



TOM GREEN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2017**

TOM GREEN COUNTY, TEXAS

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FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County (the "County") as of September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County, as of September 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Waco, Texas
March 15, 2018

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Tom Green County, Texas, we offer readers of Tom Green County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented here with the County's financial statements which follow.

FINANCIAL HIGHLIGHTS

- The assets of Tom Green County exceeded its liabilities as of September 30, 2017, by \$66,474,853. Of this amount, \$57,051,556 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designations and fiscal policies.
- The County's total net position increased by \$914,255 .
- As of the close of the current fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$71,934,577, an increase of \$3,214,420 compared to the prior year.
- The unassigned fund balance for the General Fund was \$12,393,477 or 27% of total General Fund expenditures. Unassigned fund balance decreased 2.8% from the prior year's unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Tom Green County maintains 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Grants Fund, and Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are *not* available to support Tom Green County’s own programs.

Notes to the Financial Statements: The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County’s financial position. In the case of Tom Green County, assets exceeded liabilities by \$66,474,853 at the close of the fiscal year.

Tom Green County’s investment in capital assets (e.g. land, buildings, furniture and equipment, and roads and bridges), less any related outstanding debt used to acquire those assets, is 8% of net position. Tom Green County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Tom Green County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining net position, \$57,051,556 is unrestricted and may be used to meet the County’s ongoing obligations to citizens and creditors, and 6%, \$4,054,967, of net position is restricted.

TOM GREEN COUNTY’S NET POSITION

	Governmental Activities	
	2017	2016
Current assets	\$ 79,180,178	\$ 74,418,927
Capital assets	59,212,163	51,978,889
Total assets	138,392,341	126,397,816
Deferred outflows of resources	7,222,257	8,723,188
Current liabilities	5,123,473	4,903,444
Long-term liabilities	73,068,486	63,668,663
Total liabilities	78,191,959	68,572,107
Deferred inflows of resources	947,786	996,213
Net position:		
Net investment in capital assets	5,368,330	51,985,911
Restricted	4,054,967	4,121,866
Unrestricted	57,051,556	9,444,907
Total net position	\$ 66,474,853	\$ 65,552,684

As of September 30, 2017, the County has positive balances in all categories of net position.

TOM GREEN COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2017	2016
REVENUES		
Program revenues:		
Charges for services	\$ 7,448,865	\$ 7,005,703
Operating grants and contributions	5,747,172	4,841,694
General revenues:		
Property taxes	31,741,954	30,788,840
Other taxes	8,918,139	8,687,095
Investment earnings	821,943	363,082
Gain on sale of capital assets	1,291,601	-
Miscellaneous	124,550	262,635
Total revenues	56,094,224	51,949,049
EXPENSES		
General government	16,738,722	17,044,560
Public safety	28,673,415	24,367,842
Highways and streets	3,648,268	4,086,578
Conservation	217,480	1,271,945
Health and welfare	331,660	409,997
Culture and recreation	3,270,237	3,121,925
Interest on long-term debt	2,300,187	1,777,862
Total expenses	55,179,969	52,080,709
CHANGE IN NET POSITION	914,255	(131,660)
NET POSITION, BEGINNING	65,552,684	65,684,344
PRIOR PERIOD ADJUSTMENT	7,914	-
NET POSITION, ENDING	\$ 66,474,853	\$ 65,552,684

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

- Property tax revenues increased by \$953,114 from fiscal year 2016 to 2017. This was the result of increases in the property tax base in the County. Property taxes levied on new property added to the tax base this year were \$479,970. The Commissioners' Court set a total property tax rate in fiscal year 2017 of \$.51250 per \$100 of appraised value.
- Other tax revenue included sales tax collections of \$8,548,166. This is an increase of 2.8% from fiscal year 2016, indicating a stabilizing economy after oil field activity slowed in the prior year. The diversity of the businesses located in the County continues to provide long-term stability.
- Total expenses for governmental activities increased by 6.0% across the functions of government. This increase is composed of an approximate 10% increase in employee health insurance premium costs, and the County also provided cost of living wage increases of 3% for most employees. In addition, the renovation project on the Edd B. & Frances Frink Keyes building on the first and second floor was completed in fiscal year 2017. These costs are part of the increase in the general category.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

At the end of the 2017 fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$71,934,577, an increase of \$3,214,420 compared with the prior year.

The General Fund is the chief operating fund of Tom Green County. At the end of fiscal year 2017, the General Fund had a fund balance of \$12,965,717 with \$22,195 classified as nonspendable. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 27% of total General Fund expenditures. In addition, overall revenue in the General Fund increased \$1,028,938 from 2016, and General Fund expenditures increased \$1,823,254 in the same time.

Descriptions of Functions/Programs:

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

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

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

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

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

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

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

Capital Assets and Debt Administration

The County's investment in capital assets for its governmental activities as of September 30, 2017, amounts to \$59,212,163 net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, infrastructure (roads and bridges), equipment, and furnishings. In addition, the County capitalized the following amounts during the year in completing capital projects or purchasing assets:

Land	\$ 4,792
Construction in progress	6,994,668
Buildings	1,749,489
Machinery and equipment	1,987,934
Infrastructure	524,022

CAPITAL ASSETS

	Historical Cost	Accumulated Depreciation	Net Investment
Land	\$ 3,794,801	\$ -	\$ 3,794,801
Construction in progress	9,045,811	-	9,045,811
Buildings and improvements	70,663,046	33,722,895	36,940,151
Improvements other than buildings	57,870	42,200	15,670
Machinery and equipment	20,474,989	14,110,486	6,364,503
Infrastructure	23,660,550	20,609,323	3,051,227
Total	<u>\$ 127,697,067</u>	<u>\$ 68,484,904</u>	<u>\$ 59,212,163</u>

LONG-TERM DEBT

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

	Original Amount	Interest Rate	Balance 09/30/17
Certificates of Obligation	\$ 59,515,000	2-5%	\$ 59,515,000
Bond premium	4,405,468	N/A	4,222,428
Compensated absences	N/A	N/A	1,469,522
Net pension liability	N/A	N/A	7,211,433
Net OPEB obligation	N/A	N/A	<u>650,103</u>
Total			<u>\$ 73,068,486</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

In fiscal year 2017, significant budget items included cost of living wage increases for County employees, health care costs for employees and new vehicle and equipment purchases as the County maintains its fleet. Renovation of the second floor of the Edd B. & Frances Frink Keyes building was started at the beginning of the fiscal year 2016 and was completed in mid-fiscal year of 2017. Various offices including Commissioners' Court moved into the space, accommodating their activities much better than before. The Commissioners' Court also made revisions during the year to the original appropriations approved for the 2017 fiscal year budget. These revisions were mainly transfers within departments necessary to cover the expenditures of office by individual line items. Property tax rates remained the same as fiscal year 2016, while property values increased. This allowed the County to absorb the higher costs of interest due on debt and outside prisoner housing, within the existing property tax rate. The County budgets conservatively for anticipated revenues and expenditures, allowing for an adequate reserve in fund balance as a safety net and savings for the future.

ECONOMIC FACTORS

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

FUTURE BUDGET CONCERNS

The County continues to budget and plan for capital improvements to maintain its assets and provide suitable space for public business and County employees. Early in fiscal year 2017, the County issued additional certificates of obligation to fund the budgets for completion of construction of a new County jail and to pay for renovations to court room facilities at the Tom Green County courthouse. Based on changes in the design of the new jail, additional certificates of obligation in the future will be necessary to complete the project. While most of the proceeds will be necessary for the jail, the County will need to address the future renovation and significant maintenance that the County courthouse requires. Planning for the operations of these facilities must incorporate long term growth in the County and include comprehensive needs assessments for all departments affected, to include a number of new staff positions that will be necessary for the new jail. The County also must continue to address employee retention and compensation for its employees. Health care benefits are a major budget item that has increased each year, and the County will be assessing long term plans and options for future funding. In addition, a large number of employees are nearing retirement age, and a plan is necessary to attract and retain qualified workers. Additionally, the County has experienced a significant increase in felony criminal caseload, including several capital trials. These trials, and the processing of the remainder of the felony docket, are large cost drivers. The County must plan to fund them while still maintaining an adequate reserve in equity. The County has and continues to make efforts at improving cost efficiencies with each budget in various other areas to best utilize taxpayer funds.

REQUESTS FOR INFORMATION

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

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

**BASIC
FINANCIAL STATEMENTS**

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TOM GREEN COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 3,086,410
Investments	69,287,672
Receivables (net of allowances for uncollectibles)	4,471,718
Due from other governments	2,311,877
Prepaid expenses	2,131
Inventory	20,370
Capital assets:	
Land	3,794,801
Construction in progress	9,045,811
Buildings	70,663,046
Improvements other than buildings	57,870
Furniture and equipment	20,474,989
Infrastructure	23,660,550
Less: accumulated depreciation	<u>(68,484,904)</u>
Total capital assets	<u>59,212,163</u>
Total assets	<u>138,392,341</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>7,222,257</u>
Total deferred outflows	<u>7,222,257</u>
LIABILITIES	
Accounts payable	4,056,575
Accrued liabilities	440,700
Due to other governments	100,446
Accrued interest	525,252
Noncurrent liabilities:	
Due within one year	1,828,904
Due in more than one year	<u>71,239,582</u>
Total liabilities	<u>78,191,959</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>947,786</u>
Total deferred inflows	<u>947,786</u>
NET POSITION	
Net investment in capital assets	5,368,330
Restricted for:	
Debt service	249,692
Juvenile probation	1,334,853
Road and bridge	779,992
Other	1,690,430
Unrestricted	<u>57,051,556</u>
Total net position	<u>\$ 66,474,853</u>

