of economic/ demographic gains or losses	(308,027)		(308,027)
Changes of assumptions	431,748		431,748
Contributions - employer		924,482	(924,482)
Contributions - employee		558,359	(558,359)
Net investment income		(322,792)	322,792
Refund of contributions	(85,580)	(85,580)	
Benefit payments, including refunds of employee contributions	(1,497,680)	(1,497,680)	
Administrative expense		(23,083)	23,083
Other changes		(24,793)	24,793
Net changes	\$ 2,060,716	\$ (471,087)	\$ 2,531,803
Balance at 12/31/2015	\$ 34,432,109	\$ 31,858,118	\$ 2,573,991

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, 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 (7.10%) or 1-percentage-point higher (9.10%) than the current rate.

	1% Decrease in Discount Rate 7.10%	Discount Rate 8.10%	1% Increase in Discount Rate 9.10%
County's net pension liability	\$ 6,820,060	\$ 2,573,991	\$ (961,856)

Pension Plan Fiduciary Net Position

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

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

For the year ended December 31, 2016, the County recognized pension expense of \$1,084,652.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$	\$ 213,248
Changes in actuarial assumptions	\$	\$
Difference between projected and actual investment earnings	\$ 2,911,750	\$
Contributions subsequent to the measurement date	\$ 914,168	\$
Total	<u>\$ 3,825,918</u>	<u>\$ 213,248</u>

The \$914,168 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec. 31:		
2016	\$	710,740
2017	\$	718,636
2018	\$	677,396
2019	\$	591,730
2020	\$	
Thereafter	\$	

K. Health Care Coverage

The County maintains a Group Health Insurance Internal Service Fund to account for the County's self-funded plan for benefits for comprehensive major medical care. The fund services all claims for risk of loss of group health to which the County is exposed. All departments of the County participate in the fund. The fund allocates the cost of providing claims servicing, claims payments, and reinsurance costs by charging a premium to each department based on a percentage of each department's estimated current-year payroll. This charge considers recent trends in actual claims experience of the County and makes provision for catastrophic losses. Losses of more than \$70,000 individually are paid by purchase of additional stop-loss coverage. The aggregate stop loss factor is \$241.66 for employee only coverage and employee/dependent coverage. Employees, at their option, authorized payroll withholdings to pay premiums dependent care and the Dental Insurance Plan. This self-funded plan includes employees of the Hospital. At December 31, 2016, the amount of claims incurred and reported and estimated incurred but not reported was \$173,935.

The contract between the County and the third party administrator is renewable October 1, 2017, and terms of coverage and contribution costs are included in the contractual provisions.

Winkler County offers certain health care benefits for retired employees, referred to as Other Post Employment Benefits Other Than Pensions (OPEB). Effective January 1, 2009, the County adopted GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Previously, the costs for these benefits were recognized as expenditures on the cash basis as claims or premiums were paid. Upon adoption of this standard, the County recognizes these post employment benefit costs utilizing an accrual method of accounting.

Winkler County's other postemployment benefit cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the guidelines of GASB 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 excesses) over a period not to exceed 30 years.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

The County maintains a single employer defined benefit plan to provide certain postretirement healthcare benefits. Winkler County employees and their dependent spouses that meet the plan's conditions at the time of retirement are eligible to receive retiree health care benefits at the retiree's expense.

The following table shows the annual OPEB cost and net OPEB obligation for the prior three years based on the most recent actuarial valuation as of December 31, 2015.

Fiscal Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/13	\$ 23,029	0% \$	225,688
12/31/14	22,669	0%	225,688
12/31/15	30,687	0%	285,100 *

* This amount includes Net OPEB Obligation for the Hospital.

Actuarial valuations of an ongoing plan involve estimates of the value of 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 ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the December 31, 2015 actuarial valuation, the Projected Unit Credit, Cost method was used. The actuarial assumptions included a 7.00% investment rate of return (net of administrative expenses). Actuarial assumptions also included an annual healthcare cost trend rate of 9.00% initially, reduced by decrements to an ultimate rate of 5.00% by 2023. The UAAL is being amortized as a level percent of payroll required to fully amortize the UAAL over a 30 year period.

L. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

The County entered into a maintenance contract for one air conditioning unit. The terms of the agreement is for a period of 10 years beginning February 24, 2011. Final payment is expected to be made February 28, 2020. The terms of the agreement include quarterly payments in the amount of \$3,193 for the first year. The payments for the remaining 9 years steadily increase each year. The total contract amount totals \$153,367.

The County entered into a financial and personnel management software licensing contract. The contract is a five year contract beginning September 2013. The terms of the agreement include annual payments in the amount of \$23,056.

The County entered into a court system software licensing contract. The contract is a five year contract beginning September 2013. The terms of the agreement include annual payments in the amount of \$61,230.

WINKLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

M. Concentrations of Credit Risk

Accounts Receivable

The Hospital is located in Kermit, Texas. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

Physicians

The Hospital is dependent on local physicians practicing in its service area to provide admissions and utilize Hospital services on an outpatient basis. A decrease in the number of physicians providing these services or change in their utilization patterns may have an adverse effect on Hospital operations.

N. Subsequent Events

Subsequent events were evaluated through June 20, 2017, which is the date the financial statements were available to be issued. After the end of the current fiscal year, the citizens of Winkler County approved the creation of the Winkler County Hospital District. The assets and liabilities of the Hospital are expected to be transferred to the Winkler County Hospital District October 1, 2017. No other significant events have occurred prior to this date.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

WINKLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT B-1
Page 1 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes:				
Ad Valorem Taxes	\$ 8,849,454	\$ 8,849,454	\$ 8,751,474	\$ (97,980)
General Sales and Use Taxes	1,950,000	1,950,000	2,140,394	190,394
License and Permits	328,300	328,300	257,848	(70,452)
Intergovernmental	65,000	441,452	698,628	257,176
Fines and Forfeitures	85,000	85,000	122,977	37,977
Fees	353,200	353,200	572,372	219,172
Investment Earnings	60,000	60,000	90,651	30,651
Jail Revenue	1,175,000	1,175,000	1,444,484	269,484
Other	172,858	310,519	443,235	132,716
Total revenues	<u>13,038,812</u>	<u>13,552,925</u>	<u>14,522,063</u>	<u>969,138</u>
Expenditures:				
Current:				
General Administration				
Agriculture	84,782	84,782	72,174	12,608
County Auditor	191,888	191,888	189,615	2,273
Courthouse & Substation	241,354	230,878	201,435	29,443
Taxes & Insurance	1,860,250	1,826,243	1,068,665	757,578
Nondesignated Expense	435,035	364,499	143,152	221,347
Airport	53,787	54,087	44,195	9,892
Human Resources	157,175	157,175	122,854	34,321
Data Processing	150,500	150,500	131,875	18,625
Commissioners	307,341	307,341	297,693	9,648
County Clerk	264,312	264,312	257,661	6,651
Tax Assessor/Collector	281,969	301,969	298,074	3,895
Appraisal District	114,679	114,679	99,968	14,711
County Treasurer	77,289	77,289	76,412	877
District Clerk	176,177	176,177	174,057	2,120
Total General Administration	<u>4,396,538</u>	<u>4,301,819</u>	<u>3,177,830</u>	<u>1,123,989</u>
Public Safety				
Fire Department- Kermit	51,748	51,748	43,197	8,551
Fire Department- Wink	53,305	53,305	24,390	28,915
Probation Department	152,965	122,965	98,232	24,733
Fire Marshal	736	736	362	374
Juvenile Probation	158,959	216,400	160,441	55,959
County Sheriff	1,980,676	1,983,059	1,891,925	91,134
Constables	28,130	28,130	27,905	225
Total Public Safety	<u>2,426,519</u>	<u>2,456,343</u>	<u>2,246,452</u>	<u>209,891</u>
Transportation				
County Barn- Kermit	183,187	163,633	134,259	29,374
Area 1 Road Maintenance	198,300	198,300	162,376	35,924
Area 2 Road Maintenance	219,775	219,775	175,981	43,794
Lateral Road	512,400	848,847	526,438	322,409
Total Transportation	<u>1,113,662</u>	<u>1,430,555</u>	<u>999,054</u>	<u>431,501</u>
Health and Welfare				
Meals Department	159,755	159,755	134,286	25,469
Health & Sanitation	25,148	25,148	13,428	11,720
Veterans Service	5,351	5,890	5,380	510
Emergency Ambulance Service	901,851	893,351	770,143	123,208
Welfare Department	40,200	28,200	3,278	24,922
Memorial Hospital	1,672,623	1,758,968	1,624,803	134,165

WINKLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2016

EXHIBIT B-1
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Total Health and Welfare</i>	<u>2,804,928</u>	<u>2,871,312</u>	<u>2,551,318</u>	<u>319,994</u>
<i>Culture and Recreation</i>				
Community Center- Kermit	37,304	38,136	34,980	3,156
Westside Community Center	12,000	7,800	5,691	2,109
Community Center- Wink	9,800	9,800	8,733	1,067
Exhibition Building Wink	24,000	27,040	24,208	2,832
Swimming Pool- Kermit	113,767	114,267	95,538	18,729
Kermit Parks- Area 1	267,963	279,864	255,046	24,818
Recreation Center	23,500	23,200	14,077	9,123
Swimming Pool- Wink	55,032	55,032	32,031	23,001
Wink Parks- Area 2	203,318	206,068	178,341	27,727
Golf Course	265,956	265,956	230,993	34,963
Kermit Library	121,865	121,865	115,893	5,972
Wink Library	44,747	44,747	36,202	8,545
Senior Citizen Center	81,723	81,413	73,469	7,944
<i>Total Culture and Recreation</i>	<u>1,260,975</u>	<u>1,275,188</u>	<u>1,105,202</u>	<u>169,986</u>
<i>Facilities</i>				
Maintenance Engineer	68,211	68,211	64,911	3,300
Safety/Loss Control	81,035	86,684	72,170	14,514
<i>Total Facilities</i>	<u>149,246</u>	<u>154,895</u>	<u>137,081</u>	<u>17,814</u>
<i>Judicial</i>				
District Court	75,852	83,837	83,622	215
District Court Reporter	37,518	43,056	42,867	189
Juvenile Court	8,641	11,806	9,411	2,395
County Court	31,800	26,583	12,237	14,346
County Judge	159,213	163,201	157,001	6,200
Justice of the Peace Precinct 1	69,089	69,089	64,564	4,525
Justice of the Peace Precinct 2	53,598	53,598	51,764	1,834
Justice Court	30,000	53,000	52,394	606
District Court Jury	14,300	14,300	2,144	12,156
County & Justice Courts	4,200	4,200		4,200
<i>Total Judicial</i>	<u>484,211</u>	<u>522,670</u>	<u>476,004</u>	<u>46,666</u>
<i>Legal</i>				
Law Library	24,000	24,000	20,795	3,205
County Attorney	197,834	197,834	181,569	16,265
District Attorney	141,336	141,336	137,990	3,346
<i>Total Legal</i>	<u>363,170</u>	<u>363,170</u>	<u>340,354</u>	<u>22,816</u>
Debt Service:				
Principal	36,610	36,610	156,250	(119,640)
Interest and Fiscal Charges	2,953	2,953	3,312	(359)
Capital Outlay		1,012,655	890,036	122,619
<i>Total Expenditures</i>	<u>13,038,812</u>	<u>14,428,170</u>	<u>12,082,893</u>	<u>2,345,277</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>(875,245)</u>	<u>2,439,170</u>	<u>3,314,415</u>
Other Financing Sources (Uses):				
Operating Transfers Out			(7,610)	(7,610)
<i>Total Other Financing Sources (Uses)</i>			<u>(7,610)</u>	<u>(7,610)</u>
<i>Net Change in Fund Balances</i>		<u>(875,245)</u>	<u>2,431,560</u>	<u>3,306,805</u>
Fund Balances - Beginning	15,289,296	15,289,296	15,289,296	
Fund Balances - Ending	<u>\$ 15,289,296</u>	<u>\$ 14,414,051</u>	<u>\$ 17,720,856</u>	<u>\$ 3,306,805</u>

WINKLER COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS OF
OTHER POSTEMPLOYMENT BENEFIT PLAN
YEAR ENDED DECEMBER 31, 2016

EXHIBIT B-2

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as of Percentage of Covered Payroll ((b-a)/c)
01/01/09		276,276	276,276		N/A	N/A
01/01/12		190,063	190,063		6,960,950	2.73%
01/01/15		280,362	280,362		7,600,000	3.69%

WINKLER COUNTY, TEXAS
SCHEDULE OF THE COUNTY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service Cost	\$ 1,081,444	\$ 1,077,342	\$	\$	\$	\$	\$	\$	\$	\$
Interest (on the total pension liability)	2,612,407	2,445,238								
Effect of plan changes	(173,596)									
Effect of assumption changes	431,748									
Effect of economic/demographic gain or losses	(308,027)	(23,689)								
Benefit payments, including refunds of employee contributions	(1,583,260)	(1,544,790)								
Net Change in Total Pension Liability	2,060,716	1,954,101								
Total Pension Liability- Beginning	32,371,394	30,417,293								
Total Pension Liability- Ending (a)	\$ 34,432,110	\$ 32,371,394								
Plan Fiduciary Net Position										
Contributions- Employer	\$ 924,482	\$ 849,960	\$	\$	\$	\$	\$	\$	\$	\$
Contributions- Employee	558,359	611,330								
Net Investment Income	(322,792)	2,051,462								
Benefit payments, including refunds of employee contributions	(1,583,260)	(1,544,790)								
Administrative Expense	(23,083)	(24,140)								
Other	(24,793)	31,332								
Net Change in Plan Fiduciary Net Position	\$ (471,087)	\$ 1,975,154	\$	\$	\$	\$	\$	\$	\$	\$
Plan Fiduciary Net Position- Beginning	32,329,206	30,354,052								
Plan Fiduciary Net Position- Ending (b)	\$ 31,858,119	\$ 32,329,206								
Net Pension Liability- Ending (a) - (b)	\$ 2,573,991	\$ 42,188								
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.52%	99.87%								
County's covered-employee payroll	\$ 7,976,552	\$ 7,333,561	\$	\$	\$	\$	\$	\$	\$	\$
Net Pension Liability as a Percentage of Covered Employee Payroll	32.27%	0.58%								

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

WINKLER COUNTY, TEXAS
SCHEDULE OF COUNTY CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 914,168	\$ 924,482	\$	\$	\$	\$	\$	\$	\$	\$
Contributions in relation to the contractually required contribution	(914,168)	(924,482)								
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
County's covered-employee payroll	\$ 7,887,533	\$ 7,977,564	\$	\$	\$	\$	\$	\$	\$	\$
Contributions as a percentage of covered-employee payroll	11.59%	11.59%								

Note: GASB 68, Paragraph 81.2b requires that the data in this schedule be presented as of the County's current fiscal year as opposed to the time period covered by the measurement date of January 1, 2015- December 31, 2015.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

WINKLER COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1: Pension Information

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	8.1 years (based on contribution rate calculated in 12/31/15 valuation)
Asset Valuation Method	5-year Smoothed Market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation
Investment Rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	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.

Other Information:

There were no changes in plan provisions during the year.

Note 2: Budgetary Data

Budgets are adopted on the cash basis of accounting which is not consistent with generally accepted accounting principles. In general, annual appropriated budgets are adopted for the general, special revenue funds, and capital projects fund. All annual appropriations lapse at fiscal year end.

The County Commissioners' Court, under budgetary laws established by the Texas legislature, is required to adopt an annual budget for all governmental fund types to cover all the proposed expenditures of the County government, and to levy a tax sufficient, when considered with other revenues and available funds, to provide for these expenditures. Once the budget is approved, no expenditures may be made except in strict compliance with the budget. Emergency expenditures in case of grave public necessity, to meet unusual and unforeseen conditions which could not, by reasonably diligent thought and attention, have been included in the original budget, may from time to time be authorized by the Court as amendments to the original budget. The Commissioners' Court is the sole agency having discretionary power to determine existence of such facts as would constitute an emergency justifying a budget amendment.

