

CORYELL COUNTY, TEXAS

**FINANCIAL
STATEMENTS**

AND

**INDEPENDENT AUDITOR'S
REPORT**

YEAR ENDED

SEPTEMBER 30, 2016

Roberts, & McGee CPA
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CORYELL COUNTY, TEXAS
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INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge and
Members of the Commissioners Court of
Coryell County, Texas:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coryell County, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's 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. 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 the Coryell County, Texas, as of September 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information on pages 3-8 and 33-37 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 Coryell County, Texas' basic financial statements. The other supplementary schedules on pages 38-48 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Roberts + McGee, CPA
Roberts & McGee, CPA

Abilene, Texas
April 17, 2017

CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

As management of Coryell County, we offer readers of Coryell County's financial statements this narrative overview and analysis of the financial activities of the Coryell County for the fiscal year ended September 30, 2016.

Financial Highlights

Government-Wide Financial Statements

- The assets of Coryell County exceeded its liabilities at the close of the most recent fiscal year by \$16,432,990 (net position). Of this amount, \$6,573,157 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. \$2,685,996 of the County's equity is restricted for debt service, capital improvement, and special revenue funds, and \$7,173,837 is invested in capital assets, net of related debt.
- The County's total debt outstanding at September 30, 2016 is \$1,646,710.
- The total net position (*equity*) of the County increased by \$101,912 during the 2016 fiscal year.

Fund Financial Statements

- As of the close of the current fiscal year, Coryell County's governmental funds reported combined ending fund balances of \$8,801,101. Approximately 67% of the total fund balance amount, \$5,885,459, is unassigned and available for spending at the government's discretion. The fund balance in the general fund reflects an increase of \$113,348 from the prior year.
- At the end of the current fiscal year, restricted fund balance for debt service, capital improvement and special revenue funds was \$2,653,467, which is an increase of \$61,048 from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The statement of net position presents information on all of Coryell 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 Coryell County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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).

The government-wide financial statements reflect functions of Coryell County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Coryell County include general administration, judicial, legal, financial administration, public facilities, public safety, health and welfare, conservation, other supported services, and road and bridge. The government-wide financial statements can be found on pages 9-10 of this report.

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

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. Coryell 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 Coryell County can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus on 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Coryell County has four governmental fund types which are the general fund, special revenue funds, debt service fund and capital projects fund. 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, the road and bridge fund, the capital projects fund, and the debt service fund, which are considered to be major funds. Data from the other non-major governmental funds are combined into the aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 11-16 of this report.

Coryell County adopts an annual appropriated budget for its general fund, road and bridge fund, debt service fund, and various other special revenue funds. A budgetary comparison statement has been provided for the general fund and the road and bridge fund on pages 33-34, and the budgetary comparison statements for the debt service and capital improvement funds are on page 46-47.

Fiduciary funds. Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other governmental units. The County's fiduciary funds are all reported as Agency Funds. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's basic programs. The basic agency fund financial statement can be found on page 17, and the schedule of changes in the agency assets and liabilities can be found on pages 48-49 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-32 of this report.

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 38-45 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Coryell County, assets exceeded liabilities by \$16,432,990 at the close of the most recent fiscal year.

Coryell County's net position reflect its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is outstanding of \$7,173,837. Coryell County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Coryell 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.

Coryell County's Net Position

	Governmental Activities	
	2016	2015
Current assets	\$ 9,574,966	\$ 9,301,841
Capital assets	8,838,573	8,365,939
Deferred outflows of resources	2,500,377	756,836
Total Assets and Deferred outflows of resources	20,913,916	18,424,616
Current liabilities	1,119,874	823,265
Long-term liabilities	3,149,814	1,270,273
Deferred inflows of resources	211,238	
Total Liabilities and deferred inflows of resources	4,480,926	2,093,538
Net investment in capital assets	7,173,837	7,205,935
Restricted	2,685,996	2,621,519
Unrestricted	6,573,157	6,503,624
Total net position	\$ 16,432,990	\$ 16,331,078

The government's net position increased by \$101,912 during the current fiscal year.

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Coryell County's Changes in Net Position

	Governmental Activities	
	2016	2015
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,927,902	\$ 2,875,759
Operating Grants and Contributions	1,257,334	1,342,237
Capital Grants and Contributions		
General Revenues		
Property and Other Taxes	12,905,328	12,503,603
Investment Income	51,992	53,972
Gain (loss) on disposal of assets	8,589	(1,422)
Miscellaneous Income	155,957	156,624
Total Revenues	17,307,102	16,930,773
Expenses		
General Administration	1,524,219	1,408,292
Judicial	2,328,739	2,175,425
Legal	1,275,052	1,099,269
Financial Administration	1,071,807	1,038,224
Public Facilities	3,056,182	3,079,710
Public Safety	3,432,458	3,075,775
Health and Welfare	1,129,167	1,156,618
Conservation	115,952	143,585
Other Supported Services	590,828	741,509
Road and Bridge	2,651,887	2,473,610
Interest on Long-term Debt	28,899	23,024
Total expenditures	17,205,190	16,415,041
Increase in net assets	101,912	515,732
Net Assets - Beginning of Year	16,331,078	15,647,876
Prior period adjustment		167,470
Net Assets - End of Year	\$ 16,432,990	\$ 16,331,078

FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS

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

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

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

As of the end of the current fiscal year, Coryell County's governmental funds reported combined ending fund balances of \$8,801,101. Approximately 67 percent of this total amount, \$5,885,459 constitutes unassigned fund balance, which is available for spending at the government's discretion. Nonspendable fund balance for prepaid assets is \$262,175 at year end, and the remainder of fund balance is restricted for capital improvements, special revenue and debt service purposes to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the County. \$5,885,459 of the general fund's fund balance is unassigned. The unassigned fund balance represents 45% of the total general fund expenditures or approximately 5.4 months of operating equity.

Fund Budgetary Highlights

The amended budget for the General Fund reflects a deficit of \$1,077,730, which would draw upon the fund balance. Budget amendments to expenditures were made during the year within the general fund departments. The actual expenditures were \$1,053,280 less than the final budgeted amounts, and actual revenues were \$176,721 more than was budgeted. This resulted in a favorable budget variance of \$1,230,001 before other financing sources and uses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Coryell County's investment in capital assets for its governmental activities as of September 30, 2016, amounts to \$8,838,573 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, and infrastructure.