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

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TOM GREEN COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government	\$ 16,738,722	\$ 4,067,434	\$ 1,693,047	\$(10,978,241)
Public safety	28,673,415	1,548,102	3,788,304	(23,337,009)
Highways and streets	3,648,268	1,739,419	16,422	(1,892,427)
Conservation	217,480	55,375	61,076	(101,029)
Health and welfare	331,660	10,017	69,675	(251,968)
Culture and recreation	3,270,237	28,518	118,648	(3,123,071)
Interest on long-term debt	<u>2,300,187</u>	<u>-</u>	<u>-</u>	<u>(2,300,187)</u>
 Total governmental activities	 <u>\$ 55,179,969</u>	 <u>\$ 7,448,865</u>	 <u>\$ 5,747,172</u>	 <u>(41,983,932)</u>
 General revenues:				
Taxes:				
Property, levied for general purposes				28,177,187
Property, levied for debt service				3,564,767
Sales				8,548,166
Other				369,973
Unrestricted investment earnings				821,943
Gain on sale of capital assets				1,291,601
Miscellaneous				<u>124,550</u>
Total general revenues				<u>42,898,187</u>
Change in net position				914,255
Net position - beginning				<u>65,552,684</u>
Prior period adjustment				<u>7,914</u>
Net position - beginning - restated				<u>65,560,598</u>
Net position - ending				<u>\$ 66,474,853</u>

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

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TOM GREEN COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General	Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ -	\$ -	\$ 1,034,669	\$ 2,051,741	\$ 3,086,410
Investments	11,852,356	-	55,852,667	1,582,649	69,287,672
Receivables (net of allowances for uncollectibles):					
Accounts	1,815,254	-	32,363	25,940	1,873,557
Taxes:					
Property	877,575	-	-	94,714	972,289
Sales	1,539,349	-	-	-	1,539,349
Mixed beverage	86,523	-	-	-	86,523
Due from other funds	1,176,310	-	-	622,000	1,798,310
Due from other governments	276,375	1,793,965	-	241,537	2,311,877
Inventory	20,370	-	-	-	20,370
Prepaid items	1,825	-	-	306	2,131
Total assets	17,645,937	1,793,965	56,919,699	4,618,887	80,978,488
LIABILITIES					
Accounts payable	1,613,615	59,998	\$ 1,908,494	474,468	4,056,575
Accrued liabilities	409,243	5,890	-	25,567	440,700
Due to other governments	100,446	-	-	-	100,446
Due to other funds	4,249	1,729,657	-	64,404	1,798,310
Unearned revenue	-	500	-	-	500
Total liabilities	2,127,553	1,796,045	1,908,494	564,439	6,396,531
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	799,024	-	-	94,713	893,737
Unavailable revenue - fines and fees	1,753,643	-	-	-	1,753,643
Total deferred inflows of resources	2,552,667	-	-	94,713	2,647,380
FUND BALANCES					
Nonspendable	22,195	-	-	306	22,501
Restricted	-	-	55,011,205	3,962,038	58,973,243
Assigned	550,045	-	-	-	550,045
Unassigned	12,393,477	(2,080)	-	(2,609)	12,388,788
Total fund balances	12,965,717	(2,080)	55,011,205	3,959,735	71,934,577
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,645,937	\$ 1,793,965	\$ 56,919,699	\$ 4,618,887	80,978,488

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 59,212,163
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not included in fund balance.	2,647,380
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.	(73,593,738)
Deferred outflows of resources related to pensions and deferred inflows of resources related to pensions are not included in the fund financial statements.	6,274,471
Net position of governmental activities	\$ 66,474,853

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

TOM GREEN COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General	Grants	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 37,129,183	\$ -	\$ -	\$ 3,557,208	\$ 40,686,391
Fees of office	2,706,144	-	-	2,045,651	4,751,795
Intergovernmental	1,790,436	2,745,915	-	481,151	5,017,502
Fines and forfeitures	1,016,940	-	-	1,121,986	2,138,926
Licenses and permits	46,303	-	-	-	46,303
Investment income	181,242	-	608,249	29,840	819,331
Miscellaneous	1,030,434	24,318	-	179,219	1,233,971
Total revenues	<u>43,900,682</u>	<u>2,770,233</u>	<u>608,249</u>	<u>7,415,055</u>	<u>54,694,219</u>
EXPENDITURES					
Current:					
General government	14,457,872	75,115	11,555	690,497	15,235,039
Public safety	23,283,728	2,552,241	-	1,302,679	27,138,648
Highways and streets	1,608,668	14,162	-	1,130,821	2,753,651
Culture and recreation	2,561,758	98,302	-	22,142	2,682,202
Health and welfare	327,618	-	-	-	327,618
Conservation	153,434	-	-	60,010	213,444
Debt service:					
Interest and other charges	-	-	-	3,693,716	3,693,716
Capital outlay	2,884,839	32,493	6,994,667	745,482	10,657,481
Total expenditures	<u>45,277,917</u>	<u>2,772,313</u>	<u>7,006,222</u>	<u>7,645,347</u>	<u>62,701,799</u>
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES	<u>(1,377,235)</u>	<u>(2,080)</u>	<u>(6,397,973)</u>	<u>(230,292)</u>	<u>(8,007,580)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	1,267,755	-	-	60,660	1,328,415
Proceeds from the issuance of debt	-	-	9,515,000	-	9,515,000
Bond premium	-	-	225,000	153,585	378,585
Transfers in	235,825	-	-	172,528	408,353
Transfers out	<u>(172,528)</u>	<u>-</u>	<u>-</u>	<u>(235,825)</u>	<u>(408,353)</u>
Total other financing sources (uses)	<u>1,331,052</u>	<u>-</u>	<u>9,740,000</u>	<u>150,948</u>	<u>11,222,000</u>
NET CHANGE IN FUND BALANCES	<u>(46,183)</u>	<u>(2,080)</u>	<u>3,342,027</u>	<u>(79,344)</u>	<u>3,214,420</u>
FUND BALANCES, BEGINNING	<u>13,003,986</u>	<u>-</u>	<u>51,669,178</u>	<u>4,039,079</u>	<u>68,712,243</u>
PRIOR PERIOD ADJUSTMENT	<u>7,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,914</u>
FUND BALANCES, ENDING	<u>\$ 12,965,717</u>	<u>\$ (2,080)</u>	<u>\$ 55,011,205</u>	<u>\$ 3,959,735</u>	<u>\$ 71,934,577</u>

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

TOM GREEN COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Net change in fund balances - total governmental funds:	\$ 3,214,420
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	7,270,088
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(36,814)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	108,399
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Issuance of debt	(9,515,000)
Net pension obligation	(1,012,563)
Amortization of:	
Premium	(378,585)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.	<u>1,264,310</u>
Change in net position of governmental activities	<u>\$ 914,255</u>

TOM GREEN COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 4,051,856
Investments	781,164
Accounts receivable	33,674
Due from other governments	10,255
Total assets	\$ 4,876,949
LIABILITIES	
Accounts payable	\$ 3,348,965
Due to other governments	1,527,984
Total liabilities	\$ 4,876,949

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

TOM GREEN COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County has the following major governmental funds:

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

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

The ***Capital Projects Fund*** is used to account for proceeds from the 2015 Certificates of Obligation and the 2017 Certificates of Obligation, which are to be used for the construction and improvements of a variety of County facilities.

Additionally, the County reports the following fund types:

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

Deposits and Investments

The County maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

Investments for the County are reported at fair value, except for the position in investment pools. The County's investments in Pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

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

- Obligations of the United States or its agencies and instruments;
- Obligations of State of Texas or its agencies and instrumentalities; and
- Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities.

Receivables and Payables

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

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

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

Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has the following items that qualify for reporting in this category.

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

Pensions

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

Compensated Absences

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

Long-term Obligations

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

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

Fund Balance Classification

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

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

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

Net Position

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

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(73,593,738) difference are as follows:

Bonds and notes payable	\$(59,515,000)
Accrued interest payable	(525,252)
Compensated absences	(1,469,522)
Net OPEB obligation	(650,103)
Net pension liability	(7,211,433)
Bond premium	<u>(4,222,428)</u>
 Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 <u>\$(73,593,738)</u>

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

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$7,270,088 difference are as follows:

Capital outlay	\$ 11,260,905
Depreciation expense	<u>(3,990,817)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 7,270,088</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$108,399 difference are as follows:

Property tax revenue	\$(23,691)
Fines and fees	<u>132,090</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 108,399</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$1,264,310 difference are as follows:

Compensated absences	\$(40,468)
Accrued interest	1,210,489
Increase in net OPEB obligation	(88,751)
Amortized bond premium	<u>183,040</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,264,310</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

As of September 30, 2017, the following funds had deficit fund balance:

Fund	Deficit
Grants	(2,080)
County Attorney Pretrial Diversion Program	(2,609)

These deficits are expected to be funded with future revenues in their respective funds.

4. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2017, the County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Texas CLASS	\$ 37,463,600	12
TexPool	1,623,233	35
Certificates of deposit	<u>30,245,482</u>	
Total fair value	<u>\$ 69,332,315</u>	
Portfolio weighted average maturity (days)		26

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under a written investment policy (the “Investment Policy”) that primarily emphasizes safety of principal, availability of liquidity to meet the County’s obligations and market rate of return. The Investment Policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under Chapter 2256 of the Texas Government Code.

The County’s deposits and investments are invested pursuant to the Investment Policy. The Investment Policy includes a list of authorized investment instruments and a maximum allowable stated maturity of any individual investment. In addition, it includes an “Investment Strategy” that specifically addresses limitations on instruments, diversification, and maturity scheduling.

The County is authorized to invest in the following investment instruments provided that they meet the guidelines of the Investment Policy:

Obligations of the United States of America, its agencies and instrumentalities;

Certificates of deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the law of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner and amount provided by law for deposits for the County.