WINKLER COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. Prior to June 24, the County Judge, as the County's Chief Budgetary Officer, will submit to the Commissioners' Court a requested operating budget for the fiscal year commencing the following January 1.
- b. After the presentation of the requested budget and prior to September 1, the Commissioners' Court will conduct a series of hearings with the individual department heads to review and analyze their expenditure requests. These meetings are all open to the public to encourage public comment.
- c. Prior to September 15, the Commissioners' Court will finalize the proposed budget and file it with the County Clerk.
- d. Prior to October 1, a public hearing will be held to receive citizen input, adopt, and set the tax rate for the coming budget year.
- e. All budget amendments are approved by the Commissioners' Court. From time to time, during the period covered by these financial statements, supplemental budget amendments were required and approved by the Commissioners' Court, under the provisions outlined above. Budgeted amounts presented in these financial statements are inclusive of any amendments made during the period January 1, 2016 through December 31, 2016.
- f. By law, appropriations for the total County budget cannot exceed the total resources that will be available for the year as forecasted by the County Auditor.
- g. The level of budgetary control (that is the level at which expenditures may not legally exceed appropriations) is established by department within an individual fund.

Expenditures exceeded appropriations in two categories.

Note 3: Reconciliation of Differences Between Budgetary Comparison Schedule and Statement of Revenues, Expenditures and Changes in Fund Balance

	<u>General Fund</u>
<u>Revenues:</u>	
Actual amount (budgetary basis) "Total revenues" from the budgetary comparison schedule (Exhibit B-1)	\$ 14,522,063
Differences- budget to GAAP:	
The County budgets for ad valorem taxes according to the property tax levy calendar October- September. Current tax collections for October-December are not considered current year revenues for budgetary purposes.	(2,186,565)
Outstanding taxes at fiscal year end are not considered current year revenues for budgetary purposes.	514,974
The County budgets for licenses and permits, fees, and other revenues on the cash basis, rather than on the modified accrual basis.	<u>(148,676)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds (Exhibit A-5)	\$ <u><u>12,701,796</u></u>

WINKLER COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund
Expenditures:	
Actual amount (budgetary basis) "Total expenditures" from the budgetary comparison schedule (Exhibit B-1)	\$ 12,082,893
The County budgets for supplies, equipment, and services on the cash basis, rather than on the modified accrual basis.	(76,339)
The County budgets for salaries and wages on the cash basis, rather than on the modified accrual basis.	14,895
The County does not budget for Juvenile Probation CCAP and State Aid grants.	69,467
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds (Exhibit A-5)	\$ 12,090,916
Beginning Fund Balances:	
Actual amount (budgetary basis) "Fund balances-beginning" from the budgetary comparison schedule (Exhibit B-1).	\$ 15,289,296
Outstanding taxes at fiscal year end are not considered current year revenues for budgetary purposes. This amount represents the taxes outstanding at December 31, 2015 less the allowance for uncollectible taxes.	5,466,998
The County budgets for licenses and permits, fees, and other revenues on the cash basis, rather than on the modified accrual basis. This amount represents prior year accounts receivable.	1,064,887
The County budgets for ad valorem taxes according to the property tax levy calendar October-September. Current tax collections for October-December are not considered current year revenues for budgetary purposes. This amount represents the current tax collections for October-December 2015.	2,494,096
The County budgets for supplies, equipment, and services on the cash basis, rather than on the modified accrual basis. This amount represents prior year accounts payable.	(146,851)
The County budgets for salaries and wages on the cash basis, rather than on the modified accrual basis. This amount represents prior year accrued payroll.	(118,082)
Beginning fund balance as reported on the statement of revenues, expenditures, and changes in fund balances- governmental funds (Exhibit A-5).	\$ 24,050,344

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Special Revenue Funds	Debt Service Fund Hospital Interest & Sinking Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS AND DEFERRED OUTFLOWS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 583,971	\$ 204,784	\$ 788,755
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	5,675	30,356	36,031
<i>Taxes</i>		639,747	639,747
Total Assets	<u>589,646</u>	<u>874,887</u>	<u>1,464,533</u>
Total Assets and Deferred Outflows	<u>\$ 589,646</u>	<u>\$ 874,887</u>	<u>\$ 1,464,533</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
Deferred Inflows:			
<i>Taxes</i>	\$	\$ 62,887	\$ 62,887
Total Deferred Inflows	<u></u>	<u>62,887</u>	<u>62,887</u>
Fund Balances:			
Restricted For:			
<i>Debt Service</i>		812,000	812,000
<i>Public Safety</i>	113,579		113,579
<i>Legal Services</i>	72,587		72,587
<i>Judicial Services</i>	166,671		166,671
<i>General Administration</i>	236,809		236,809
Total Fund Balance	<u>589,646</u>	<u>812,000</u>	<u>1,401,646</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 589,646</u>	<u>\$ 874,887</u>	<u>\$ 1,464,533</u>

WINKLER COUNTY, TEXAS**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Special Revenue Funds	Debt Service Fund Hospital Interest & Sinking Fund	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:			
<i>Taxes:</i>			
<i>Ad Valorem Taxes</i>	\$	\$ 678,747	\$ 678,747
<i>Intergovernmental</i>	69,577		69,577
<i>Fines and Forfeitures</i>	2,965		2,965
<i>Fees</i>	213,076		213,076
<i>Investment Earnings</i>	84	582	666
<i>Other</i>	1,976		1,976
Total revenues	<u>287,678</u>	<u>679,329</u>	<u>967,007</u>
Expenditures:			
<i>Current:</i>			
<i>General Administration</i>	495		495
<i>Public Safety</i>	153,518		153,518
<i>Judicial</i>	4,784		4,784
<i>Legal</i>	9,836		9,836
<i>Debt Service:</i>			
<i>Principal</i>		385,000	385,000
<i>Interest and Fiscal Charges</i>		274,819	274,819
<i>Bond Issuance Costs</i>		189,859	189,859
Total Expenditures	<u>168,633</u>	<u>849,678</u>	<u>1,018,311</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>119,045</u>	<u>(170,349)</u>	<u>(51,304)</u>
Other Financing Sources (Uses):			
<i>Operating Transfers In</i>	7,610		7,610
<i>Refunding Bonds Issued</i>		8,880,000	8,880,000
<i>Premiums on Bonds Sold</i>		257,894	257,894
<i>Payment to Refunded Bond Escrow Agent</i>		(9,118,383)	(9,118,383)
Total Other Financing Sources (Uses)	<u>7,610</u>	<u>19,511</u>	<u>27,121</u>
Net Change in Fund Balances	<u>126,655</u>	<u>(150,838)</u>	<u>(24,183)</u>
Fund Balances - Beginning	462,991	962,838	1,425,829
Fund Balances - Ending	<u>\$ 589,646</u>	<u>\$ 812,000</u>	<u>\$ 1,401,646</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016

	<u>LEOSE Training Fund</u>	<u>Sheriff's Forfeiture Fund</u>	<u>District Attorney's Forfeiture Fund</u>	<u>Probation Evaluation Fund</u>
ASSETS AND DEFERRED OUTFLOWS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 12,348	\$ 2,162	\$ 3,504	\$ 4,516
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>				
Total Assets	<u>12,348</u>	<u>2,162</u>	<u>3,504</u>	<u>4,516</u>
Total Assets and Deferred Outflows	<u>\$ 12,348</u>	<u>\$ 2,162</u>	<u>\$ 3,504</u>	<u>\$ 4,516</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Deferred Inflows:				
Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$ 12,348	\$ 2,162	\$	\$ 4,516
<i>Legal Services</i>			3,504	
<i>Judicial Services</i>				
<i>General Administration</i>				
Total Fund Balance	<u>12,348</u>	<u>2,162</u>	<u>3,504</u>	<u>4,516</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 12,348</u>	<u>\$ 2,162</u>	<u>\$ 3,504</u>	<u>\$ 4,516</u>

<u>Juvenile Probation Fee Fund</u>	<u>County Attorney Hot Check Fund</u>	<u>District Attorney Hot Check Fund</u>	<u>District Attorney Victims Assistance Fund</u>	<u>CSCD Fund</u>
\$ 4,988	\$	\$ 205	\$ 68,728	\$ 36,479
<u>4,988</u>	150 <u>150</u>	<u>205</u>	<u>68,728</u>	<u>36,479</u>
<u>\$ 4,988</u>	<u>\$ 150</u>	<u>\$ 205</u>	<u>\$ 68,728</u>	<u>\$ 36,479</u>
\$ 4,988	\$ 150	\$ 205	\$ 68,728	\$ 36,479
<u>4,988</u>	<u>150</u>	<u>205</u>	<u>68,728</u>	<u>36,479</u>
<u>\$ 4,988</u>	<u>\$ 150</u>	<u>\$ 205</u>	<u>\$ 68,728</u>	<u>\$ 36,479</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016