**Coryell County's Capital Assets
(net of depreciation)**

	Governmental Activities	
	2016	2015
Land	\$ 421,709	\$ 138,596
Buildings and improvements	4,115,755	3,954,618
Machinery and equipment	508,693	404,994
Vehicles	580,526	580,143
Infrastructure	3,211,890	3,287,588
Total	\$ 8,838,573	\$ 8,365,939

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Capital Assets - Continued

Current year additions to capital outlays amounted to \$1,121,419 and \$180,618 of capital assets were disposed of. Depreciation expense was \$648,785 and 746,408 for the years ended September 30, 2016 and 2015, respectively.

Debt Administration

- **Notes Payable.** The County obtained \$852,458 in new debt during the current year to finance the purchase of land, buildings, equipment, and sheriff vehicles. \$354,715 was paid during the year on the County's outstanding debt, and the balance of the County's notes payables at September 30, 2016 and 2015 was \$1,646,710 and \$1,148,967, respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The tax rate for the 2017 fiscal year increased from the prior year rate of .458447 per \$100 valuation to .493660 per \$100 valuation.
- The County's 2017 fiscal year general fund budget proposed an increase in total budgeted revenues of approximately \$1,298,535 or a 10.0% increase, and the budgeted expenditures were also increased approximately \$1,013,967 or a 7.2% increase.

Requests for Information

This financial report is designed to provide a general overview of Coryell County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Coryell County Auditor, 800 E. Main, Suite A, Gatesville, Texas 76528.

BASIC FINANCIAL STATEMENTS

CORYELL COUNTY, TEXAS
STATEMENT OF NET POSITION

SEPTEMBER 30, 2016

	Primary Government Governmental Activities
ASSETS:	
Cash and cash investments	\$ 6,866,468
Investments	1,202,974
Receivables:	
Property tax, net	274,163
Sales tax	344,042
Fines, net	347,187
Intergovernmental	277,957
Prepaid insurance	262,175
Capital assets net of accumulated depreciation	8,838,573
TOTAL ASSETS	18,413,539
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows - pensions	2,500,377
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	20,913,916
LIABILITIES:	
Accounts payable	180,308
Deposits payable	50,000
Due to state	92,819
Compensated absences	149,739
Accrued interest payable	18,026
Notes payable - current	628,982
Noncurrent liabilities:	
Notes payable - noncurrent	1,017,728
Pension liability	2,132,086
TOTAL LIABILITIES	4,269,688
DEFERRED INFLOWS OF RESOURCES:	
Unearned revenue	58,080
Pension related	153,158
TOTAL DEFERRED INFLOWS OF RESOURCES	211,238
NET POSITION:	
Net investment in capital assets	7,173,837
Restricted for debt service	7,584
Restricted for special revenue and capital improvements	2,678,412
Unrestricted	6,573,157
TOTAL NET POSITION	\$ 16,432,990

The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Function/Program	Expenses	Program Revenues			Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities:					
General administration	\$ 1,524,219	\$ 484,917	\$ 44,638		\$ (994,664)
Judicial	2,328,739	645,496	67,839		(1,615,404)
Legal	1,275,052	47,860	264,090		(963,102)
Financial administration	1,071,807	391,414	188,508		(491,885)
Public facilities	3,056,182				(3,056,182)
Public safety	3,432,458	251,752	135,733		(3,044,973)
Health and welfare	1,129,167		383,627		(745,540)
Conservation	115,952				(115,952)
Other supported services	590,828				(590,828)
Road and bridge	2,651,887	1,106,463	172,899		(1,372,525)
Interest on long-term debt	28,899				(28,899)
	<u>17,205,190</u>	<u>2,927,902</u>	<u>1,257,334</u>		<u>(13,019,954)</u>
Total governmental activities	<u>17,205,190</u>	<u>2,927,902</u>	<u>1,257,334</u>		<u>(13,019,954)</u>
Total primary government	<u>\$ 17,205,190</u>	<u>\$ 2,927,902</u>	<u>\$ 1,257,334</u>		<u>\$ (13,019,954)</u>
General revenues:					
Property taxes					10,803,742
Sales tax					2,101,586
Investment income					51,992
Gain (loss) on disposal of assets					8,589
Miscellaneous income					155,957
					<u>13,121,866</u>
Total general revenues					<u>13,121,866</u>
Change in net position					101,912
Net position - beginning of year					<u>16,331,078</u>
Net position - end of year					<u>\$ 16,432,990</u>

The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	General Fund	Road and Bridge Fund	Capital Improvement Fund
ASSETS			
Cash and cash investments	\$ 4,259,694	\$ 714,722	\$ 1,115,016
Investments	1,202,974		
Receivables:			
Property tax, net	274,163		
Sales tax	344,042		
Fines, net	347,187		
Intergovernmental	78,898	88,250	
Prepaid insurance	229,646	32,529	
TOTAL ASSETS	\$ 6,736,604	\$ 835,501	\$ 1,115,016
LIABILITIES			
Accounts payable	\$ 141,056	\$ 10,529	\$ 27,136
Deposits payable			
Due to state	92,819		
Compensated absences	144,705	5,034	
TOTAL LIABILITIES	378,580	15,563	27,136
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	242,919	58,080	
TOTAL DEFERRED INFLOWS	242,919	58,080	
FUND BLANCE			
Nonspendable for prepaids	229,646	32,529	
Restricted for debt service			
Restricted for special revenue and capital improvement		729,329	1,087,880
Unassigned	5,885,459		
TOTAL FUND BALANCE	6,115,105	761,858	1,087,880
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 6,736,604	\$ 835,501	\$ 1,115,016

The accompanying notes are an integral part of this statement.

<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 7,584	\$ 769,452	\$ 6,866,468
		1,202,974
		274,163
		344,042
		347,187
	110,809	277,957
		262,175
<u>7,584</u>	<u>880,261</u>	<u>9,574,966</u>
\$	\$	\$
	1,587	180,308
	50,000	50,000
		92,819
		149,739
	<u>51,587</u>	<u>472,866</u>
		300,999
		300,999
		262,175
7,584		7,584
	828,674	2,645,883
		5,885,459
<u>7,584</u>	<u>828,674</u>	<u>8,801,101</u>
\$ <u>7,584</u>	\$ <u>880,261</u>	\$ <u>9,574,966</u>

CORYELL COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2016

Total Fund Balances - Governmental Funds	\$	8,801,101
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds balance sheet. The net effect is an increase in net position.		8,838,573
Other long-term assets are not available to pay for current-period expenditures, therefore, are deferred in the governmental funds. Deferred revenue is recognized in the government-wide financial statements. This results is an increase in net position.		242,919
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The net effect is a decrease in net position.		(1,664,736)
Included on the government-wide financial statements is the recognition of the County's proportionate share of the net pension liability of \$2,132,086, a deferred inflow of resources of \$153,158, and a deferred outflow of resources of \$2,500,377. The net effect is to increase net position.		<u>215,133</u>
Net Position of Governmental Activities	\$	<u><u>16,432,990</u></u>