Money market mutual funds that are 1) registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) rated AAA by at least one nationally recognized rating service, and 4) seek to maintain a net position value of \$1 per share;

Local government investment pools, which 1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and 3) are authorized by resolution or ordinance by Commissioners' Court.

Interest Rate Risk

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

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2017, the County's deposit balance was entirely collateralized with securities held by the pledging financial institution or covered by FDIC insurance.

Credit Risk

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

Texas CLASS	AAAm
TexPool	AAAm

Receivables

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

	<u>General</u>	<u>Capital Projects</u>	<u>Governmental Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 2,648,763	\$ -	\$ 115,083	\$ 2,763,846
Accounts	<u>5,907,088</u>	<u>32,363</u>	<u>25,940</u>	<u>5,965,391</u>
Gross receivables	8,555,851	32,363	141,023	8,729,237
Less: allowance for uncollectibles	<u>4,237,150</u>	<u>-</u>	<u>20,369</u>	<u>4,257,519</u>
Net total receivables	<u>\$ 4,318,701</u>	<u>\$ 32,363</u>	<u>\$ 120,654</u>	<u>\$ 4,471,718</u>

Capital Assets

Capital asset activity for the year ended September 30, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,790,009	\$ 4,792	\$ -	\$ 3,794,801
Construction in progress	<u>4,323,505</u>	<u>6,994,668</u>	<u>(2,272,362)</u>	<u>9,045,811</u>
Total capital assets being depreciated	<u>8,113,514</u>	<u>6,999,460</u>	<u>(2,272,362)</u>	<u>12,840,612</u>
Capital assets, being depreciated:				
Buildings	66,641,195	4,021,851	-	70,663,046
Improvements other than buildings	57,870	-	-	57,870
Infrastructure	23,136,528	524,022	-	23,660,550
Machinery and equipment	<u>19,740,203</u>	<u>1,987,934</u>	<u>(1,253,148)</u>	<u>20,474,989</u>
Total capital assets being depreciated	<u>109,575,796</u>	<u>6,533,807</u>	<u>(1,253,148)</u>	<u>114,856,455</u>
Less accumulated depreciation:				
Buildings	(31,686,747)	(2,036,148)	-	(33,722,895)
Improvements other than buildings	(39,306)	(2,894)	-	(42,200)
Infrastructure	(20,271,592)	(337,731)	-	(20,609,323)
Machinery and equipment	<u>(13,712,776)</u>	<u>(1,614,044)</u>	<u>1,216,334</u>	<u>(14,110,486)</u>
Total accumulated depreciation	<u>(65,710,421)</u>	<u>(3,990,817)</u>	<u>1,216,334</u>	<u>(68,484,904)</u>
Total capital assets being depreciated, net	<u>43,865,375</u>	<u>2,542,990</u>	<u>(36,814)</u>	<u>46,371,551</u>
Governmental activities capital assets, net	<u>\$ 51,978,889</u>	<u>\$ 9,542,450</u>	<u>\$ (2,309,176)</u>	<u>\$ 59,212,163</u>

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

Governmental activities:		
General government	\$	1,293,361
Public safety		1,309,694
Highways and streets		858,302
Culture and recreation		<u>529,460</u>
	\$	<u><u>3,990,817</u></u>

Interfund Receivables, Payables and Transfers

Due to/from other funds:

		Due to:			
		General	Grants	Nonmajor Funds	Total
Due from:					
General	\$	-	1,114,498	61,812	1,176,310
Nonmajor Funds		<u>4,249</u>	<u>615,159</u>	<u>2,592</u>	<u>622,000</u>
Total	\$	<u><u>4,249</u></u>	<u><u>1,729,657</u></u>	<u><u>64,404</u></u>	<u><u>1,798,310</u></u>

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

Interfund transfers:

		Transfers out		
		General	Nonmajor Funds	Total
Transfers in:				
General	\$	-	235,825	235,825
Nonmajor Funds		<u>172,528</u>	<u>-</u>	<u>172,528</u>
Total transfers	\$	<u><u>172,528</u></u>	<u><u>235,825</u></u>	<u><u>408,353</u></u>

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

Fund Balance

As of September 30, 2017, governmental fund balance is composed of the following:

Fund Balance Classification	General	Grants	Capital Projects	Other Governmental	Total
Nonspendable:					
Inventories	\$ 20,370	\$ -	\$ -	\$ -	\$ 20,370
Prepaid items	<u>1,825</u>	<u>-</u>	<u>-</u>	<u>306</u>	<u>2,131</u>
Total Nonspendable	<u>22,195</u>	<u>-</u>	<u>-</u>	<u>306</u>	<u>22,501</u>
Restricted:					
Retirement of long-term debt	-	-	-	154,979	154,979
Road and bridge	-	-	-	786,759	786,759
Library services	-	-	-	350,860	350,860
Federal and state programs	-	-	-	1,371,957	1,371,957
Judicial services	-	-	-	337,893	337,893
County Clerk	-	-	-	503,011	503,011
District Clerk	-	-	-	95,799	95,799
Justice Court technology	-	-	-	152,242	152,242
Courthouse security	-	-	-	76,845	76,845
County Attorney	-	-	-	12,669	12,669
Election services	-	-	-	119,014	119,014
Capital projects	<u>-</u>	<u>-</u>	<u>55,011,205</u>	<u>10</u>	<u>55,011,215</u>
Total Restricted	<u>-</u>	<u>-</u>	<u>55,011,205</u>	<u>3,962,038</u>	<u>58,973,243</u>
Assigned:					
Juvenile services	31,010	-	-	-	31,010
Judicial services	<u>519,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>519,035</u>
Total Assigned	<u>550,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,045</u>
Unassigned	<u>12,393,477</u>	<u>(2,080)</u>	<u>-</u>	<u>(2,609)</u>	<u>12,388,788</u>
Total governmental fund balance	<u>\$ 12,965,717</u>	<u>\$(2,080)</u>	<u>\$ 55,011,205</u>	<u>\$ 3,959,735</u>	<u>\$ 71,934,577</u>

Long-term Debt

The County had the following outstanding debt issues as of September 30, 2017:

\$ 50,000,000 Certificate of Obligation issued in 2015; interest at 3% - 5%	\$ 50,000,000
9,515,000 Certificate of Obligation issued in 2017; interest at 2% - 4%	<u>9,515,000</u>
Total	<u>\$ 59,515,000</u>

On February 23, 2017, the County issued \$9,515,000 of Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2017. The proceeds from the sale of the Certificates will be used for (i) constructing and equipping a new County jail, including related parking, landscaping and infrastructure; (ii) acquiring, constructing and equipping improvements and renovations to the County Courthouse; (iii) with any surplus funds being used for constructing and equipping a facility for justices of the peace and County tax assessor-collector, including related parking, landscaping and infrastructure, and/or constructing and equipping improvements and renovations to the County public library; (iv) the acquisition of land and interests in land for such projects; and (v) legal, fiscal, architectural, engineering and other professional fees in connection with such projects. The Certificates have an interest rate ranging from 2.00% to 4.00% and a maturity date of 2038.

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,535,000	\$ 2,546,609
2019	1,830,000	2,348,575
2020	1,915,000	2,262,625
2021	2,035,000	2,170,425
2022	2,130,000	2,073,300
2023-2027	12,170,000	8,835,025
2028-2032	15,180,000	5,995,878
2033-2037	18,595,000	2,598,331
2038	<u>4,125,000</u>	<u>76,594</u>
Total	<u>\$ 59,515,000</u>	<u>\$ 28,907,362</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government activities					
Certificates of obligation	\$ 50,000,000	\$ 9,515,000	\$ -	\$ 59,515,000	\$ 1,535,000
Compensated absences	1,429,054	2,122,123	2,081,655	1,469,522	293,904
Unamortized bond premium	4,026,883	378,585	183,040	4,222,428	-
Net pension liability	7,651,374	1,677,408	2,117,349	7,211,433	-
Net OPEB obligation	<u>561,352</u>	<u>99,030</u>	<u>10,279</u>	<u>650,103</u>	<u>-</u>
Governmental activity					
long-term liabilities	<u>\$ 63,668,663</u>	<u>\$ 13,792,146</u>	<u>\$ 4,392,323</u>	<u>\$ 73,068,486</u>	<u>\$ 1,828,904</u>

Conduit Debt Obligations

In 2013, the County created the Tom Green County Cultural Education Facilities Finance Corporation, which issued Education Revenue Bonds, the proceeds thereof were loaned to an open enrollment public charter school in San Angelo, Texas. The proceeds were used to finance the construction and repair of public school facilities and the acquisition of land deemed to be in the public interest. The bonds are secured by the property financed and are payable solely by the public charter school. Tom Green County, the State, or any other political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2017, there are three series of Education Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$16.4 million.

Defined Benefit Pension Plan

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

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

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

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

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. By law, employee accounts earn 7% interest. At retirement, death or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefit terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	746
Active employees	<u>725</u>
	<u><u>1,471</u></u>

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

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 8.13% and 7.57% in calendar years 2016 and 2017, respectively. The County’s contributions to TCDRS for the year ended September 30, 2017, were \$2,040,402, and were equal to the required contributions.

Net Pension Liability. The County’s Net Pension Liability (NPL) was measured as of December 31, 2016, 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, 2016, actuarial valuation was determined using the following actuarial assumptions:

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

The County has no automatic cost-of-living adjustments (“COLA”) and one is not considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the County may elect an ad-hoc COLA for its retirees.

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

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

The actuarial assumptions that determined the total pension liability as of December 31, 2016, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except for mortality assumptions. Mortality assumptions were updated for the 2015 valuation to reflect projected improvements.