	<u>County Clerk Records Mgt/Preser Fund</u>	<u>County Records Mgt/Preservation Fund</u>	<u>Courthouse Security Fund</u>	<u>Justice Court Technology Fund</u>
ASSETS AND DEFERRED OUTFLOWS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 73,521	\$ 50,439	\$ 35,397	\$ 29,450
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>	<u>2,430</u>	<u>178</u>	<u>303</u>	
Total Assets	<u>75,951</u>	<u>50,617</u>	<u>35,700</u>	<u>29,450</u>
Total Assets and Deferred Outflows	<u>\$ 75,951</u>	<u>\$ 50,617</u>	<u>\$ 35,700</u>	<u>\$ 29,450</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Deferred Inflows:				
Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$	\$	\$ 35,700	\$
<i>Legal Services</i>				
<i>Judicial Services</i>				29,450
<i>General Administration</i>	<u>75,951</u>	<u>50,617</u>	<u>35,700</u>	
Total Fund Balance	<u>75,951</u>	<u>50,617</u>	<u>35,700</u>	<u>29,450</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 75,951</u>	<u>\$ 50,617</u>	<u>\$ 35,700</u>	<u>\$ 29,450</u>

<u>Juvenile Probation Title IV-E Fund</u>	<u>County Clerk Records Archive Fund</u>	<u>County Clerk Vital Statistic Preservation Fund</u>	<u>District Clerk Records Mgt/Preservation Fund</u>	<u>Justice Court Building Security</u>
\$ 2,682	\$ 71,131	\$ 7,106	\$ 17,368	\$ 5,264
	2,400	20	98	
<u>2,682</u>	<u>73,531</u>	<u>7,126</u>	<u>17,466</u>	<u>5,264</u>
<u>\$ 2,682</u>	<u>\$ 73,531</u>	<u>\$ 7,126</u>	<u>\$ 17,466</u>	<u>\$ 5,264</u>
\$ 2,682	\$	\$	\$	\$
	73,531	7,126	17,466	5,264
<u>2,682</u>	<u>73,531</u>	<u>7,126</u>	<u>17,466</u>	<u>5,264</u>
<u>\$ 2,682</u>	<u>\$ 73,531</u>	<u>\$ 7,126</u>	<u>\$ 17,466</u>	<u>\$ 5,264</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016

	<u>Judicial Efficiency Fund</u>	<u>County Child Abuse Prevention</u>	<u>Pretrial Intervention Fund</u>	<u>Pretrial Intervention District Attorney</u>
ASSETS AND DEFERRED OUTFLOWS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 1,195	\$ 1,192	\$ 130,457	\$ 300
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>	5			
Total Assets	<u>1,200</u>	<u>1,192</u>	<u>130,457</u>	<u>300</u>
Total Assets and Deferred Outflows	<u>\$ 1,200</u>	<u>\$ 1,192</u>	<u>\$ 130,457</u>	<u>\$ 300</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:				
Liabilities:				
Deferred Inflows:				
Fund Balances:				
Restricted For:				
<i>Public Safety</i>	\$	\$	\$	\$ 300
<i>Legal Services</i>				
<i>Judicial Services</i>	1,200		130,457	
<i>General Administration</i>		1,192		
Total Fund Balance	<u>1,200</u>	<u>1,192</u>	<u>130,457</u>	<u>300</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 1,200</u>	<u>\$ 1,192</u>	<u>\$ 130,457</u>	<u>\$ 300</u>

<u>Centennial Fund</u>	<u>District Court Technology Fund</u>	<u>Cty & Dist Court Tech Fund</u>	<u>Drug Dog Fund</u>	<u>Judicial Education Fund</u>
\$ 2,169	\$ 6,393	\$ 2,283	\$ 1,000	\$ 290
	58	23		10
<u>2,169</u>	<u>6,451</u>	<u>2,306</u>	<u>1,000</u>	<u>300</u>
<u>\$ 2,169</u>	<u>\$ 6,451</u>	<u>\$ 2,306</u>	<u>\$ 1,000</u>	<u>\$ 300</u>
\$	\$	\$	\$ 1,000	\$
				300
<u>2,169</u>	<u>6,451</u>	<u>2,306</u>	<u>1,000</u>	<u>300</u>
<u>2,169</u>	<u>6,451</u>	<u>2,306</u>	<u>1,000</u>	<u>300</u>
<u>\$ 2,169</u>	<u>\$ 6,451</u>	<u>\$ 2,306</u>	<u>\$ 1,000</u>	<u>\$ 300</u>

WINKLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016

	Juvenile Rec Center Fund	Prevention Grant Rec Center	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS AND DEFERRED OUTFLOWS			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 1,582	\$ 11,822	\$ 583,971
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>			5,675
Total Assets	<u>1,582</u>	<u>11,822</u>	<u>589,646</u>
Total Assets and Deferred Outflows	<u>\$ 1,582</u>	<u>\$ 11,822</u>	<u>\$ 589,646</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
Deferred Inflows:			
Fund Balances:			
Restricted For:			
<i>Public Safety</i>	\$ 1,582	\$ 11,822	\$ 113,579
<i>Legal Services</i>			72,587
<i>Judicial Services</i>			166,671
<i>General Administration</i>			236,809
Total Fund Balance	<u>1,582</u>	<u>11,822</u>	<u>589,646</u>
Total Liabilities, Def Inflows and Fund Balance	<u>\$ 1,582</u>	<u>\$ 11,822</u>	<u>\$ 589,646</u>

WINKLER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	LEOSE Training Fund	Sheriff's Forfeiture Fund	District Attorney's Forfeiture Fund	Probation Evaluation Fund
Revenue:				
<i>Intergovernmental</i>	\$	\$	\$	\$
<i>Fines and Forfeitures</i>			1	
<i>Fees</i>	3,468			
<i>Investment Earnings</i>		5	7	
<i>Other</i>				
Total revenues	<u>3,468</u>	<u>5</u>	<u>8</u>	
Expenditures:				
Current:				
<i>General Administration</i>				
<i>Public Safety</i>				127
<i>Judicial</i>				
<i>Legal</i>				
Total Expenditures				<u>127</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,468</u>	<u>5</u>	<u>8</u>	<u>(127)</u>
Other Financing Sources (Uses):				
<i>Operating Transfers In</i>				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	3,468	5	8	(127)
Fund Balances - Beginning	8,880	2,157	3,496	4,643
Fund Balances - Ending	<u>\$ 12,348</u>	<u>\$ 2,162</u>	<u>\$ 3,504</u>	<u>\$ 4,516</u>

Juvenile Probation Fee Fund	County Attorney Hot Check Fund	District Attorney Hot Check Fund	District Attorney Victims Assistance Fund	CSCD Fund
\$	\$	\$	\$	\$ 52,910
956	1,600			2,964
				95,268
				72
<u>956</u>	<u>1,600</u>	<u></u>	<u></u>	<u>151,214</u>
				147,870
	9,836			
	<u>9,836</u>	<u></u>	<u></u>	<u>147,870</u>
956	(8,236)			3,344
	7,610			
	<u>7,610</u>	<u></u>	<u></u>	<u></u>
956	(626)			3,344
4,032	776	205	68,728	33,135
<u>\$ 4,988</u>	<u>\$ 150</u>	<u>\$ 205</u>	<u>\$ 68,728</u>	<u>\$ 36,479</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	County Clerk Records Mgt/Preser Fund	County Records Mgt/Preservation Fund	Courthouse Security Fund	Justice Court Technology Fund
Revenue:				
<i>Intergovernmental</i>	\$	\$	\$	\$
<i>Fines and Forfeitures</i>				
<i>Fees</i>	28,550	2,158	5,364	1,937
<i>Investment Earnings</i>				
<i>Other</i>				
Total revenues	<u>28,550</u>	<u>2,158</u>	<u>5,364</u>	<u>1,937</u>
Expenditures:				
Current:				
<i>General Administration</i>				
<i>Public Safety</i>			282	
<i>Judicial</i>				
<i>Legal</i>				
Total Expenditures			<u>282</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,550</u>	<u>2,158</u>	<u>5,082</u>	<u>1,937</u>
Other Financing Sources (Uses):				
<i>Operating Transfers In</i>				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	28,550	2,158	5,082	1,937
Fund Balances - Beginning	47,401	48,459	30,618	27,513
Fund Balances - Ending	<u>\$ 75,951</u>	<u>\$ 50,617</u>	<u>\$ 35,700</u>	<u>\$ 29,450</u>