The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General Fund	Road and Bridge Fund	Capital Improvement Fund
REVENUES:			
Property taxes	\$ 8,632,265	\$ 1,189,180	\$ 235,054
Sales tax	2,101,586		
Licenses and permits		1,031,915	
Fees and charges for services	946,543		
Intergovernmental	559,667	172,899	18,403
Investment earnings	51,986	6	
Other miscellaneous	275,873	74,548	
Fines, forfeitures and settlements	362,947		
Total Revenues	12,930,867	2,468,548	253,457
EXPENDITURES:			
Current:			
General administration	1,330,988		
Judicial	2,204,657		
Legal	1,055,459		
Financial administration	1,066,067		
Public facilities	2,947,555		88,760
Public safety	2,632,547		
Health and welfare	887,748		
Conservation	115,694		
Other supported services	569,598		
Road and bridge		2,467,471	
Debt service			
Capital outlay	214,403	209,876	652,839
Total Expenditures	13,024,716	2,677,347	741,599
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(93,849)	(208,799)	(488,142)
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out	(19,973)		
Proceeds from financing agreements	223,484	197,276	431,698
Proceeds from sale of property	3,686	4,903	
Total Other Financing Sources (Uses)	207,197	202,179	431,698
CHANGE IN FUND BALANCE	113,348	(6,620)	(56,444)
FUND BALANCE - BEGINNING OF YEAR	6,001,757	768,478	1,144,324
FUND BALANCE - END OF YEAR	\$ 6,115,105	\$ 761,858	\$ 1,087,880

The accompanying notes are an integral part of this statement.

<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 372,795	\$ 352,581	\$ 10,781,875
		2,101,586
		1,031,915
	380,922	1,327,465
	506,365	1,257,334
		51,992
	11,111	361,532
		362,947
<u>372,795</u>	<u>1,250,979</u>	<u>17,276,646</u>
	63,369	1,394,357
	114,222	2,318,879
	204,146	1,259,605
		1,066,067
		3,036,315
	474,360	3,106,907
	239,183	1,126,931
		115,694
		569,598
		2,467,471
376,625		376,625
	44,301	1,121,419
<u>376,625</u>	<u>1,139,581</u>	<u>17,959,868</u>
(3,830)	111,398	(683,222)
	32,092	32,092
	(12,119)	(32,092)
		852,458
		8,589
	<u>19,973</u>	<u>861,047</u>
(3,830)	131,371	177,825
<u>11,414</u>	<u>697,303</u>	<u>8,623,276</u>
<u>\$ 7,584</u>	<u>\$ 828,674</u>	<u>\$ 8,801,101</u>

CORYELL COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Net Change in Fund Balances - Governmental Funds	\$	177,825
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Amounts reported for governmental activities in the statement of net position are different because:

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays net of disposals is to increase net position.		1,121,419
--	--	-----------

Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of current year depreciation expense is to decrease net position.		(648,785)
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Revenue from property taxes and court fines are recognized in the fund financial statements on the modified accrual basis, but are recognized on the accrual basis in the government-wide financial statements. The net effect is to increase net position.		21,867
---	--	--------

Current year payments on long-term debt are expenditures in the fund financial statements, but are shown as reductions of the debt in the government-wide financial statements. The net effect is to increase net position.		347,726
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Current year proceeds from issuance of debt is not shown as revenue in the government-wide financial statements. The net effect is to decrease net position.		(852,458)
--	--	-----------

Certain expenditures for pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$482,251. The County's share of the unrecognized deferred inflows and outflows for TCDRS as of the measurement date must be amortized and the County's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease in the amount of \$547,933. The net effect is an decrease in net position.		(65,682)
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Change in Net Position of Governmental Activities	\$	101,912
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The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS

BALANCE SHEET

FIDUCIARY FUNDS

SEPTEMBER 30, 2016

ASSETS	Agency Funds
	<u> </u>
Cash and cash investments held by:	
County Clerk	\$ 114,680
District Clerk	120,295
Justice of the Peace Pct #1	200
Justice of the Peace Pct #2	200
Justice of the Peace Pct #3	-
Justice of the Peace Pct #4	-
Jail	5,436
Sheriff	19,277
Tax Assessor Collector	412,038
Hot check fund	-
Investments held by:	
County Clerk	99,075
District Clerk	<u>226,776</u>
 TOTAL ASSETS	 \$ <u><u>997,977</u></u>
LIABILITIES	
Due to others	\$ <u>997,977</u>
 TOTAL LIABILITIES	 \$ <u><u>997,977</u></u>

The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The authority of county governments and their specific functions and responsibilities are created by and dependent upon laws and legal regulations of the Texas State Constitution and Vernon's Annotated Civil Statutes. The County was established on March 15, 1854 and operates under a county judge/commissioners' court type government as provided by state statute. The Commissioners' Court has governance responsibilities over all activities related to Coryell County, Texas. The County is not included in any other governmental reporting entity, and there are no component units included within the reporting entity.

The County provides the following services to its citizens: public safety, public transportation (roads and bridges), health and welfare, recreation facilities, judicial and legal, and general administrative services.

The financial and reporting policies of the County conform to U.S. generally accepted accounting principles ("GAAP") applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB and those principles prescribed by the American Institute of Certified Public Accountants. The following is a summary of the more significant practices used by the County.

Government-Wide and Fund Financial Statements

Government-wide 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 primary government. For the most part, the effect of interfund activity has been removed from these statements.

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

Fund financial statements. Separate fund 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Governmental Funds

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

Property taxes, fines, interest revenue, and revenue received from various governmental entities associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the state at year-end on behalf of the County also are recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Road and Bridge Fund - The Road and Bridge Fund is used to account for the resources for and the payments of expenses related to the repairs and maintenance of the County's roads and bridges.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the government reports the following nonmajor governmental fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. Formal budgetary accounting is not required for fiduciary funds. Since by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide statements.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. 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*. Likewise, general revenues include all taxes.

In the fund financial statements, governmental special revenue, capital improvements, and debt service funds report restrictions of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes.

Use of Estimates

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

Budget Policies

The County follows these procedures in establishing budgetary data reflected in the financial statements:
Public hearings are conducted at the Coryell County Courthouse to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through adoption of an order by the Commissioners' Court. Budgets are adopted for the general fund, debt service fund, and most special revenue funds. All budget amendments are approved by the Commissioners' Court.

The budgeted amounts presented in these statements are as originally adopted and as amended by the Commissioners' Court during the year ended September 30, 2016. All appropriations lapse at year end.