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

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2017 information for a 7 to 10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	13.5%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	16.0%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities - Developed Markets	MSCI World Ex USA (net)	10.0%	4.70%
International Equities - Emerging Markets	MSCI EM Standard (net) Index	7.0%	5.70%
Investment-Grade Bonds	Bloomberg Barclays Capital U.S. Aggregate Bond Index	3.0%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.0%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.0%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.0%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	3.0%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index	2.0%	3.85%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.0%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.0%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.0%	3.85%

⁽¹⁾ Target asset allocation adopted at the April 2017 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2017 capital market assumptions.

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

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2015	\$ 93,895,101	\$ 86,243,727	\$ 7,651,374
Changes for the year:			
Service cost	3,133,160	-	3,133,160
Interest on total pension liability ⁽¹⁾	7,540,376	-	7,540,376
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	(391,629)	-	(391,629)
Refund of contributions	(749,147)	(749,147)	-
Benefit payments	(4,024,037)	(4,024,037)	-
Administrative expenses	-	(69,358)	69,358
Member contributions	-	1,824,236	(1,824,236)
Net investment income	-	6,377,104	(6,377,104)
Employer contributions	-	2,117,315	(2,117,315)
Other ⁽³⁾	-	472,551	(472,551)
Balance at 12/31/2016	<u>\$ 99,403,824</u>	<u>\$ 92,192,391</u>	<u>\$ 7,211,433</u>

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

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

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

Sensitivity Analysis

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

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$ 112,072,259	\$ 99,403,824	\$ 88,863,486
Fiduciary net position	<u>92,192,391</u>	<u>92,192,391</u>	<u>92,192,391</u>
Net pension liability/(asset)	<u>\$ 19,879,868</u>	<u>\$ 7,211,433</u>	<u>\$ (3,328,905)</u>

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2017, the County recognized pension expense of \$1,012,564.

At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 947,786	\$ -
Changes in actuarial assumptions	-	519,644
Difference between projected and actual investment earnings	-	5,162,840
Contributions subsequent to the measurement date	<u>-</u>	<u>1,539,773</u>
Total	<u>\$ 947,786</u>	<u>\$ 7,222,257</u>

\$1,539,773 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended September 30,		
2018	\$	1,575,553
2019		1,605,785
2020		1,435,035
2021		118,325

Risk Management

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

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

Commitments and Contingencies

Litigation

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

Federal and State Grants

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

Post-Employment Benefits Other Than Pension Benefits

Plan Participants

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

Normal Retirement Benefits

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

Health Care Benefit Eligibility Conditions

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

Health Care Benefits Provided by Plan

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

Summary of Benefits

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

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

Funding Policy and Annual OPEB Cost

The County's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The annual OPEB cost for the fiscal year ended September 30, 2017, is as follows:

Annual required contribution	\$ 103,416
Interest on OPEB obligation	25,261
Adjustment to ARC	<u>(29,647)</u>
Annual OPEB expense, end of year	99,030
Net estimated employer contributions	<u>(10,279)</u>
Increase in net OPEB obligation	88,751
Net OPEB obligation, beginning of year	<u>561,352</u>
Net OPEB obligation, end of year	<u><u>\$ 650,103</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2017, and the preceding two fiscal years, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
September 30, 2015	\$ 77,430	\$ 10,231	13.2%	\$ 492,875
September 30, 2016	78,977	10,500	13.3%	561,352
September 30, 2017	99,030	10,279	10.4%	650,103

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$650,103 at December 31, 2017, the date of the most recent valuation.

Actuarial Methods and Assumptions

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

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

Actuarial Methods and Assumptions

Valuation Date: October 1, 2016
Discount Rate: 4.5% per annum
Salary Scale: Not applicable, but a 3.0% increase is applied for amortization purposes
Mortality: RP2014 Mortality Table, with (MP2014 projection)
Withdrawal: Select rates include: 1yr, 16%; 5yr, 7%; 10yr, 4%; 15yr, 2%
Disability: N/A

Retirement: The following table illustrates the retirement rates:

<u>Retirement Age</u>	<u>Retirement Rates</u>
50-51	12%
52-54	13%
55-59	14%
60	15%
61	13%
62	28%
63	17%
64	17%
65	100%

Health Care Cost Trend Rate: The following table illustrates the assumed health care trend rate for each future year:

<u>Year</u>	<u>(Medical) Assumed Increase</u>
1	7.50%
2	7.25%
3	7.00%
4	6.75%
5	6.50%
6	6.00%
7	5.50%
8	5.00%
9+	4.50%

Marital - Actives: Wife is assumed to be same age as the husband. 10% of those who retire and take coverage are assumed elect coverage for the spouse.

Participation Rate: 15% of retirees are expected to take coverage and pay 100% of the blended premium.

Inflation Rate: 3.0% per annum

Asset Valuation Method: Market value.

Amortization Basis: Level percentage of payroll, open, over 30 years. (3.0% increase applied each year)

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

Prior Period Adjustment

In the prior year, revenues were understated in the general fund and the governmental activities by \$7,914. As a result, fund balance and net position was restated at the beginning of the year.

Tax Abatement

The County can enter into agreements with new, developing, and expanding businesses to promote local economic development. The County has effective agreements with two businesses to rebate 50% of the incremental increase in property taxes since 2014. The County entered into these agreements in March 2014 and may extend these agreements for an additional period of five years. Commitments by the developer include establishing a facility, house commercial vehicles, and equipment. As of year-end \$447,844 was rebated, including \$50,328 in the current fiscal year.

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOM GREEN COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$ 37,259,491	\$ 37,259,491	\$ 37,129,183	\$(130,308)
Fees of office	2,373,300	2,373,300	2,706,144	332,844
Intergovernmental	1,646,051	1,646,051	1,790,436	144,385
Fines and forfeitures	1,042,100	1,042,100	1,016,940	(25,160)
Licenses and permits	32,000	32,000	46,303	14,303
Investment income	67,540	67,540	181,242	113,702
Miscellaneous	684,877	1,394,081	1,030,434	(363,647)
Total revenues	<u>43,105,359</u>	<u>43,814,563</u>	<u>43,900,682</u>	<u>86,119</u>
EXPENDITURES				
Current:				
General government:				
Salaries and wages	5,340,257	5,205,255	5,002,594	202,661
Benefits	2,537,020	2,517,262	2,101,107	416,155
Operations	8,447,364	8,046,383	7,354,171	692,212
Capital outlay	1,939,619	2,459,216	2,278,485	180,731
Total general government	<u>18,264,260</u>	<u>18,228,116</u>	<u>16,736,357</u>	<u>1,491,759</u>
Public safety:				
Salaries and wages	12,525,768	12,756,971	12,596,285	160,686
Benefits	4,735,601	4,780,001	4,531,406	248,595
Operations	5,471,379	6,919,361	6,156,037	763,324
Capital outlay	436,379	580,551	548,645	31,906
Total public safety	<u>23,169,127</u>	<u>25,036,884</u>	<u>23,832,373</u>	<u>1,204,511</u>
Highways and streets:				
Salaries and wages	874,067	874,067	842,853	31,214
Benefits	380,716	380,716	339,190	41,526
Operations	546,627	541,995	426,625	115,370
Capital outlay	-	3,800	3,800	-
Total highways and streets	<u>1,801,410</u>	<u>1,800,578</u>	<u>1,612,468</u>	<u>188,110</u>
Conservation:				
Salaries and wages	93,735	93,735	93,734	1
Benefits	36,008	36,008	33,741	2,267
Operations	25,960	25,960	25,959	1
Total conservation	<u>155,703</u>	<u>155,703</u>	<u>153,434</u>	<u>2,269</u>

TOM GREEN COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (Continued)				
Health and welfare:				
Salaries and wages	\$ 100,889	\$ 95,753	\$ 94,192	\$ 1,561
Benefits	55,116	55,116	47,785	7,331
Operations	408,223	338,373	185,641	152,732
Total health and welfare	<u>564,228</u>	<u>489,242</u>	<u>327,618</u>	<u>161,624</u>
Culture and recreation:				
Salaries and wages	1,415,547	1,409,698	1,396,439	13,259
Benefits	503,848	510,214	477,856	32,358
Operations	725,268	733,317	687,463	45,854
Debt service:				
Principal				
Capital outlay	59,400	59,409	53,909	5,500
Total culture and recreation	<u>2,704,063</u>	<u>2,712,638</u>	<u>2,615,667</u>	<u>96,971</u>
Total expenditures	<u>46,658,791</u>	<u>48,423,161</u>	<u>45,277,917</u>	<u>3,145,244</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES				
	(3,553,432)	(4,608,598)	(1,377,235)	3,231,363
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	15,000	1,233,168	1,267,755	34,587
Transfers in	-	300,000	235,825	(64,175)
Transfers out	50,000	(250,000)	(172,528)	77,472
Total other financing sources (uses)	<u>65,000</u>	<u>1,283,168</u>	<u>1,331,052</u>	<u>47,884</u>
NET CHANGE IN FUND BALANCE	<u>\$(3,488,432)</u>	<u>\$(3,325,430)</u>	(46,183)	<u>\$ 3,279,247</u>
FUND BALANCE, BEGINNING			13,003,986	
PRIOR PERIOD ADJUSTMENT			7,914	
FUND BALANCE, ENDING			<u>\$ 12,965,717</u>	

TOM GREEN COUNTY, TEXAS

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

GRANTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 85,410	\$ 3,907,609	\$ 2,745,915	\$(1,161,694)
Miscellaneous	<u>24,155</u>	<u>27,735</u>	<u>24,318</u>	<u>(3,417)</u>
Total revenues	<u>109,565</u>	<u>3,935,344</u>	<u>2,770,233</u>	<u>(1,165,111)</u>
EXPENDITURES				
Current:				
General government	72,115	75,115	75,115	-
Public safety	110,567	3,198,487	2,552,241	646,246
Highways and streets	-	111,164	14,162	97,002
Culture and recreation	-	126,080	98,302	27,778
Capital outlay	<u>-</u>	<u>146,338</u>	<u>32,493</u>	<u>113,845</u>
Total expenditures	<u>182,682</u>	<u>3,657,184</u>	<u>2,772,313</u>	<u>884,871</u>
NET CHANGE IN FUND BALANCE	<u><u>\$(73,117)</u></u>	<u><u>\$ 278,160</u></u>	<u><u>(2,080)</u></u>	<u><u>\$(280,240)</u></u>
FUND BALANCE, BEGINNING			<u>-</u>	
FUND BALANCE, ENDING			<u><u>\$(2,080)</u></u>	

TOM GREEN COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Budgetary Information

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

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

Only the governing body, composed of the Commissioners' Court, may amend the budget after its adoption so long as the amendment continues to meet the requirements of Section 111 of the Local Government Code. During the year, several supplementary amendments to the original budget were required. All amendments were legally made. The final budget amounts shown in the financial statements represent the budget as amended at September 30, 2017. Under state statute, actual expenditures cannot exceed budgetary appropriations at any level for which the budget is formally approved. The County's legally adopted budget is at the department level in those funds with multiple departments and at the fund level in single department funds. Management can, with the exception of personnel items, make adjustments to their budget within the departmental level with Commissioners' Court approval. All budgets are fixed in nature. All governmental funds have legally adopted budgets. For internal management purposes, the budgets are detailed by line item and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget appropriations lapse at year-end. All encumbrances lapse at year-end.