Juvenile Probation Title IV-E Fund	County Clerk Records Archive Fund	County Clerk Vital Statistic Preservation Fund	District Clerk Records Mgt/Preservation Fund	Justice Court Building Security
\$	\$	\$	\$	\$
	29,750	324	2,090	412
	<u>29,750</u>	<u>324</u>	<u>2,090</u>	<u>412</u>
	<u>29,750</u>	<u>324</u>	<u>2,090</u>	<u>412</u>
	<u>29,750</u>	<u>324</u>	<u>2,090</u>	<u>412</u>
	<u>29,750</u>	<u>324</u>	<u>2,090</u>	<u>412</u>
<u>2,682</u>	<u>43,781</u>	<u>6,802</u>	<u>15,376</u>	<u>4,852</u>
\$ <u><u>2,682</u></u>	\$ <u><u>73,531</u></u>	\$ <u><u>7,126</u></u>	\$ <u><u>17,466</u></u>	\$ <u><u>5,264</u></u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Judicial Efficiency Fund	County Child Abuse Prevention	Pretrial Intervention Fund	Pretrial Intervention District Attorney
Revenue:				
<i>Intergovernmental</i>	\$	\$	\$	\$
<i>Fines and Forfeitures</i>				
<i>Fees</i>	16	6	39,536	
<i>Investment Earnings</i>				
<i>Other</i>				
Total revenues	<u>16</u>	<u>6</u>	<u>39,536</u>	
Expenditures:				
Current:				
<i>General Administration</i>				
<i>Public Safety</i>				
<i>Judicial</i>			4,784	
<i>Legal</i>				
Total Expenditures			<u>4,784</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16</u>	<u>6</u>	<u>34,752</u>	
Other Financing Sources (Uses):				
<i>Operating Transfers In</i>				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	16	6	34,752	
Fund Balances - Beginning	1,184	1,186	95,705	300
Fund Balances - Ending	<u>\$ 1,200</u>	<u>\$ 1,192</u>	<u>\$ 130,457</u>	<u>\$ 300</u>

Centennial Fund	District Court Technology Fund	Cty & Dist Court Tech Fund	Drug Dog Fund	Judicial Education Fund
\$	\$	\$	\$	\$
	1,320	226		95
	<u>1,320</u>	<u>226</u>		<u>95</u>
495				
<u>495</u>				
<u>(495)</u>	<u>1,320</u>	<u>226</u>		<u>95</u>
<u>(495)</u>	<u>1,320</u>	<u>226</u>		<u>95</u>
<u>2,664</u>	<u>5,131</u>	<u>2,080</u>	<u>1,000</u>	<u>205</u>
\$ <u><u>2,169</u></u>	\$ <u><u>6,451</u></u>	\$ <u><u>2,306</u></u>	\$ <u><u>1,000</u></u>	\$ <u><u>300</u></u>

WINKLER COUNTY, TEXAS
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Juvenile Rec Center Fund	Prevention Grant Rec Center	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
<i>Intergovernmental</i>	\$	\$ 16,667	\$ 69,577
<i>Fines and Forfeitures</i>			2,965
<i>Fees</i>			213,076
<i>Investment Earnings</i>			84
<i>Other</i>	1,976		1,976
Total revenues	<u>1,976</u>	<u>16,667</u>	<u>287,678</u>
Expenditures:			
Current:			
<i>General Administration</i>			495
<i>Public Safety</i>	394	4,845	153,518
<i>Judicial</i>			4,784
<i>Legal</i>			9,836
Total Expenditures	<u>394</u>	<u>4,845</u>	<u>168,633</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,582</u>	<u>11,822</u>	<u>119,045</u>
Other Financing Sources (Uses):			
<i>Operating Transfers In</i>			7,610
Total Other Financing Sources (Uses)			<u>7,610</u>
Net Change in Fund Balances	1,582	11,822	126,655
Fund Balances - Beginning			462,991
Fund Balances - Ending	<u>\$ 1,582</u>	<u>\$ 11,822</u>	<u>\$ 589,646</u>

WINKLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2016

	County Attorney	County Clerk	District Clerk	Tax Assessor Collector
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 305	\$ 93,831	\$ 709,480	\$ 500,180
Total Assets	<u>\$ 305</u>	<u>\$ 93,831</u>	<u>\$ 709,480</u>	<u>\$ 500,180</u>
LIABILITIES:				
<i>Accounts Payable</i>	\$	\$ 28,621	\$ 1,622	\$ 350,225
<i>Due to Other Governments</i>	305			138,970
<i>Due to Trust Beneficiaries</i>		62,177	707,858	
<i>Deposits</i>				10,985
<i>Other Liabilities</i>		3,033		
Total Liabilities	<u>\$ 305</u>	<u>\$ 93,831</u>	<u>\$ 709,480</u>	<u>\$ 500,180</u>

Sheriff Inmate Trust	Sheriff Commissary Fund	District Attorney Forfeiture Holding Account	Sheriff Fee Fund	Total Agency Funds (See Exhibit A-10)
\$ 50,644	\$ 3,858	\$ 10,461	\$ 1	\$ 1,368,760
<u>\$ 50,644</u>	<u>\$ 3,858</u>	<u>\$ 10,461</u>	<u>\$ 1</u>	<u>\$ 1,368,760</u>
\$ 50,644	\$ 3,858	\$ 10,461	\$ 1	\$ 434,971
				149,736
				770,035
				10,985
				3,033
<u>\$ 50,644</u>	<u>\$ 3,858</u>	<u>\$ 10,461</u>	<u>\$ 1</u>	<u>\$ 1,368,760</u>

WINKLER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-6

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
COUNTY ATTORNEY				
ASSETS				
<i>Cash & Cash Equivalents</i>	\$ 1,255	\$ 1,278	\$ 2,228	\$ 305
Total Assets	<u>\$ 1,255</u>	<u>\$ 1,278</u>	<u>\$ 2,228</u>	<u>\$ 305</u>
LIABILITIES				
<i>Accounts Payable</i>	\$	\$	\$	\$
<i>Due to Other Governments</i>	1,255	1,278	2,228	305
Total Liabilities	<u>\$ 1,255</u>	<u>\$ 1,278</u>	<u>\$ 2,228</u>	<u>\$ 305</u>
COUNTY CLERK				
ASSETS				
<i>Cash & Cash Equivalents</i>	\$ 84,877	\$ 27,994	\$ 19,040	\$ 93,831
Total Assets	<u>\$ 84,877</u>	<u>\$ 27,994</u>	<u>\$ 19,040</u>	<u>\$ 93,831</u>
LIABILITIES				
<i>Accounts Payable</i>	\$ 17,349	\$ 22,085	\$ 10,813	\$ 28,621
<i>Due to Trust Beneficiaries</i>	67,008	1,665	6,496	62,177
<i>Other Liabilities</i>	520	4,244	1,731	3,033
Total Liabilities	<u>\$ 84,877</u>	<u>\$ 27,994</u>	<u>\$ 19,040</u>	<u>\$ 93,831</u>
DISTRICT CLERK				
ASSETS				
<i>Cash & Cash Equivalents</i>	\$ 751,498	\$ 481,403	\$ 523,421	\$ 709,480
Total Assets	<u>\$ 751,498</u>	<u>\$ 481,403</u>	<u>\$ 523,421</u>	<u>\$ 709,480</u>
LIABILITIES				
<i>Accounts Payable</i>	\$ 1,635	\$ 1,739	\$ 1,752	\$ 1,622
<i>Due to Trust Beneficiaries</i>	749,863	479,664	521,669	707,858
Total Liabilities	<u>\$ 751,498</u>	<u>\$ 481,403</u>	<u>\$ 523,421</u>	<u>\$ 709,480</u>
TAX ASSESSOR/COLLECTOR				
ASSETS				
<i>Cash & Cash Equivalents</i>	\$ 503,446	\$ 2,380,285	\$ 2,383,551	\$ 500,180
Total Assets	<u>\$ 503,446</u>	<u>\$ 2,380,285</u>	<u>\$ 2,383,551</u>	<u>\$ 500,180</u>
LIABILITIES				
<i>Accounts Payable</i>	\$ 328,723	\$ 1,940,035	\$ 1,918,533	\$ 350,225
<i>Due to Other Governments</i>	163,838	429,266	454,134	138,970
<i>Deposits</i>	10,885	10,984	10,884	10,985
Total Liabilities	<u>\$ 503,446</u>	<u>\$ 2,380,285</u>	<u>\$ 2,383,551</u>	<u>\$ 500,180</u>
SHERIFF INMATE				
ASSETS				
<i>Cash & Cash Equivalents</i>	\$ 12,132	\$ 47,699	\$ 9,187	\$ 50,644
Total Assets	<u>\$ 12,132</u>	<u>\$ 47,699</u>	<u>\$ 9,187</u>	<u>\$ 50,644</u>
LIABILITIES				
<i>Accounts Payable</i>	\$ 12,132	\$ 47,699	\$ 9,187	\$ 50,644
Total Liabilities	<u>\$ 12,132</u>	<u>\$ 47,699</u>	<u>\$ 9,187</u>	<u>\$ 50,644</u>