Assets, Liabilities, and Net position or Equity

Deposits and Investments

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

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Custodial credit risk: Deposits in financial institutions are carried at cost which approximates fair value. At September 30, 2016, the County had cash and cash investments, which represents cash on hand, demand deposits and savings accounts at federally insured local banks. At September 30, 2016, the County was fully insured by federal depository insurance and pledged securities held by the County’s agent bank.

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

Interest rate risk: For short term liquidity investment requirements, the County utilizes money market accounts with its depository bank.

Credit Risk: State law and County policy limits investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2016, the County did not have any investments in public fund investment pools.

Concentration of credit risk: The County’s investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

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

	<u>Cost Basis</u>	<u>Fair Value</u>
Money Markets-Primary Government	\$ 6,098,108	\$ 6,098,108
Certificates of Deposit-Primary Government	1,202,974	1,202,974
Money Markets-Fiduciary Funds	72,845	72,845
Certificates of Deposit-Fiduciary Funds	325,851	325,851

Receivables and Payables

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

Property taxes are levied on October 1 in conformity with Subtitle E, Texas Property Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1. Property taxes attach as an enforceable lien as of January 1 to secure the payment of all taxes, penalties, and interest ultimately imposed. The Coryell Central Appraisal District assesses the property taxes for the County and the Coryell County Tax Assessor Collector collects the property taxes for the County. The County is permitted by the Municipal Finance Law of the State to levy taxes up to \$1.20 per \$100 of appraised valuation for general services, permanent improvements, lateral road, and jury fund purposes other than the payment of principal established

CORYELL COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

by the Attorney General of the State of Texas. The tax rate for the year ended September 30, 2016 was \$.458447 per \$100 valuation.

All receivables are shown net of an allowance for uncollectibles.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. The County’s policy is to capitalize assets costing \$5,000 or more and having an estimated life of two years or more. All capital assets are valued at their historical cost or estimated historical cost if actual historical cost is not available.

Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments which materially extend the useful lives of the capital assets are capitalized. Depreciable capital assets are depreciated using the straight-line method over the asset’s estimated useful life as follows:

Buildings and improvements	10-50 years
Infrastructure	50-60 years
Machinery and equipment	5-7 years
Vehicles	5-7 years

Deferred Outflows/Inflows of Resources

Government Wide Financial Statements

In addition to assets, the statement of net position will 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 deferred outflows of resources for the differences between projected and actual earnings for its pension plan and contributions made to the pension plan after the measurement date, but before the end of the fiscal year.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows of resources for unearned grant revenues and for the differences in actual and project earnings and changes in assumptions related to the valuation of the net pension liability.

Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported in the governmental funds as unavailable revenues from tax and grant revenue in the amount of \$300,999.

CORYELL COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the governmental activities. The long-term debt of the County includes notes payable.

Compensated Absences

The County's policy does not permit employees to accumulate earned but unused vacation. Unused sick time can be accumulated; however, there is no liability for unpaid accumulated sick leave as the County does not have a policy to pay unused sick time when employees separate from service. Certain employees can accrue compensated time off for overtime worked. The amount accrued at September 30, 2016 is \$149,739 and is considered a short-term liability of the County.

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. The County had \$262,175 classified as nonspendable at September 30, 2016.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Federal or state funds are restricted for use only for a specific use.

The County had \$729,329 restricted for road and bridge repairs, \$828,674 for special revenue projects, \$1,087,880 for capital improvements, and \$7,584 for future debt service requirements.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) 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. The County had no committed funds at year end.

Assigned – This classification includes amounts that are constrained by the County Commissioners' intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners or through the Commissioners delegating this responsibility to management through the budgetary process. The County has no funds classified as assigned at September 30, 2016.

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.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The County would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE 2: CAPITAL ASSET ACTIVITY

The changes in capital assets for the year ended September 30, 2016 are as follows:

	Balance			Balance
	October 1,			September 30,
Capital Assets	2015	Additions	Retirements	2016
Land (not depreciated)	\$ 138,596	\$ 283,113	\$	\$ 421,709
Buildings and improvements	7,519,828	369,726		7,889,554
Machinery and equipment	4,169,221	269,840		4,439,061
Vehicles	3,138,620	198,740	(180,618)	3,156,742
Infrastructure	18,317,951			18,317,951
Total capital assets	33,284,216	1,121,419	(180,618)	34,225,017
Less accumulated depreciation for:				
Buildings and improvements	3,565,210	208,589		3,773,799
Machinery and equipment	3,764,227	166,141		3,930,368
Vehicles	2,558,477	198,357	(180,618)	2,576,216
Infrastructure	15,030,363	75,698		15,106,061
Total accumulated depreciation	24,918,277	648,785	(180,618)	25,386,444
Governmental activities capital assets	\$ 8,365,939	\$ 472,634	\$ -	\$ 8,838,573

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

Governmental Activities:	
General administration	\$ 123,819
Public safety	309,020
Legal	7,777
Public facilities	10,000
Other supporting services	13,753
Road and bridge	<u>184,416</u>
	<u>\$ 648,785</u>

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3: LONG-TERM DEBT

A summary of changes in long-term debt at September 30, 2016 is as follows:

	Balance October 1, 2015	Additions	Retirements	Balance September 30, 2016
Note 257 Fire Truck for Gatesville VFD	49,914		49,914	-
Note 260 Jail Security Equipment	126,060		42,020	84,040
Note 261 Sheriff Vehicles	40,103		40,103	-
Note 262 Extraco Bank Building	542,142		108,429	433,713
Note 263 Sheriff Vehicles	155,668		51,889	103,779
Note 264 0.97 Acres Bridge Street	120,000		24,000	96,000
Note 265 Sheriff Vehicles	115,080		38,360	76,720
Note 266 Courthouse Windows		207,585		207,585
Note 267 Boom Mower		108,764		108,764
Note 268 JD Backhoe		88,512		88,512
Note 269 Sheriff Constable		223,484		223,484
Note 270 Property 402 E Leon		224,113		224,113
Total long-term debt	\$ 1,148,967	\$ 852,458	\$ 354,715	\$ 1,646,710

Current maturities of the outstanding long-term debt at September 30, 2016 are as follows:

Year	Principal	Interest	Total
2017	\$ 628,982	\$ 32,026	\$ 661,008
2018	404,869	19,606	424,475
2019	272,601	11,891	284,492
2020	236,342	6,650	242,992
2021	103,916	1,310	105,226
	\$ 1,646,710	\$ 71,483	\$ 1,718,193

Notes payable at September 30, 2016 are comprised of the following:

Note 260 in the amount of \$210,100 was issued October 24, 2012 and was used to purchase jail security equipment. The note is due in annual installments on October 24, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due October 24, 2017. The principal balance at September 30, 2016 is \$84,040.