TOM GREEN COUNTY, TEXAS

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Plan Year Ended December 31	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Pension Liability:			
Service cost	\$ 2,813,846	\$ 2,962,064	\$ 3,133,160
Interest total pension liability	6,716,896	7,162,281	7,540,376
Effect of plan changes	-	(499,200)	-
Effect of assumption changes or inputs	-	1,039,287	-
Effect of economic/demographic (gains) or losses	(120,929)	(1,247,664)	(391,629)
Benefit payments/refunds of contributions	(4,131,317)	(4,370,720)	(4,773,184)
Net change in total pension liability	5,278,496	5,046,048	5,508,723
Total pension liability - beginning	<u>83,570,558</u>	<u>88,849,053</u>	<u>93,895,101</u>
Total pension liability - ending (a)	<u>\$ 88,849,054</u>	<u>\$ 93,895,101</u>	<u>\$ 99,403,824</u>
Plan Fiduciary Net Position:			
Employer contributions	\$ 2,067,828	\$ 2,111,233	\$ 2,117,315
Member contributions	1,706,935	1,786,305	1,824,236
Investment income net of investment expenses	5,555,011	5,530	6,377,104
Benefit payments, including refunds of contributions	(4,131,317)	(4,370,720)	(4,773,184)
Administrative expenses	(64,944)	(62,319)	(69,358)
Other	<u>224,601</u>	<u>(215,393)</u>	<u>472,551</u>
Net change in plan fiduciary net position	5,358,114	(745,364)	5,948,664
Plan fiduciary net position - beginning	<u>81,630,977</u>	<u>86,989,091</u>	<u>86,243,727</u>
Plan fiduciary net position - ending (b)	<u>86,989,091</u>	<u>86,243,727</u>	<u>92,192,391</u>
Net pension liability - ending (a) - (b)	<u>\$ 1,859,963</u>	<u>\$ 7,651,374</u>	<u>\$ 7,211,433</u>
Fiduciary net position as a percentage of total pension liability	97.91%	91.85%	92.75%
Pensionable covered payroll	\$ 24,384,792	\$ 25,133,798	\$ 26,043,329
Net pension liability as a percentage of covered payroll	7.63%	30.44%	27.69%

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

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

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2015	\$ 2,100,968	\$ 2,100,968	\$ -	\$ 24,947,079	8.4%
2016	2,200,830	2,200,830	-	26,839,540	8.2%
2017	2,040,402	2,040,402	-	26,498,261	7.7%

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

TOM GREEN COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Valuation Timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	12.6 years (based on contribution rate calculated in 12/31/2016 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	3.00%
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 project 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.
Changes in Plan Provisions Reflected in the Schedule	No changes in plan provisions.

TOM GREEN COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Funded Ratio (a/b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>
12/31/2010	\$ -	\$ 673,440	0%	\$ 673,440
12/31/2012	-	609,889	0%	609,889
12/31/2014	-	561,352	0%	561,352
12/31/2016	-	654,763	0%	654,763

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**COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

TOM GREEN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 36,872
Investments	325,773	269,906	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	12,094	10,295	-	1,458
Property taxes	-	-	-	-
Due from other funds	82,783	218,574	53,080	264,971
Due from other governments	18,475	18,475	-	-
Prepaid Items	-	-	-	-
	-	-	-	-
Total assets	\$ 439,125	\$ 517,250	\$ 53,080	\$ 303,301
LIABILITIES				
Accounts payable	\$ 1,534	\$ 174,849	\$ 4,383	\$ 763
Accrued liabilities	-	-	375	-
Due to other funds	-	-	-	-
	-	-	-	-
Total liabilities	1,534	174,849	4,758	763
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	437,591	342,401	48,322	302,538
Unassigned	-	-	-	-
	-	-	-	-
Total fund balances	437,591	342,401	48,322	302,538
Total liabilities, deferred inflows of resources, and fund balances	\$ 439,125	\$ 517,250	\$ 53,080	\$ 303,301

Special Revenue

County Clerk Preservation and Archive	Justice Court Technology	Records Management District Clerk	Courthouse and Justice Security	County Attorney Fee Account
\$ 113,683	\$ 18,394	\$ 23,659	\$ 130,650	\$ 11,746
561,516	126,810	-	-	-
556	126	-	-	1,115
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>675,755</u>	<u>145,330</u>	<u>23,659</u>	<u>130,650</u>	<u>12,861</u>
\$ 170,731	\$ 148	\$ -	\$ 3,805	\$ -
2,013	-	-	-	192
-	-	-	<u>50,000</u>	-
<u>172,744</u>	<u>148</u>	<u>-</u>	<u>53,805</u>	<u>192</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
503,011	145,182	23,659	76,845	12,669
-	-	-	-	-
<u>503,011</u>	<u>145,182</u>	<u>23,659</u>	<u>76,845</u>	<u>12,669</u>
\$ <u>675,755</u>	\$ <u>145,330</u>	\$ <u>23,659</u>	\$ <u>130,650</u>	\$ <u>12,861</u>

TOM GREEN COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2017

	Special Revenue		
	District Attorney Fee Accounts	Records Management County Courts	Judicial Efficiency
ASSETS			
Cash	\$ 321	\$ 14,034	\$ 17,519
Investments	-	298,644	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	296	-
Property taxes	-	-	-
Due from other funds	-	-	-
Due from other governments	112	-	1,578
Prepaid Items	-	-	-
	-	-	-
Total assets	\$ 433	\$ 312,974	\$ 19,097
LIABILITIES			
Accounts payable	\$ -	\$ 934	\$ 25
Accrued liabilities	-	1,900	-
Due to other funds	-	-	-
	-	-	-
Total liabilities	-	2,834	25
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted	433	310,140	19,072
Unassigned	-	-	-
	-	-	-
Total fund balances	433	310,140	19,072
Total liabilities, deferred inflows of resources, and fund balances	\$ 433	\$ 312,974	\$ 19,097

Special Revenue

LEOSE Training	Judicial Education County Judge	Lateral Road	TCDP Christoval Water Project	Graffiti Eradication
\$ 33,667	\$ 8,681	\$ 14,542	\$ -	\$ 631
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 33,973</u>	<u>\$ 8,681</u>	<u>\$ 14,542</u>	<u>\$ -</u>	<u>\$ 631</u>
\$ -	\$ -	\$ 7,775	\$ -	\$ -
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>7,775</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
306	-	-	-	-
33,667	8,681	6,767	-	631
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>33,973</u>	<u>8,681</u>	<u>6,767</u>	<u>-</u>	<u>631</u>
<u>\$ 33,973</u>	<u>\$ 8,681</u>	<u>\$ 14,542</u>	<u>\$ -</u>	<u>\$ 631</u>

TOM GREEN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2017

	Special Revenue				
	Election Contract Service	Guardianship	Child Abuse Prevention	County Attorney Pretrial Diversion Program	District Attorney Pretrial Diversion Program
ASSETS					
Cash	\$ 120,842	\$ 13,297	\$ 1,967	\$ -	\$ 826
Investments	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Accounts	-	-	-	-	-
Property taxes	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid Items	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 120,842</u>	<u>\$ 13,297</u>	<u>\$ 1,967</u>	<u>\$ -</u>	<u>\$ 826</u>
LIABILITIES					
Accounts payable	\$ 1,828	\$ -	\$ -	\$ 60	\$ -
Accrued liabilities	-	-	-	1,442	420
Due to other funds	-	13,297	-	1,107	-
	<u>-</u>	<u>13,297</u>	<u>-</u>	<u>1,107</u>	<u>-</u>
Total liabilities	<u>1,828</u>	<u>13,297</u>	<u>-</u>	<u>2,609</u>	<u>420</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	119,014	-	1,967	-	406
Unassigned	-	-	-	(2,609)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,609)</u>	<u>-</u>
Total fund balances	<u>119,014</u>	<u>-</u>	<u>1,967</u>	<u>(2,609)</u>	<u>406</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 120,842</u>	<u>\$ 13,297</u>	<u>\$ 1,967</u>	<u>\$ -</u>	<u>\$ 826</u>