WINKLER COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2016

EXHIBIT C-6

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
SHERIFF COMMISSARY				
ASSETS				
<i>Cash & Cash Equivalents</i>	\$ 25,137	\$ 18,779	\$ 40,058	\$ 3,858
Total Assets	<u>\$ 25,137</u>	<u>\$ 18,779</u>	<u>\$ 40,058</u>	<u>\$ 3,858</u>
LIABILITIES				
<i>Accounts Payable</i>	\$ 25,137	\$ 18,779	\$ 40,058	\$ 3,858
Total Liabilities	<u>\$ 25,137</u>	<u>\$ 18,779</u>	<u>\$ 40,058</u>	<u>\$ 3,858</u>
CDA FORFEITURE HOLDING				
ASSETS				
<i>Cash & Cash Equivalents</i>	\$ 10,437	\$ 24	\$	\$ 10,461
Total Assets	<u>\$ 10,437</u>	<u>\$ 24</u>	<u>\$</u>	<u>\$ 10,461</u>
LIABILITIES				
<i>Due to Other Governments</i>	\$ 10,437	\$ 24	\$	\$ 10,461
Total Liabilities	<u>\$ 10,437</u>	<u>\$ 24</u>	<u>\$</u>	<u>\$ 10,461</u>
SHERIFF FEES				
ASSETS				
<i>Cash & Cash Equivalents</i>	\$	\$ 3,006	\$ 3,005	\$ 1
Total Assets	<u>\$</u>	<u>\$ 3,006</u>	<u>\$ 3,005</u>	<u>\$ 1</u>
LIABILITIES				
<i>Accounts Payable</i>	\$	\$ 3,006	\$ 3,005	\$ 1
Total Liabilities	<u>\$</u>	<u>\$ 3,006</u>	<u>\$ 3,005</u>	<u>\$ 1</u>
TOTAL AGENCY FUNDS:				
ASSETS				
<i>Cash & Cash Equivalents</i>	\$ 1,388,782	\$ 2,960,468	\$ 2,980,490	\$ 1,368,760
Total Assets	<u>\$ 1,388,782</u>	<u>\$ 2,960,468</u>	<u>\$ 2,980,490</u>	<u>\$ 1,368,760</u>
LIABILITIES				
<i>Accounts Payable</i>	\$ 384,976	\$ 2,033,343	\$ 1,983,348	\$ 434,971
<i>Due to Other Governments</i>	175,530	430,568	456,362	149,736
<i>Deposits</i>	10,885	10,984	10,884	10,985
<i>Due to Trust Beneficiaries</i>	816,871	481,329	528,165	770,035
<i>Other Liabilities</i>	520	4,244	1,731	3,033
Total Liabilities	<u>\$ 1,388,782</u>	<u>\$ 2,960,468</u>	<u>\$ 2,980,490</u>	<u>\$ 1,368,760</u>

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Robison Johnston & Patton, LLP
C E R T I F I E D P U B L I C A C C O U N T A N T S
A P A R T N E R S H I P I N C L U D I N G P R O F E S S I O N A L C O R P O R A T I O N S

Independent Auditors' Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Commissioners' Court
Winkler County, Texas
100 East Winkler
Kermit, Texas 79745

Members of the Commissioners' Court:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Winkler County, Texas, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Winkler County, Texas' basic financial statements, and have issued our report thereon dated June 20, 2017. Our report includes a reference to other auditors who audited the financial statements of the Memorial Hospital, as described in our report on Winkler County, Texas' financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robison Johnston + DHA UP

Lubbock, TX
June 20, 2017

STATISTICAL SECTION

This part of the Winkler County, Texas's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends	73-79
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	80-82
<i>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

WINKLER COUNTY, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 6,595,195	\$ 9,956,615	\$ 10,371,018	\$ 12,397,300	\$ 13,868,681	\$ 14,942,357	\$ 15,627,189	\$ 17,391,689	\$ 21,718,562	\$ 21,439,566
Restricted	10,880,503	1,143,883	975,444	952,844	993,328	966,130	967,809	968,524	962,838	812,000
Unrestricted	7,646,191	17,828,260	19,885,584	19,480,600	20,864,241	23,665,143	25,735,454	28,138,787	27,357,744	27,813,936
Total Governmental Activities Net Position	\$ 25,121,889	\$ 28,928,758	\$ 31,232,046	\$ 32,830,744	\$ 35,726,250	\$ 39,573,630	\$ 42,330,452	\$ 46,499,000	\$ 50,039,144	\$ 50,065,502
Business-type Activities										
Net Investment in Capital Assets	\$ 612,408	\$ 121,026	\$ 104,292	\$ 91,257	\$ 109,510	\$ 155,377	\$ 110,426	\$ 16,104	\$ 13,113	\$ 12,389
Restricted	1,122,216	934,749	1,248,507	1,183,106	562,991	25,500	25,500	25,500	25,500	25,500
Unrestricted						253,228	1,133,697	1,857,113	2,332,404	2,767,266
Total Business-type Activities Net Position	\$ 1,734,624	\$ 1,055,775	\$ 1,352,799	\$ 1,274,363	\$ 672,501	\$ 434,105	\$ 1,269,623	\$ 1,898,717	\$ 2,371,017	\$ 2,805,155
Primary Government										
Net Investment in Capital Assets	\$ 7,207,603	\$ 10,077,641	\$ 10,475,310	\$ 12,488,557	\$ 13,978,191	\$ 15,097,734	\$ 15,737,615	\$ 17,407,793	\$ 21,731,675	\$ 21,451,955
Restricted	10,880,503	1,143,883	975,444	952,844	993,328	991,630	993,309	994,024	988,338	837,500
Unrestricted	8,768,407	18,763,009	21,134,091	20,663,706	21,427,232	23,918,371	26,869,151	29,995,900	29,690,148	30,581,202
Total Primary Government Net Position	\$ 26,856,513	\$ 29,984,533	\$ 32,584,845	\$ 34,105,107	\$ 36,398,751	\$ 40,007,735	\$ 43,600,075	\$ 48,397,717	\$ 52,410,161	\$ 52,870,657