Note 262 in the amount of \$759,000 was issued June 27, 2013 and was used to purchase the Extraco bank building. The note is due in annual installments on June 27, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due June 27, 2020. The principal balance at September 30, 2016 is \$433,713.

Note 263 in the amount of \$207,558 was issued December 10, 2013 and was used to purchase sheriff vehicles. The note is due in annual installments on December 10, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due December 10, 2017. The principal balance at September 30, 2016 is \$103,779.

CORYELL COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 3: LONG-TERM DEBT - continued

Note 264 in the amount of \$120,000 was issued November 14, 2014 and was used to purchase .97 acres of land at 712 Bridge Street. The note is due in annual installments on November 14, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due November 14, 2019. The principal balance at September 30, 2016 is \$96,000.

Note 265 in the amount of \$115,080 was issued May 12, 2015 and was used to purchase sheriff vehicles. The note is due in annual installments on May 12th, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due May 12, 2018. The principal balance at September 30, 2016 is \$76,720.

Note 266 in the amount of \$207,585 was issued October 20, 2015 and was used to replace windows in the County courthouse. The note is due in annual installments on October 15, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due October 15, 2020. The principal balance at September 30, 2016 is \$207,585.

Note 267 in the amount of \$108,764 was issued November 5, 2015 and was used to purchase a mower for the County. The note is due in annual installments on November 1, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due November 1, 2018. The principal balance at September 30, 2016 is \$108,764.

Note 268 in the amount of \$88,512 was issued January 8, 2016 and was used to purchase a backhoe for the County. The note is due in annual installments on January 8th, with an annually adjusted interest rate of 1.49 points below prime. The final interest and principal payment is due January 8, 2021. The principal balance at September 30, 2016 is \$88,512.

Note 269 in the amount of \$223,484 was issued February 3, 2016 and was used to purchase sheriff vehicle. The note is due in annual installments on February 3rd, with an annually adjusted interest rate of 1.49 points below prime. The final interest and principal payment is due February 3, 2021. The principal balance at September 30, 2016 is \$223,484.

Note 270 in the amount of \$224,113 was issued July 28, 2016 and was used to purchase property at 402 E Leon. The note is a one year note with the interest and principal due on July 28, 2017. The stated interest rate is 2.10%. The principal balance at September 30, 2016 is \$224,113.

NOTE 4: RETIREMENT PLAN

Plan Description

The County provides retirement, disability and death benefits for all of its full-time employees and the full-time employees of the Coryell County Community Supervision and Corrections Department and the Coryell County Juvenile Probation Department through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). The Commissioners are responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 677 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

CORYELL COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 4: RETIREMENT PLAN - continued

Benefits Provided

The plan provisions are adopted by the governing body of the employer, within the options available in the state statutes governing the TCDRS (TCDRS Act). Members employed by Coryell County can retire at age 60 and above with eight 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 employment but must leave their accumulated contributions in the plan to receive any employer-financed benefits.

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 County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes; including automatic COLA's. Ad hoc post-employment benefit changes, including ad hoc COLA's, can be granted by the County Commissioners within certain guidelines.

Membership

The Combined County, Coryell County Community Supervision and Corrections Department, and the Coryell County Juvenile Probation Department membership in the TCDRS plan at December 31, 2015 consisted of the following:

Number of benefit recipients	100
Terminated Employee's Accounts:	
Vested	21
Nonvested	<u>59</u>
	80
Current Employee's Accounts:	
Vested	98
Nonvested	<u>104</u>
	202

Contributions

The County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the county is actuarially determined annually. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

The rate the County contributed for the months of the accounting year in 2015 and 2016 were 10.10% and 10.34% respectively. The deposit rate payable by the employee members for the calendar year 2015 and 2016 is the rate of 7.00% as adopted by the governing body of the County. The total retirement contributions made by the County were \$671,014 and the Coryell County Community Supervision and Corrections Department and the Coryell County Juvenile Probation Department were \$69,554 for the fiscal year ended September 30, 2016.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 4: RETIREMENT PLAN - continued

Actuarial Assumptions

The total pension liability at December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contributions rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method:	Straight-line amortization over Expected Working Life
Asset Valuation Method	Smoothing period, 5 years. Recognition method, non-asymptotic. Corridor, none.
Inflation	3.0%
Salary Increases	3.5%
Investment Rate of Return	8.10%
Cost of Living Adjustments	Cost-of living adjustments for Coryell County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustment included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

The actuarial assumptions that determined the total pension liability as of December 31, 2015 were based on the results of an actuarial experience study for the period January 1, 2009 to December 31, 2012. The assumptions and methods are the same as used in the prior valuation.

Discount Rate

The discount rate used to measure the total pension asset was 8.10%. There was no change in the discount rate since the previous year.

In order to determine the discount rate to be used, we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under our funding policy and the legal requirements under the TCDRS Act:

- 1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20 – year closed layered periods.
- 2) Under the TCRDS Act, the employer is legally required to make the contribution specified in the funding policy
- 3) The employer’s assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
- 4) Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 4: RETIREMENT PLAN - continued

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future year, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses.

Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0%, net of all expenses, increased by .10% to be gross of administrative expenses.

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

Note that the valuation assumptions for long-term expected return is re-assessed at a minimum of every four years, and is based on a 30-year time horizon; the most recent analysis was performed in 2013. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized below:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus inflation)
US Equities	Dow Jones US Total Stock Market Index	14.50%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities – Developed	50% MSCI Work Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) index	10.00%	5.45%
International Equities – Emerging	50% MSCI EM Standard (net) index + 50% MSCI EM 100% Hedged to USD (net) index	8.00%	6.45%
Investment Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	1.00%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

REIT Equities	67% FTSE NAREIT Equity REIT's Index + 33% FRSE EPRA/NAREIT Global Rate Estate Index	3.00%	4.00%
Master Limited Partnerships (MLP's)	Alerian MLP Index	3.00%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%

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

At September 30, 2016, the County, Coryell County Community Supervision and Corrections Department, and the Coryell County Juvenile Probation Department reported a combined net pension liability of \$2,434,444 for its proportionate share of the TCDRS's net pension liability measured at December 31, 2015. The County's portion of this liability has been estimated at \$2,132,086. For the year ended September 30, 2016, the County, the Coryell County Community Supervision and Corrections Department, and the Coryell County Juvenile Probation Department recognized pension expense of \$815,565. The County's portion of this pension expense is estimated at \$714,272.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes in the net pension liability for the County, the Coryell County Community Supervision and Corrections Department, and the Coryell County Juvenile Probation Department for the measurement year ended December 31, 2015 are as follows:

Changes in Net Pension Liability/(Asset)	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balance at December 31, 2014	27,242,880	26,699,352	543,528
Changes for the year:			
Service Cost	972,395		972,395
Interest on total pension liability	2,199,964		2,199,964
Effect of plan changes	(161,794)		(161,794)
Effect of economic/demographic gains or losses	(264,908)		(264,908)
Effect of assumptions changes or inputs	328,502		328,502
Refund of contributions	(127,706)	(127,706)	0
Benefit payments	(1,180,358)	(1,180,358)	0
Administrative expenses		(19,161)	19,161
Member contributions		521,224	(521,224)
Net investment income		(108,241)	108,241
Employer contributions		727,774	(727,774)
Other		61,647	(61,647)
Balances as of December 31, 2015	\$29,008,975	\$26,574,531	\$ 2,434,444

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 4: RETIREMENT PLAN - continued

Discount Rate Sensitivity Analysis

The following presents the net pension liability/(asset) of the County, the Coryell County Community Supervision and Corrections Department, and the Coryell County Juvenile Probation Department, calculated using the discount rate of 8.10%, as well as what the County's combined net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.100%)
Total Pension Liability	\$ 32,655,132	\$ 29,008,975	\$ 25,960,089
Fiduciary Net Position	26,574,531	26,574,531	26,574,531
Net Pension Liability/(Asset)	\$ 6,080,601	\$ 2,434,444	\$ (614,442)

At December 31, 2015 the County reported its share of the TCDRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience		\$ 153,158
Changes in actuarial assumptions	\$ 230,162	
Difference between projected and actual investment earnings	1,787,964	
Contributions subsequent to the measurement date	482,251	
Total	\$ 2,500,377	\$ 153,158

\$482,251 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2016	\$ 481,569
2017	481,569
2018	481,569
2019	420,261
2020	0
Thereafter	0
	\$ 1,864,968

CORYELL COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 5: *RISK MANAGEMENT*

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and natural disasters. During fiscal year 2016, the County purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NOTE 6: *FINANCIAL INSTRUMENTS*

The County has estimated that the fair value of all financial instruments (none of which is held for trading purposes) at September 30, 2016, does not differ materially from their aggregate carrying values recorded in the accompanying statement of financial position. The estimate is based on the assumption that fair value approximates carrying values due to short initial maturities. Financial instruments consist of cash, accounts receivables, prepaid expenses, accounts payable, and payroll liabilities.

REQUIRED SUPPLEMENTARY INFORMATION

CORYELL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budget			Variance Favorable (Unfavorable)
	Original	Amended	Actual	
REVENUES:				
Property taxes	\$ 8,508,190	\$ 8,508,190	\$ 8,632,265	\$ 124,075
Sales tax	2,005,000	2,005,000	2,101,586	96,586
Fees and charges for services	960,000	960,000	946,543	(13,457)
Intergovernmental	596,700	600,100	559,667	(40,433)
Investment earnings	52,000	52,000	51,986	(14)
Other miscellaneous	270,856	270,856	275,873	5,017
Fines, forfeitures and settlements	358,000	358,000	362,947	4,947
Total Revenues	12,750,746	12,754,146	12,930,867	176,721
EXPENDITURES:				
Current:				
General administration	1,440,029	1,415,614	1,330,988	84,626
Judicial	2,419,552	2,414,094	2,204,657	209,437
Legal	1,115,553	1,116,373	1,055,459	60,914
Financial administration	1,135,503	1,135,609	1,066,067	69,542
Public facilities	2,828,737	3,055,596	2,947,555	108,041
Public safety	2,807,602	2,703,023	2,632,547	70,476
Health and welfare	1,022,282	1,022,282	887,748	134,534
Conservation	153,283	133,447	115,694	17,753
Other supported services	892,805	847,708	569,598	278,110
Capital outlay	259,250	234,250	214,403	19,847
Total Expenditures	14,074,596	14,077,996	13,024,716	1,053,280
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(1,323,850)	(1,323,850)	(93,849)	1,230,001
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out	(22,880)	(22,880)	(19,973)	2,907
Proceeds from financing agreements	259,000	259,000	223,484	(35,516)
Proceeds from sale of property	10,000	10,000	3,686	(6,314)
Total Other Financing Sources (Uses)	246,120	246,120	207,197	(38,923)
CHANGE IN FUND BALANCE	(1,077,730)	(1,077,730)	113,348	1,191,078
FUND BALANCE - BEGINNING OF YEAR	6,001,757	6,001,757	6,001,757	
FUND BALANCE - END OF YEAR	\$ 4,924,027	\$ 4,924,027	\$ 6,115,105	\$ 1,191,078

CORYELL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budget			Variance
	Original	Amended	Actual	Favorable (Unfavorable)
REVENUES:				
Property taxes	\$ 1,157,303	\$ 1,157,303	\$ 1,189,180	\$ 31,877
Licenses and permits	960,000	960,000	1,031,915	71,915
Intergovernmental	29,400	29,400	172,899	143,499
Other miscellaneous	2,000	2,000	74,554	72,554
Total Revenues	2,148,703	2,148,703	2,468,548	319,845
EXPENDITURES:				
Current:				
Road and bridge	2,657,648	2,657,648	2,467,471	190,177
Capital outlay	253,000	253,000	209,876	43,124
Total Expenditures	2,910,648	2,910,648	2,677,347	233,301
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(761,945)	(761,945)	(208,799)	553,146
OTHER FINANCING SOURCES (USES):				
Financing arrangements	253,000	253,000	197,276	(55,724)
Proceeds from sale of property	10,000	10,000	4,903	(5,097)
Total Other Financing Sources (Uses)	263,000	263,000	202,179	(60,821)
CHANGE IN FUND BALANCE	(498,945)	(498,945)	(6,620)	492,325
FUND BALANCE - BEGINNING OF YEAR	768,478	768,478	768,478	
FUND BALANCE - END OF YEAR	\$ 269,533	\$ 269,533	\$ 761,858	\$ 492,325

CORYELL COUNTY, TEXAS

SCHEDULE OF PENSION CONTRIBUTIONS

Texas County & District Retirement System

For Fiscal Year 2016

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a Percentage of Covered Payroll
2007	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
2008	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2014	685,914	685,914	-	6,634,390	10.3%
2015	721,040	721,040	-	7,086,699	10.2%
2016	740,568	740,568	-	7,465,112	9.9%

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

Note: The information in this table is combined for Coryell County, Coryell County Community Supervision and Corrections Department and Coryell County Juvenile Probation Department. Ten years of data will ultimately be displayed.