Special Revenue			Debt Service			Capital Projects	
District Clerk Technology	District/ County Court Technology	Texas Juvenile Probation Contracts	2009 TAN I&S	2015 COB I&S	2017 COB I&S	2009 TAN	Total Governmental Funds
\$ 72,140	\$ 7,060	\$ 1,206,854	\$ -	\$ 198,062	\$ 6,284	\$ 10	\$ 2,051,741
-	-	-	-	-	-	-	1,582,649
-	-	-	-	-	-	-	25,940
-	-	-	-	94,714	-	-	94,714
-	-	2,592	-	-	-	-	622,000
-	-	202,897	-	-	-	-	241,537
-	-	-	-	-	-	-	306
<u>\$ 72,140</u>	<u>\$ 7,060</u>	<u>\$ 1,412,343</u>	<u>\$ -</u>	<u>\$ 292,776</u>	<u>\$ 6,284</u>	<u>\$ 10</u>	<u>\$ 4,618,887</u>
\$ -	\$ -	\$ 73,406	\$ -	\$ 34,227	\$ -	\$ -	\$ 474,468
-	-	4,084	-	8,857	6,284	-	25,567
-	-	-	-	-	-	-	64,404
-	-	77,490	-	43,084	6,284	-	564,439
-	-	-	-	94,713	-	-	94,713
-	-	-	-	94,713	-	-	94,713
-	-	-	-	-	-	-	306
72,140	7,060	1,334,853	-	154,979	-	10	3,962,038
-	-	-	-	-	-	-	(2,609)
<u>72,140</u>	<u>7,060</u>	<u>1,334,853</u>	<u>-</u>	<u>154,979</u>	<u>-</u>	<u>10</u>	<u>3,959,735</u>
<u>\$ 72,140</u>	<u>\$ 7,060</u>	<u>\$ 1,412,343</u>	<u>\$ -</u>	<u>\$ 292,776</u>	<u>\$ 6,284</u>	<u>\$ 10</u>	<u>\$ 4,618,887</u>

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	686,495	603,974	71,847	-
Intergovernmental	194,413	165,611	-	-
Fines and forfeitures	-	-	-	-
Investment income	4,739	3,521	328	1,885
Miscellaneous	-	55,000	-	37,891
Total revenues	<u>885,647</u>	<u>828,106</u>	<u>72,175</u>	<u>39,776</u>
EXPENDITURES				
Current:				
General government	-	-	60,912	-
Public safety	-	-	-	-
Highways and streets	565,924	520,860	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	22,142
Debt service:				
Interest and other charges	-	-	-	-
Capital outlay	423,704	248,564	-	-
Total expenditures	<u>989,628</u>	<u>769,424</u>	<u>60,912</u>	<u>22,142</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(103,981)</u>	<u>58,682</u>	<u>11,263</u>	<u>17,634</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	23,715	34,245	-	-
Bond premium	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>23,715</u>	<u>34,245</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(80,266)</u>	<u>92,927</u>	<u>11,263</u>	<u>17,634</u>
FUND BALANCES, BEGINNING	<u>517,857</u>	<u>249,474</u>	<u>37,059</u>	<u>284,904</u>
FUND BALANCES, ENDING	<u>\$ 437,591</u>	<u>\$ 342,401</u>	<u>\$ 48,322</u>	<u>\$ 302,538</u>

Special Revenue

County Clerk Preservation and Archive	Justice Court Technology	Records Management District Clerk	Courthouse and Justice Security	County Attorney Fee Account
\$ -	\$ -	\$ -	\$ -	\$ -
395,975	35,296	8,593	69,500	10,118
-	-	-	-	-
-	-	-	-	-
6,182	1,309	152	886	88
-	1,151	-	-	20
<u>402,157</u>	<u>37,756</u>	<u>8,745</u>	<u>70,386</u>	<u>10,226</u>
439,821	-	1,240	-	-
-	3,847	-	24,914	9,956
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	13,165	-
<u>439,821</u>	<u>3,847</u>	<u>1,240</u>	<u>38,079</u>	<u>9,956</u>
(37,664)	33,909	7,505	32,307	270
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(50,000)	-
-	-	-	(50,000)	-
(37,664)	33,909	7,505	(17,693)	270
<u>540,675</u>	<u>111,273</u>	<u>16,154</u>	<u>94,538</u>	<u>12,399</u>
\$ <u>503,011</u>	\$ <u>145,182</u>	\$ <u>23,659</u>	\$ <u>76,845</u>	\$ <u>12,669</u>

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue		
	District Attorney Fee Accounts	Records Management County Courts	Judicial Efficiency
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fees of office	-	57,895	-
Intergovernmental	-	-	6,060
Fines and forfeitures	-	-	-
Investment income	-	3,641	114
Miscellaneous	2,255	-	-
Total revenues	<u>2,255</u>	<u>61,536</u>	<u>6,174</u>
EXPENDITURES			
Current:			
General government	-	110,466	-
Public safety	1,003	-	6,168
Highways and streets	-	-	-
Conservation	-	-	-
Culture and recreation	-	-	-
Debt service:			
Interest and other charges	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>1,003</u>	<u>110,466</u>	<u>6,168</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,252</u>	<u>(48,930)</u>	<u>6</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from the sale of capital assets	-	-	-
Bond premium	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,252	(48,930)	6
FUND BALANCES, BEGINNING	<u>(819)</u>	<u>359,070</u>	<u>19,066</u>
FUND BALANCES, ENDING	<u>\$ 433</u>	<u>\$ 310,140</u>	<u>\$ 19,072</u>

Special Revenue

LEOSE Training	Judicial Education County Judge	Lateral Road	TCDP Christoval Water Project	Graffiti Eradication
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
14,159	-	33,926	60,010	-
-	-	-	-	-
192	49	274	-	4
-	-	-	-	-
<u>14,351</u>	<u>49</u>	<u>34,200</u>	<u>60,010</u>	<u>4</u>
-	-	-	-	-
7,366	-	-	-	-
-	-	44,037	-	-
-	-	-	60,010	-
-	-	-	-	-
-	-	-	-	-
<u>7,366</u>	<u>-</u>	<u>44,037</u>	<u>60,010</u>	<u>-</u>
6,985	49	(9,837)	-	4
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,985	49	(9,837)	-	4
<u>26,988</u>	<u>8,632</u>	<u>16,604</u>	<u>-</u>	<u>627</u>
<u>\$ 33,973</u>	<u>\$ 8,681</u>	<u>\$ 6,767</u>	<u>\$ -</u>	<u>\$ 631</u>

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue			
	Election Contract Service	Guardianship	Child Abuse Prevention	County Attorney Pretrial Diversion Program
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	10,011	6	47,000
Intergovernmental	6,972	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	612	51	12	205
Miscellaneous	37,548	-	-	-
Total revenues	<u>45,132</u>	<u>10,062</u>	<u>18</u>	<u>47,205</u>
EXPENDITURES				
Current:				
General government	43,432	-	-	-
Public safety	-	-	-	87,811
Highways and streets	-	-	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>43,432</u>	<u>-</u>	<u>-</u>	<u>87,811</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,700</u>	<u>10,062</u>	<u>18</u>	<u>(40,606)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(13,297)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(13,297)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,700	(3,235)	18	(40,606)
FUND BALANCES, BEGINNING	<u>117,314</u>	<u>3,235</u>	<u>1,949</u>	<u>37,997</u>
FUND BALANCES, ENDING	<u>\$ 119,014</u>	<u>\$ -</u>	<u>\$ 1,967</u>	<u>\$ (2,609)</u>

Special Revenue				Debt Service			Capital Projects		Total Governmental Funds
District Attorney Pretrial Diversion Program	District Clerk Technology	District/County Court Technology	Texas Juvenile Probation Contracts	2009 TAN I&S	2015 COB I&S	2017 COB I&S	2009 TAN		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,557,208	\$ -	\$ -	\$ 3,557,208	
30,105	16,345	2,491	-	-	-	-	-	2,045,651	
-	-	-	-	-	-	-	-	481,151	
-	-	-	1,121,986	-	-	-	-	1,121,986	
-	494	72	4,991	-	-	-	39	29,840	
-	-	-	45,354	-	-	-	-	179,219	
<u>30,105</u>	<u>16,839</u>	<u>2,563</u>	<u>1,172,331</u>	<u>-</u>	<u>3,557,208</u>	<u>-</u>	<u>39</u>	<u>7,415,055</u>	
-	-	-	-	-	34,626	-	-	690,497	
25,256	-	5,146	1,131,212	-	-	-	-	1,302,679	
-	-	-	-	-	-	-	-	1,130,821	
-	-	-	-	-	-	-	-	60,010	
-	-	-	-	-	-	-	-	22,142	
-	-	-	-	-	3,540,131	153,585	-	3,693,716	
-	-	-	52,998	-	-	-	7,051	745,482	
<u>25,256</u>	<u>-</u>	<u>5,146</u>	<u>1,184,210</u>	<u>-</u>	<u>3,574,757</u>	<u>153,585</u>	<u>7,051</u>	<u>7,645,347</u>	
<u>4,849</u>	<u>16,839</u>	<u>(2,583)</u>	<u>(11,879)</u>	<u>-</u>	<u>(17,549)</u>	<u>(153,585)</u>	<u>(7,012)</u>	<u>(230,292)</u>	
-	-	-	2,700	-	-	-	-	60,660	
-	-	-	-	-	-	153,585	-	153,585	
-	-	-	-	-	172,528	-	-	172,528	
-	-	-	-	(172,528)	-	-	-	(235,825)	
-	-	-	2,700	(172,528)	172,528	153,585	-	150,948	
4,849	16,839	(2,583)	(9,179)	(172,528)	154,979	-	(7,012)	(79,344)	
(4,443)	55,301	9,643	1,344,032	172,528	-	-	7,022	4,039,079	
<u>\$ 406</u>	<u>\$ 72,140</u>	<u>\$ 7,060</u>	<u>\$ 1,334,853</u>	<u>\$ -</u>	<u>\$ 154,979</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 3,959,735</u>	