TABLE E-2

**WINKLER COUNTY, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General Administration	\$ 2,883,575	\$ 3,548,768	\$ 4,320,719	\$ 3,801,227	\$ 4,422,328	\$ 4,061,201	\$ 3,627,234	\$ 3,803,689	\$ 3,274,573	\$ 3,644,235
Public Safety	1,743,852	1,897,698	1,997,674	2,023,610	2,108,490	2,234,527	2,268,097	2,293,978	2,721,724	2,738,006
Transportation	603,652	722,125	750,770	771,587	965,590	846,019	1,024,722	1,102,060	924,885	1,009,112
Health and Welfare	1,765,234	2,758,284	2,703,085	3,508,181	2,931,861	2,972,747	3,928,298	4,864,736	3,174,126	3,264,324
Culture and Recreation	829,313	839,022	823,508	920,228	999,740	1,126,394	1,187,690	1,166,633	1,321,231	1,462,990
Facilities	141,287	143,076	93,944	92,334	102,279	141,999	192,382	193,613	200,849	215,506
Judicial	296,737	286,904	296,027	314,789	311,361	311,744	342,850	378,196	507,003	471,453
Legal	191,260	226,234	265,049	246,103	276,320	269,750	284,903	296,145	361,121	405,648
Interest on Long-Term Debt	688,979	639,726	558,256	532,849	519,406	507,442	499,151	490,168	473,471	114,162
Bond Issuance Costs	37,647	28,033	25,054	22,960	21,130	19,541	166,091			189,859
Total Governmental Activities Exp	9,181,536	11,089,870	11,834,086	12,233,868	12,658,505	12,491,364	13,521,418	14,589,218	12,958,983	13,515,295
Business-type Activities										
Memorial Hospital	6,432,549	7,538,925	7,605,315	7,825,939	7,984,059	8,345,467	8,821,689	8,814,017	8,741,985	9,364,884
Total Business-type Activities Exp	6,432,549	7,538,925	7,605,315	7,825,939	7,984,059	8,345,467	8,821,689	8,814,017	8,741,985	9,364,884
Total Primary Government Exp	\$ 15,614,085	\$ 18,628,795	\$ 19,439,401	\$ 20,059,807	\$ 20,642,564	\$ 20,836,831	\$ 22,343,107	\$ 23,403,235	\$ 21,700,968	\$ 22,880,179
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 2,270,756	\$ 2,511,299	\$ 2,130,921	\$ 2,168,966	\$ 2,367,350	\$ 2,512,810	\$ 2,279,657	\$ 2,908,135	\$ 2,803,139	\$ 2,581,556
Operating Grants and Contrib.	418,302	816,169	348,041	354,821	400,705	381,294	420,307	507,865	813,582	841,247
Capital Grants and Contributions										
Total Governmental Act Prog Rev.	2,689,058	3,327,468	2,478,962	2,523,787	2,768,055	2,894,104	2,699,964	3,416,000	3,616,721	3,422,803
Business-type Activities:										
Charges for Services	5,082,183	4,803,942	6,032,140	5,129,645	5,337,114	6,100,196	6,756,104	5,666,843	6,807,435	7,494,935
Operating Grants and Contrib.	1,200,849	2,049,891	1,869,977	2,616,909	2,044,656	1,981,375	2,875,603	3,750,768	2,085,835	2,302,046
Capital Grants and Contributions										
Total Business-type Act Prog Rev.	6,283,032	6,853,833	7,902,117	7,746,554	7,381,770	8,081,571	9,631,707	9,417,611	8,893,270	9,796,981
Total Primary Govt Prog Rev.	\$ 8,972,090	\$ 10,181,301	\$ 10,381,079	\$ 10,270,341	\$ 10,149,825	\$ 10,975,675	\$ 12,331,671	\$ 12,833,611	\$ 12,509,991	\$ 13,219,784
Net (Expense)/Revenue										
Governmental Activities	\$ (6,492,478)	\$ (7,762,402)	\$ (9,355,124)	\$ (9,710,081)	\$ (9,890,450)	\$ (9,597,260)	\$ (10,821,454)	\$ (11,173,218)	\$ (9,342,262)	\$ (10,092,492)
Business-type Activities	(149,517)	(685,092)	296,802	(79,385)	(602,289)	(263,896)	810,018	603,594	151,285	432,097
Total Primary Govt Net Expense	\$ (6,641,995)	\$ (8,447,494)	\$ (9,058,322)	\$ (9,789,466)	\$ (10,492,739)	\$ (9,861,156)	\$ (10,011,436)	\$ (10,569,624)	\$ (9,190,977)	\$ (9,660,395)

WINKLER COUNTY, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental Activities	\$ (6,492,478)	\$ (7,762,402)	\$ (9,355,124)	\$ (9,710,081)	\$ (9,890,450)	\$ (9,597,260)	\$ (10,821,454)	\$ (11,173,218)	\$ (9,342,262)	\$ (10,092,492)
Business-type Activities	(149,517)	(685,092)	296,802	(79,385)	(602,289)	(263,896)	810,018	603,594	151,285	432,097
Total Primary Government Net Exp	\$ (6,641,995)	\$ (8,447,494)	\$ (9,058,322)	\$ (9,789,466)	\$ (10,492,739)	\$ (9,861,156)	\$ (10,011,436)	\$ (10,569,624)	\$ (9,190,977)	\$ (9,660,395)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 7,607,240	\$ 9,629,457	\$ 10,253,788	\$ 9,774,637	\$ 11,216,231	\$ 11,362,596	\$ 11,294,347	\$ 12,150,789	\$ 9,607,198	\$ 7,904,349
Sales Taxes	1,696,127	1,544,786	1,247,728	1,367,898	1,468,321	1,987,812	2,147,434	2,861,516	2,646,186	2,090,134
Bingo Tax Proceeds	2,143	2,007	1,921	1,763	1,156		5,496			
Insurance Recovery										
Investment Earnings	1,081,414	381,017	115,772	78,617	60,720	47,772	56,198	64,823	63,029	33,050
Donations						2,972				
Miscellaneous	114,360	12,005	39,203	85,866	39,527	43,488	74,800	264,636	99,962	91,317
Total Governmental Activities	\$ 10,501,284	\$ 11,569,272	\$ 11,658,412	\$ 11,308,781	\$ 12,785,955	\$ 13,444,640	\$ 13,578,275	\$ 15,341,764	\$ 12,416,375	\$ 10,118,850
Business-type Activities:										
Investment Earnings	16,333	6,243	222	949	427				327	2,041
Gain on Sale of Assets										
Restricted Contributions						25,500	25,500	25,500		
Insurance Recovery										
Total Business-type Activities:	16,333	6,243	222	949	427	25,500	25,500	25,500	327	2,041
Total Primary Government	\$ 10,517,617	\$ 11,575,515	\$ 11,658,634	\$ 11,309,730	\$ 12,786,382	\$ 13,470,140	\$ 13,603,775	\$ 15,367,264	\$ 12,416,702	\$ 10,120,891
Change in Net Position										
Governmental Activities	\$ 4,008,814	\$ 3,806,870	\$ 2,303,288	\$ 1,598,700	\$ 2,895,505	\$ 3,847,380	\$ 2,756,821	\$ 4,168,546	\$ 3,074,113	\$ 26,359
Business-type Activities	(133,184)	(678,849)	297,024	(78,436)	(601,862)	(238,396)	855,518	629,094	151,612	434,138
Total Primary Government	\$ 3,875,630	\$ 3,128,021	\$ 2,600,312	\$ 1,520,264	\$ 2,293,643	\$ 3,608,984	\$ 3,592,339	\$ 4,797,640	\$ 3,225,725	\$ 460,497