CORYELL COUNTY, TEXAS

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
For the Year Ended September 30, 2016

Note A: Net Pension Liability - Texas County & District Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contributions rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	14 years (based on contribution rate calculated in 12/31/2015 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%, including inflation
Retirement Age	Members who are eligible for service retirement age assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule	No changes in plan provisions are reflected in the Schedule of Employer Contributions.

CORYELL COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Years (will ultimately be displayed)
YEARS ENDED DECEMBER 31

	2015	2014
Total Pension Liability		
Service cost	\$ 972,395	\$ 906,958
Interest (on the Total Pension Liability)	2,199,964	2,049,326
Effect of plan changes	(161,794)	-
Effect of assumption changes or inputs	328,502	-
Effect of economic/demographic (gains) or losses	(264,908)	55,572
Benefit payments, including refunds of employee contributions	(1,308,064)	(1,225,444)
Net Change in Total Pension Liability	1,766,095	1,786,412
Total Pension Liability - Beginning	27,242,880	25,456,468
Total Pension Liability - Ending (a)	\$ 29,008,975	\$ 27,242,880
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 727,774	\$ 704,232
Contributions - Employee	521,224	474,004
Net Investment Income	(108,241)	1,700,142
Benefit payments, including refunds of employee contributions	(1,308,064)	(1,225,444)
Administrative Expense	(19,161)	(19,957)
Other	61,648	(60,275)
Net Change in Plan Fiduciary Net Position	(124,820)	1,572,702
Plan Fiduciary Net Position - Beginning	26,699,351	25,126,649
Plan Fiduciary Net Position - Ending (b)	\$ 26,574,531	\$ 26,699,351
 Net Pension Liability - Ending (a)-(b)	\$ 2,434,444	\$ 543,529
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 91.61%	 98.00%
 Covered Employee Payroll	 7,175,642	 \$ 6,771,480
 Net Pension Liability as a Percentage of Covered Employee Payroll	 33.93%	 8.03%

Note: Coryell County, Texas serves as the fiscal agent for the County's Adult and Juvenile probation offices and reports the employee wages and pension expenses jointly to TCDRS. This schedule represents the pension liability for Coryell County, Coryell County Community Supervision and Corrections Department, and the Coryell County Juvenile Probation Department.

OTHER SUPPLEMENTARY INFORMATION

CORYELL COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	<u>Law Library</u>	<u>Records Management</u>	<u>Courthouse Security</u>	<u>Court Reporter Service</u>
ASSETS				
Cash and cash investments	\$ 9,686	\$ 537,043	\$ 36,979	2,730
Intergovernmental receivable				
Interfund balances				
Total Assets	<u>\$ 9,686</u>	<u>\$ 537,043</u>	<u>\$ 36,979</u>	<u>\$ 2,730</u>
LIABILITIES				
Accounts payable	\$	\$	\$	\$
Deposits payable				
Total Liabilities				
FUND EQUITY				
Nonspendable for prepaids				
Restricted fund balances	<u>9,686</u>	<u>537,043</u>	<u>36,979</u>	<u>2,730</u>
Total Fund Balance	<u>9,686</u>	<u>537,043</u>	<u>36,979</u>	<u>2,730</u>
Total Liabilities and Fund Balance	<u>\$ 9,686</u>	<u>\$ 537,043</u>	<u>\$ 36,979</u>	<u>\$ 2,730</u>

<u>LEOSE Training</u>	<u>Justice Court Technology</u>	<u>Child Abuse Prevention</u>	<u>Fire Department</u>	<u>Pre-Trial Diversion</u>	<u>Bail Bond Board</u>
\$ 8,420	\$ 19,465	\$ 8,308	\$ 1,087	\$ 124,543	\$ 63,532
				(2,619)	
<u>\$ 8,420</u>	<u>\$ 19,465</u>	<u>\$ 8,308</u>	<u>\$ 1,087</u>	<u>\$ 121,924</u>	<u>\$ 63,532</u>
\$	\$	\$	\$	\$	\$
					50,000
					50,000
<u>8,420</u>	<u>19,465</u>	<u>8,308</u>	<u>1,087</u>	<u>121,924</u>	<u>13,532</u>
<u>8,420</u>	<u>19,465</u>	<u>8,308</u>	<u>1,087</u>	<u>121,924</u>	<u>13,532</u>
<u>\$ 8,420</u>	<u>\$ 19,465</u>	<u>\$ 8,308</u>	<u>\$ 1,087</u>	<u>\$ 121,924</u>	<u>\$ 63,532</u>

CORYELL COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - Continued

SEPTEMBER 30, 2016

	<u>Hot Check</u>	<u>Vehicle Inventory Tax Interest</u>	<u>Seized\ Forfeiture</u>	<u>District Attorney Supplement</u>
ASSETS				
Cash and cash investments	\$ 19,831	\$ 1,092	\$ 25,507	\$ 22,273
Intergovernmental receivable				
Interfund balances				
Total Assets	<u>\$ 19,831</u>	<u>\$ 1,092</u>	<u>\$ 25,507</u>	<u>\$ 22,273</u>
LIABILITIES				
Accounts payable	\$	\$	\$ 1,587	\$
Deposits payable				
Total Liabilities			<u>1,587</u>	
FUND EQUITY				
Nonspendable for prepaids				
Restricted fund balances	<u>19,831</u>	<u>1,092</u>	<u>23,920</u>	<u>22,273</u>
Total Fund Balance	<u>19,831</u>	<u>1,092</u>	<u>23,920</u>	<u>22,273</u>
Total Liabilities and Fund Balance	<u>\$ 19,831</u>	<u>\$ 1,092</u>	<u>\$ 25,507</u>	<u>\$ 22,273</u>

<u>Crime Victims CJD Grant</u>	<u>HOT Auto Theft Task Force</u>	<u>Crime Victims Attorney General Grant</u>	<u>Mental Health Deputy</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ (17,014)	\$ (51,403)	\$ (8,241)	\$ (34,386)	\$ 769,452
16,773	51,403	8,247	34,386	110,809
2,619				
<u>\$ 2,378</u>	<u>\$</u>	<u>\$ 6</u>	<u>\$</u>	<u>\$ 880,261</u>
\$	\$	\$	\$	\$ 1,587
				50,000
				51,587
<u>2,378</u>		<u>6</u>		<u>828,674</u>
<u>2,378</u>		<u>6</u>		<u>828,674</u>
<u>\$ 2,378</u>	<u>\$</u>	<u>\$ 6</u>	<u>\$</u>	<u>\$ 880,261</u>