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AGENCY FUNDS

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

SEPTEMBER 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>COUNTY SHERIFF</u>				
ASSETS				
Cash	\$ -	\$ 38,188	\$ 38,188	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 38,188</u>	<u>\$ 38,188</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 38,188	\$ 38,188	\$ -
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 38,188</u>	<u>\$ 38,188</u>	<u>\$ -</u>
<u>COUNTY CLERK</u>				
ASSETS				
Cash	\$ 109,309	\$ 336,775	\$ 325,403	\$ 120,681
Investments	<u>452,527</u>	<u>33,722</u>	<u>228,703</u>	<u>257,546</u>
TOTAL ASSETS	<u>\$ 561,836</u>	<u>\$ 370,497</u>	<u>\$ 554,106</u>	<u>\$ 378,227</u>
LIABILITIES				
Accounts payable	\$ 561,836	\$ 370,497	\$ 554,106	\$ 378,227
TOTAL LIABILITIES	<u>\$ 561,836</u>	<u>\$ 370,497</u>	<u>\$ 554,106</u>	<u>\$ 378,227</u>
<u>DISTRICT CLERK</u>				
ASSETS				
Cash	\$ 267,333	\$ 389,544	\$ 474,804	\$ 182,073
Investments	<u>532,032</u>	<u>103,848</u>	<u>112,262</u>	<u>523,618</u>
TOTAL ASSETS	<u>\$ 799,365</u>	<u>\$ 493,392</u>	<u>\$ 587,066</u>	<u>\$ 705,691</u>
LIABILITIES				
Accounts payable	\$ 799,365	\$ 493,392	\$ 587,066	\$ 705,691
TOTAL LIABILITIES	<u>\$ 799,365</u>	<u>\$ 493,392</u>	<u>\$ 587,066</u>	<u>\$ 705,691</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TAX ASSESSOR-COLLECTOR</u>				
ASSETS				
Cash	\$ 1,268,227	\$ 52,978,683	\$ 52,752,150	\$ 1,494,760
Accounts receivable	<u>31,400</u>	<u>3,196,483</u>	<u>3,194,246</u>	<u>33,637</u>
TOTAL ASSETS	<u>\$ 1,299,627</u>	<u>\$ 56,175,166</u>	<u>\$ 55,946,396</u>	<u>\$ 1,528,397</u>
LIABILITIES				
Accounts payable	\$ 495	\$ 19,602	\$ 19,684	\$ 413
Due to other governments	<u>1,299,132</u>	<u>56,155,564</u>	<u>55,926,712</u>	<u>1,527,984</u>
TOTAL LIABILITIES	<u>\$ 1,299,627</u>	<u>\$ 56,175,166</u>	<u>\$ 55,946,396</u>	<u>\$ 1,528,397</u>
<u>WATER WASTE TREATMENT FEES</u>				
ASSETS				
Cash	\$ 610	\$ 2,020	\$ 2,080	\$ 550
Accounts receivable	<u>50</u>	<u>-</u>	<u>50</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 660</u>	<u>\$ 2,020</u>	<u>\$ 2,130</u>	<u>\$ 550</u>
LIABILITIES				
Accounts payable	<u>660</u>	<u>4,050</u>	<u>4,160</u>	<u>550</u>
TOTAL LIABILITIES	<u>\$ 660</u>	<u>\$ 4,050</u>	<u>\$ 4,160</u>	<u>\$ 550</u>
<u>JUROR DONATIONS</u>				
ASSETS				
Cash	\$ -	\$ 1,154	\$ 674	\$ 480
Accounts receivable	<u>369</u>	<u>-</u>	<u>369</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 369</u>	<u>\$ 1,154</u>	<u>\$ 1,043</u>	<u>\$ 480</u>
LIABILITIES				
Accounts payable	<u>369</u>	<u>785</u>	<u>674</u>	<u>480</u>
TOTAL LIABILITIES	<u>\$ 369</u>	<u>\$ 785</u>	<u>\$ 674</u>	<u>\$ 480</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2017

	<u>Balance October 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2017</u>
<u>CAFETERIA PLAN TRUST</u>				
ASSETS				
Cash	\$ 36,102	\$ 67,507	\$ 66,803	\$ 36,806
TOTAL ASSETS	<u>\$ 36,102</u>	<u>\$ 67,507</u>	<u>\$ 66,803</u>	<u>\$ 36,806</u>
LIABILITIES				
Accounts payable	\$ 36,102	\$ 704	\$ -	\$ 36,806
TOTAL LIABILITIES	<u>\$ 36,102</u>	<u>\$ 704</u>	<u>\$ -</u>	<u>\$ 36,806</u>
<u>119TH DISTRICT ATTORNEY</u>				
<u>DPS FORFEITURE</u>				
ASSETS				
Cash	\$ 98	\$ 1	\$ -	\$ 99
TOTAL ASSETS	<u>\$ 98</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 99</u>
LIABILITIES				
Accounts payable	\$ 98	\$ 1	\$ -	\$ 99
TOTAL LIABILITIES	<u>\$ 98</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 99</u>
<u>51ST DISTRICT ATTORNEY SPECIAL</u>				
<u>FORFEITURE</u>				
ASSETS				
Cash	\$ 26,965	\$ 30,170	\$ 47,647	\$ 9,488
Accounts receivable	766	-	766	-
Due from other governments	-	10,255	-	10,255
TOTAL ASSETS	<u>\$ 27,731</u>	<u>\$ 40,425</u>	<u>\$ 48,413</u>	<u>\$ 19,743</u>
LIABILITIES				
Accounts payable	\$ 27,731	\$ 66,242	\$ 74,230	\$ 19,743
TOTAL LIABILITIES	<u>\$ 27,731</u>	<u>\$ 66,242</u>	<u>\$ 74,230</u>	<u>\$ 19,743</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2017

	<u>Balance October 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2017</u>
<u>119TH DISTRICT ATTORNEY</u>				
<u>SPECIAL FORFEITURE</u>				
ASSETS				
Cash	\$ 25,208	\$ 31,262	\$ 19,503	\$ 36,967
TOTAL ASSETS	<u>\$ 25,208</u>	<u>\$ 31,262</u>	<u>\$ 19,503</u>	<u>\$ 36,967</u>
LIABILITIES				
Accounts payable	\$ 25,208	\$ 20,017	\$ 8,258	\$ 36,967
TOTAL LIABILITIES	<u>\$ 25,208</u>	<u>\$ 20,017</u>	<u>\$ 8,258</u>	<u>\$ 36,967</u>
<u>STATE MUNICIPAL FEES</u>				
ASSETS				
Cash	\$ 248,217	\$ 96,983	\$ 334,046	\$ 11,154
Accounts receivable	<u>-</u>	<u>37</u>	<u>-</u>	<u>37</u>
TOTAL ASSETS	<u>\$ 248,217</u>	<u>\$ 97,020</u>	<u>\$ 334,046</u>	<u>\$ 11,191</u>
LIABILITIES				
Accounts payable	\$ 248,217	\$ 97,277	\$ 334,303	\$ 11,191
TOTAL LIABILITIES	<u>\$ 248,217</u>	<u>\$ 97,277</u>	<u>\$ 334,303</u>	<u>\$ 11,191</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
<u>STATE FEES - CRIMINAL</u>				
ASSETS				
Cash	\$ 54,185	\$ 1,659,826	\$ 1,459,648	\$ 254,363
Investments	178,366	435,800	614,166	-
Accounts receivable	486	-	486	-
TOTAL ASSETS	\$ 233,037	\$ 2,095,626	\$ 2,074,300	\$ 254,363
LIABILITIES				
Accounts payable	\$ 233,037	\$ 888,347	\$ 867,021	\$ 254,363
TOTAL LIABILITIES	\$ 233,037	\$ 888,347	\$ 867,021	\$ 254,363
 <u>STATE FEES - CIVIL</u>				
ASSETS				
Cash	\$ 37,190	\$ 791,670	\$ 702,021	\$ 126,839
Investments	81,340	217,200	298,540	-
Accounts receivable	3,188	-	3,188	-
TOTAL ASSETS	\$ 121,718	\$ 1,008,870	\$ 1,003,749	\$ 126,839
LIABILITIES				
Accounts payable	\$ 121,718	\$ 488,749	\$ 483,628	\$ 126,839
TOTAL LIABILITIES	\$ 121,718	\$ 488,749	\$ 483,628	\$ 126,839
 <u>CHILD SAFETY FEE</u>				
ASSETS				
Cash	\$ 31,719	\$ 23,655	\$ 27,983	\$ 27,391
Accounts receivable	507	-	507	-
TOTAL ASSETS	\$ 32,226	\$ 23,655	\$ 28,490	\$ 27,391
LIABILITIES				
Accounts payable	\$ 32,226	-	\$ 4,835	\$ 27,391
TOTAL LIABILITIES	\$ 32,226	\$ -	\$ 4,835	\$ 27,391

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
(Continued)
SEPTEMBER 30, 2017**