TABLE E-4

WINKLER COUNTY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

General Fund	FISCAL									
	2007	2008	2009	2010	2011*	2012	2013	2014	2015	2016
Reserved	\$ 1,742,742	\$ 716,098	\$ 1,400,074	\$ 1,614,151	\$	\$	\$	\$	\$	\$
Unreserved	13,645,181	15,248,151	16,892,378	16,143,015						
Committed For:										
Park Improvements					108,601	238,189	320,000	250,306	183,748	177,747
County Clerk Imaging					114,085	100,000				
RHC Expansion/ Parking Lot					647,000	500,000	400,000	200,000	65,000	
Volunteer Fire Depts					66,487	33,000	150,000	50,000	200,000	200,000
Courthouse Capital Impr					1,275,000	150,000		100,000	1,454,082	1,454,082
Lateral Road					218,266	100,000	191,302	91,903	498,616	496,112
Medicial & Emerg Response					492,067	56,108			40,262	626,607
Wink Vol. Fire Dept					17,000	25,000			5,000	7,500
Jail Improvements					20,000	50,000				15,000
Courthouse HVAC System					160,621					
Equipment & Buildings					31,086	340,000				
Wink Barn Flooring					2,549					
County Wide Equipment					100,000	100,000	115,940	258,500		50,000
Deferred Contract Services					500,000					
WCMH Operating Expenses					33,650					
EMS Radios					11,088					
Digita Radios- Law Enf					56,000	75,000		75,000	162,000	162,000
Hospital Software					675,000	100,000	582,692	300,000	474,419	474,419
Hospital Capital Impr					200,000			100,000	305,533	240,562
Self Funded Health Plan						300,000			300,000	500,000
TCDRS Funding						300,000				272,000
Community Buildings							58,815	108,558	726,863	837,663
Computer Equipment							4,110		125,000	83,601
Emergency Grant							37,414			
Election Expense							5,000		3,770	13,770
Console KPD							62,720			
District Clerk Imaging							50,000	200,000	425,611	234,848
Precinct 1 Equipment & Barn									13,700	13,700
Precinct 2 Equipment & Barn									68,741	36,336
Sheriff OT										
Copiers & Printers										5,000
Financial & Court Software										
Airport Capital Improvements										186,066
4-H Pens									86,066	1,000
Ag Pickup										23,000
TCDRS										50,000

WINKLER COUNTY, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes:										
Ad Valorem Taxes	\$ 7,827,972	9,179,906	10,389,846	9,506,387	11,619,575	11,206,651	11,149,804	12,214,606	9,666,851	7,775,866
General Sales and Use Taxes	1,696,127	1,544,786	1,247,728	1,367,898	1,468,321	1,987,812	2,147,434	2,861,516	2,646,186	2,090,134
Licenses and Permits	268,620	271,446	268,234	265,775	266,167	266,941	268,098	269,306	258,474	297,905
Intergovernmental	270,550	629,122	194,694	280,720	283,424	277,076	311,590	355,773	636,570	687,687
Fines and Forfeitures	99,649	136,411	110,988	123,203	240,756	235,740	188,464	188,874	147,907	124,871
Fees	506,320	603,202	510,600	547,759	334,618	732,796	769,742	797,691	827,271	796,986
Investment Earnings	1,081,414	381,017	115,772	78,617	60,720	47,772	56,198	64,823	63,029	91,317
Jail Revenue	1,036,265	1,281,948	1,100,785	1,055,129	1,318,232	1,133,206	1,064,150	1,159,595	1,036,500	1,404,074
Other Revenue	445,351	382,876	298,878	348,138	451,183	315,951	455,798	827,672	552,791	439,963
Total Revenues	13,232,268	14,410,714	14,237,525	13,573,626	16,042,996	16,203,945	16,411,278	18,739,856	15,835,579	13,668,803
Expenditures										
Current:										
General Administration	2,726,883	3,610,176	3,603,792	3,524,371	4,242,280	4,265,426	3,669,713	3,808,436	3,388,105	3,180,502
Public Safety	1,553,935	1,702,042	1,797,432	1,807,309	1,902,846	2,027,819	2,033,020	2,038,464	2,537,317	2,453,225
Transportation	644,428	600,967	635,130	606,147	836,385	773,019	741,667	854,242	1,066,040	999,811
Health and Welfare	1,730,858	2,460,056	2,214,495	3,013,178	2,425,799	2,445,001	3,394,403	4,256,405	2,536,624	2,546,599
Culture and Recreation	689,831	690,591	662,789	755,151	784,044	888,972	935,435	902,899	1,052,754	1,116,632
Facilities	124,206	125,566	77,386	79,506	86,539	87,324	118,486	118,102	125,812	137,034
Judicial	295,137	285,304	294,427	313,722	311,361	312,244	342,590	378,320	517,573	466,877
Legal	191,260	226,234	265,049	246,103	276,320	269,750	284,669	292,460	355,185	349,375
Debt Service:										
Principal	350,000	2,090,000	426,690	295,000	310,000	325,000	363,902	413,847	431,000	541,250
Interest and Fiscal Charges	881,643	648,774	590,202	563,005	547,880	533,427	523,940	513,873	496,201	278,130
Bond Issuance Costs										189,859
Capital Outlay	3,721,830	11,338,188	1,075,591	2,895,891	2,364,614	1,980,122	2,332,212	2,923,371	5,232,200	949,933
Total Expenditures	12,910,011	23,777,898	11,642,983	14,099,383	14,088,068	13,908,104	14,940,037	16,500,419	17,738,811	13,109,227
Excess of Revenues Over (Under) Expenditures	322,257	(9,367,184)	2,594,542	(525,757)	1,954,928	2,295,841	1,471,241	2,239,437	(1,903,232)	559,576

TABLE E-5 (cont)

Other Financing Sources (Uses)													
Transfers In	62,056	67,188	186,674	25,502	3,408	6,286	9,646	8,757	11,600	7,610			
Refunding Bonds Issued											8,880,000		
Payment to Refunded Bond Escrow Agent											(9,118,383)		
Capital Leases		141,690					300,000						
Premium or Discount													
On Issuance of Bonds												257,894	
Transfers Out	(62,056)	(67,188)	(430,455)	(25,502)	(3,408)	(6,286)	(9,646)	(8,757)	(11,600)	(7,610)			
Total Other Financing Sources (Uses)		141,690	(243,781)				300,000			19,511			
Net Change in Fund Balances	\$ 322,257	(9,225,494)	2,350,761	(525,757)	1,954,928	2,295,841	1,771,241	2,239,437	(1,903,232)	579,087			
Debt Service As A Percentage Of Noncapital Expenditures	13.4%	22.0%	9.6%	7.7%	7.3%	7.2%	7.0%	6.8%	7.4%	8.2%			

TABLE E-6

WINKLER COUNTY, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (1)

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Sales & Use Tax	Total
2007	\$ 7,827,972	\$ 1,696,127	\$ 9,524,099
2008	9,179,906	1,544,786	10,724,692
2009	10,389,846	1,247,728	11,637,574
2010	9,506,387	1,367,898	10,874,285
2011	11,619,575	1,468,321	13,087,896
2012	11,206,651	1,987,812	13,194,463
2013	11,149,804	2,147,434	13,297,238
2014	12,214,606	2,861,516	15,076,122
2015	9,666,851	2,646,186	12,313,037
2016	7,775,866	2,090,134	9,866,000

(1) Includes General Fund, Special Revenue Funds, and Debt Service Fund.

TABLE E-7

WINKLER COUNTY, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
December 31, 2016

Taxpayer	2016		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Duke-Notrees Wind Power LP	\$ 85,449,190	1	8.70%
Apache Corporation	44,880,091	2	4.57%
Whiting Oil & Gas Corp.	32,714,041	3	3.33%
Plains Pipeline LP- Basin Sys.	32,506,159	4	3.31%
Regency Field Services	29,345,957	5	2.99%
Plains Pipeline LP	23,731,660	6	2.42%
Bopco LP	22,106,306	7	2.25%
El Paso Natural Gas Co.	21,889,020	8	2.23%
Oncor Electric Delivery Co.	21,618,040	9	2.20%
XTO Energy Inc.	21,609,931	10	2.20%
Total	\$ 335,850,395		34.20%

WINKLER COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year	Taxes Levied	Collected & Adjusted Within the		Collections & Adj In Subsequent Years	Total Collections and Adj to Date	
	for the Fiscal Year	Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 7,452,147	\$ 7,359,976	98.76%	\$ 83,620	\$ 7,443,596	99.89%
2007	7,627,125	7,344,280	96.29%	269,867	7,614,147	99.83%
2008	9,550,008	9,257,265	96.93%	234,346	9,491,611	99.39%
2009	10,495,371	10,278,418	97.93%	184,705	10,463,123	99.69%
2010	10,548,757	10,404,780	98.64%	120,463	10,525,243	99.78%
2011	10,457,222	10,347,683	98.95%	86,056	10,433,739	99.78%
2012	11,316,322	11,182,491	98.82%	93,980	11,276,471	99.65%
2013	11,136,923	10,965,506	98.46%	97,267	11,062,773	99.33%
2014	11,837,123	11,657,804	98.49%	70,941	11,728,745	99.08%
2015	9,605,189	9,454,853	98.43%		9,454,853	98.43%