	<u>Balance October 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2017</u>
<u>DISTRICT ATTORNEY</u>				
ASSETS				
Cash	\$ 688,580	\$ 350,430	\$ 240,820	\$ 798,190
TOTAL ASSETS	<u>\$ 688,580</u>	<u>\$ 350,430</u>	<u>\$ 240,820</u>	<u>\$ 798,190</u>
LIABILITIES				
Accounts payable	\$ 688,580	\$ 350,430	\$ 240,820	\$ 798,190
TOTAL LIABILITIES	<u>\$ 688,580</u>	<u>\$ 350,430</u>	<u>\$ 240,820</u>	<u>\$ 798,190</u>
<u>COUNTY ATTORNEY</u>				
ASSETS				
Cash	\$ 20,749	\$ 78,494	\$ 78,495	\$ 20,748
TOTAL ASSETS	<u>\$ 20,749</u>	<u>\$ 78,494</u>	<u>\$ 78,495</u>	<u>\$ 20,748</u>
LIABILITIES				
Accounts payable	\$ 20,749	\$ 78,494	\$ 78,495	\$ 20,748
TOTAL LIABILITIES	<u>\$ 20,749</u>	<u>\$ 78,494</u>	<u>\$ 78,495</u>	<u>\$ 20,748</u>
<u>CHILD RESTRAINT STATE FEE</u>				
ASSETS				
Cash	\$ 5,275	\$ 6,160	\$ 5,275	\$ 6,160
TOTAL ASSETS	<u>\$ 5,275</u>	<u>\$ 6,160</u>	<u>\$ 5,275</u>	<u>\$ 6,160</u>
LIABILITIES				
Accounts payable	\$ 5,275	\$ 6,160	\$ 5,275	\$ 6,160
TOTAL LIABILITIES	<u>\$ 5,275</u>	<u>\$ 6,160</u>	<u>\$ 5,275</u>	<u>\$ 6,160</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
(Continued)
SEPTEMBER 30, 2017**

	<u>Balance October 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2017</u>
<u>SHERIFF FORFEITURE</u>				
ASSETS				
Cash	\$ 72,844	\$ 61,935	\$ 66,155	\$ 68,624
TOTAL ASSETS	<u>\$ 72,844</u>	<u>\$ 61,935</u>	<u>\$ 66,155</u>	<u>\$ 68,624</u>
LIABILITIES				
Accounts payable	\$ 72,844	\$ 16,368	\$ 20,588	\$ 68,624
TOTAL LIABILITIES	<u>\$ 72,844</u>	<u>\$ 16,368</u>	<u>\$ 20,588</u>	<u>\$ 68,624</u>
<u>THIRD COURT OF APPEALS</u>				
ASSETS				
Cash	\$ 845	\$ 10,273	\$ 8,115	\$ 3,003
Accounts receivable	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 855</u>	<u>\$ 10,273</u>	<u>\$ 8,125</u>	<u>\$ 3,003</u>
LIABILITIES				
Accounts payable	\$ 855	\$ 10,263	\$ 8,115	\$ 3,003
TOTAL LIABILITIES	<u>\$ 855</u>	<u>\$ 10,263</u>	<u>\$ 8,115</u>	<u>\$ 3,003</u>
<u>CAFETERIA/ZP</u>				
ASSETS				
Cash	\$ -	\$ 66,803	\$ 66,803	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 66,803</u>	<u>\$ 66,803</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
(Continued)
SEPTEMBER 30, 2017**

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>UNCLAIMED PROPERTY</u>				
ASSETS				
Cash	\$ 1,299	\$ 5,812	\$ 3,205	\$ 3,906
Investments	<u>4,989</u>	<u>35</u>	<u>5,024</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 6,288</u>	<u>\$ 5,847</u>	<u>\$ 8,229</u>	<u>\$ 3,906</u>
LIABILITIES				
Accounts payable	<u>\$ 6,288</u>	<u>\$ 2,181</u>	<u>\$ 4,563</u>	<u>\$ 3,906</u>
TOTAL LIABILITIES	<u>\$ 6,288</u>	<u>\$ 2,181</u>	<u>\$ 4,563</u>	<u>\$ 3,906</u>
<u>BAILBONDSMEN COLLATERAL</u>				
ASSETS				
Cash	<u>\$ 757,200</u>	<u>\$ 185,000</u>	<u>\$ 101,874</u>	<u>\$ 840,326</u>
TOTAL ASSETS	<u>\$ 757,200</u>	<u>\$ 185,000</u>	<u>\$ 101,874</u>	<u>\$ 840,326</u>
LIABILITIES				
Accounts payable	<u>\$ 757,200</u>	<u>\$ 136,874</u>	<u>\$ 53,748</u>	<u>\$ 840,326</u>
TOTAL LIABILITIES	<u>\$ 757,200</u>	<u>\$ 136,874</u>	<u>\$ 53,748</u>	<u>\$ 840,326</u>
<u>JUVENILE PROBATION</u>				
ASSETS				
Cash	<u>\$ 9,198</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 9,248</u>
TOTAL ASSETS	<u>\$ 9,198</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 9,248</u>
LIABILITIES				
Accounts payable	<u>\$ 9,198</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 9,248</u>
TOTAL LIABILITIES	<u>\$ 9,198</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 9,248</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
(Continued)
SEPTEMBER 30, 2017**

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 3,661,153	\$ 57,212,395	\$ 56,821,692	\$ 4,051,856
Investments	1,249,254	790,605	1,258,695	781,164
Accounts receivable	36,776	3,196,520	3,199,622	33,674
Due from other governments	<u> -</u>	<u> 10,255</u>	<u> -</u>	<u> 10,255</u>
TOTAL ASSETS	<u>\$ 4,947,183</u>	<u>\$ 61,209,775</u>	<u>\$ 61,280,009</u>	<u>\$ 4,876,949</u>
LIABILITIES				
Accounts payable	\$ 3,648,051	\$ 3,088,671	\$ 3,387,757	\$ 3,348,965
Due to other governments	<u> 1,299,132</u>	<u> 56,155,564</u>	<u> 55,926,712</u>	<u> 1,527,984</u>
TOTAL LIABILITIES	<u>\$ 4,947,183</u>	<u>\$ 59,244,235</u>	<u>\$ 59,314,469</u>	<u>\$ 4,876,949</u>

SINGLE AUDIT

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise Tom Green County, Texas' basic financial statements, and have issued our report thereon dated March 15, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Waco, Texas
March 15, 2018



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE STATE OF TEXAS
UNIFORM GRANT MANAGEMENT STANDARDS**

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

Report on Compliance for Each Major State Program

We have audited Tom Green County, Texas' compliance with the types of compliance requirements described in the State of Texas *Uniform Grants Management Standards* that could have a direct and material effect on each of Tom Green County, Texas' major state programs for the year ended September 30, 2017. Tom Green County, Texas' major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Tom Green County, Texas' major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of Texas Single Audit Circular. Those standards and the State of Texas Single Audit Circular, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Tom Green County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, Tom Green County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2017.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of Texas *Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

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

Waco, Texas
March 15, 2018

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TOM GREEN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS

YEAR ENDED SEPTEMBER 30, 2017

Pass-through Grantor/ Program Title	Pass-through Grantor ID Number	State Expenditures	Pass-through Expenditures
<u>STATE AWARDS</u>			
<u>Office of the Attorney General</u>			
Passed through Crime Victim Services			
Victim Coordinator Liaison Grant (VCLG-DA)	17-72565	\$ 38,521	-
Victim Coordinator Liaison Grant (VCLG-DA)	18-81515	3,079	-
Victim Coordinator Liaison Grant (VCLG-CA)	17-72557	38,552	-
Victim Coordinator Liaison Grant (VCLG-CA)	18-81440	3,076	-
Total Passed through Crime Victim Services		83,228	-
Crime Victim Services	17-69835	38,534	-
Crime Victim Services	18-80566	3,158	-
Total Office of the Attorney General		124,920	-
<u>Texas Department of Health and Human Services</u>			
Potentially Preventable Hospitalizations Initiative	2016-003803-00	72,115	-
Total Texas Department of Health and Human Services		72,115	-
<u>Texas Department of Transportation</u>			
CERTZ	N/A	11,330	-
Total Texas Department of Transportation		11,330	-
<u>Texas Juvenile Justice Department</u>			
Passed through Assistance Division			
Parole Services	N/A	23,889	-
Total Texas Juvenile Justice Department		23,889	-
<u>Task Force on Indigent Defense</u>			
Indigent Defense - Formula Grant	212-17-226	142,011	-
Indigent Defense - Extraordinary Disbursement	212-EX-226	50,000	-
Total Task Force on Indigent Defense		192,011	-

TOM GREEN COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS

YEAR ENDED SEPTEMBER 30, 2017

<u>Pass-through Grantor/ Program Title</u>	<u>Pass-through Grantor ID Number</u>	<u>State Expenditures</u>	<u>Pass-through Expenditures</u>
<u>Texas Office of the Governor</u>			
Defense Economic Adjustment Assistance Grant (DEAAG)	TMPC	\$ 1,508,118	\$ -
Total Texas Office of the Governor		<u>1,508,118</u>	<u>-</u>
<u>Texas Commission on Environmental Quality</u>			
Passed Through Concho Valley Council of Governments			
TCEQ Solid Waste Grant	LS-00-15-0044-15	<u>3,000</u>	<u>-</u>
Total passed through Texas Commission on Environmental Quality		<u>3,000</u>	<u>-</u>
Total Texas Commission on Environmental Quality		<u>3,000</u>	<u>-</u>
Total Expenditures of State Awards		<u>\$ 1,935,383</u>	<u>\$ -</u>

TOM GREEN COUNTY, TEXAS

**NOTES TO SCHEDULE OF EXPENDITURES
OF STATE AWARDS**

SEPTEMBER 30, 2017

1. GENERAL

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

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of State Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the basic financial statements.

TOM GREEN COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Summary of Auditors' Results

Financial Statements:

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

State Awards:

Internal control over major programs: Material weakness(es) identified?	None
Significant deficiency(ies) identified that are not considered a material weakness?	None reported
Type of auditors' report issued on compliance for major state programs	Unmodified

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

Defense Economic Adjustment Assistance Grant (DEAAG)	
Dollar threshold used to distinguish between type A and type B federal programs	\$300,000
Auditee qualified as low-risk auditee?	No. The county was not classified as a low-risk auditee in the context of the state of Texas Uniform Grant Management Standards.

**Findings Relating to the Financial Statements Which Are
Required to be Reported in Accordance With
Generally Accepted Government Auditing Standards**

None

Findings and Questioned Costs for State Awards

None