CORYELL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Law Library</u>	<u>Records Management</u>	<u>Courthouse Security</u>	<u>Court Reporter Service</u>
REVENUES:				
Property taxes	\$	\$	\$	\$
Fees and charges for services	20,330	194,330	20,747	15,818
Intergovernmental				
Other miscellaneous				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>20,330</u>	<u>194,330</u>	<u>20,747</u>	<u>15,818</u>
EXPENDITURES:				
Current:				
Salaries and benefits	3,900		13,617	
Supplies				
Repairs				
Other operating	13,705	63,369	2,144	18,229
Capital outlay		44,301		
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>17,605</u>	<u>107,670</u>	<u>15,761</u>	<u>18,229</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	2,725	86,660	4,986	(2,411)
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out				
Total Other Financing Sources (Uses)	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	2,725	86,660	4,986	(2,411)
FUND BALANCE - BEGINNING OF YEAR	<u>6,961</u>	<u>450,383</u>	<u>31,993</u>	<u>5,141</u>
FUND BALANCE - END OF YEAR	\$ <u><u>9,686</u></u>	\$ <u><u>537,043</u></u>	\$ <u><u>36,979</u></u>	\$ <u><u>2,730</u></u>

<u>LEOSE Training</u>	<u>Justice Court Technology</u>	<u>Child Abuse Prevention</u>	<u>Fire Department</u>	<u>Pre-Trial Diversion</u>	<u>Bail Bond Board</u>
\$ 7,187	\$ 13,725	\$ 937	\$ 352,581	\$ 97,507	\$ 1,020
<u>7,187</u>	<u>13,725</u>	<u>937</u>	<u>352,581</u>	<u>97,507</u>	<u>1,020</u>
				46,237	
				3,753	
2,330	8,655		355,895	21,587	
<u>2,330</u>	<u>8,655</u>		<u>355,895</u>	<u>71,577</u>	
4,857	5,070	937	(3,314)	25,930	1,020
				(12,119)	
				(12,119)	
4,857	5,070	937	(3,314)	13,811	1,020
<u>3,563</u>	<u>14,395</u>	<u>7,371</u>	<u>4,401</u>	<u>108,113</u>	<u>12,512</u>
\$ <u>8,420</u>	\$ <u>19,465</u>	\$ <u>8,308</u>	\$ <u>1,087</u>	\$ <u>121,924</u>	\$ <u>13,532</u>

CORYELL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Hot</u>	<u>Vehicle</u>	<u>Seized\</u>	<u>District</u>
	<u>Check</u>	<u>Tax Interest</u>	<u>Forfeiture</u>	<u>Attorney</u>
				<u>Supplement</u>
REVENUES:				
Property taxes	\$	\$	\$	\$
Fees and charges for services	9,321			
Intergovernmental				30,000
Other miscellaneous			5,038	
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	9,321		5,038	30,000
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES:				
Current:				
Salaries and benefits	1,971			17,338
Supplies				
Repairs				
Other operating	2,895		2,529	
Capital outlay				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	4,866		2,529	17,338
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	4,455		2,509	12,662
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out				
Total Other Financing Sources (Uses)	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	4,455		2,509	12,662
FUND BALANCE - BEGINNING OF YEAR	15,376	1,092	21,411	9,611
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE - END OF YEAR	\$ <u>19,831</u>	\$ <u>1,092</u>	\$ <u>23,920</u>	\$ <u>22,273</u>

<u>Crime Victims CJD Grant</u>	<u>HOT Auto Theft Task Force</u>	<u>Crime Victims Attorney General Grant</u>	<u>Mental Health Deputy</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$	\$	\$	\$	\$
				352,581
				380,922
60,288	94,092	82,802	239,183	506,365
6,073				11,111
<u>66,361</u>	<u>94,092</u>	<u>82,802</u>	<u>239,183</u>	<u>1,250,979</u>
59,188	116,135	79,413	221,308	559,107
		995	8,216	12,964
			4,576	4,576
19,993		2,219	5,083	518,633
				44,301
<u>79,181</u>	<u>116,135</u>	<u>82,627</u>	<u>239,183</u>	<u>1,139,581</u>
(12,820)	(22,043)	175		111,398
12,119	19,973			32,092
				(12,119)
<u>12,119</u>	<u>19,973</u>			<u>19,973</u>
(701)	(2,070)	175		131,371
3,079	2,070	(169)		697,303
<u>\$ 2,378</u>	<u>\$</u>	<u>\$ 6</u>	<u>\$</u>	<u>\$ 828,674</u>

CORYELL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Amended	Actual	(Unfavorable)
REVENUES:				
Property taxes	\$ 367,096	\$ 367,096	\$ 372,795	\$ 5,699
Total Revenues	<u>367,096</u>	<u>367,096</u>	<u>372,795</u>	<u>5,699</u>
EXPENDITURES:				
Debt service	<u>376,625</u>	<u>376,625</u>	<u>376,625</u>	
Total Expenditures	<u>376,625</u>	<u>376,625</u>	<u>376,625</u>	
CHANGE IN FUND BALANCE	(9,529)	(9,529)	(3,830)	5,699
FUND BALANCE - BEGINNING OF YEAR	<u>11,414</u>	<u>11,414</u>	<u>11,414</u>	
FUND BALANCE - END OF YEAR	<u><u>\$ 1,885</u></u>	<u><u>\$ 1,885</u></u>	<u><u>\$ 7,584</u></u>	<u><u>\$ 5,699</u></u>

CORYELL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budget			Variance
	Original	Amended	Actual	Favorable (Unfavorable)
REVENUES:				
Property taxes	\$ 231,461	\$ 231,461	\$ 235,054	\$ 3,593
Intergovernmental			18,403	18,403
Total Revenues	231,461	231,461	253,457	21,996
EXPENDITURES:				
Current:				
Public Facilities	40,000	40,000	88,760	(48,760)
Capital outlay	507,585	731,698	652,839	78,859
Total Expenditures	547,585	771,698	741,599	30,099
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(316,124)	(540,237)	(488,142)	52,095
OTHER FINANCING SOURCES (USES):				
Financing arrangements	207,585	431,698	431,698	
Proceeds from sale of property				
Total Other Financing Sources (Uses)	207,585	431,698	431,698	-
CHANGE IN FUND BALANCE	(108,539)	(108,539)	(56,444)	52,095
FUND BALANCE - BEGINNING OF YEAR	1,144,324	1,144,324	1,144,324	
FUND BALANCE - END OF YEAR	\$ 1,035,785	\$ 1,035,785	\$ 1,087,880	\$ 52,095

CORYELL COUNTY, TEXAS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS

SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
COUNTY CLERK				
Assets:				
Cash and cash investments	\$ 57,283	\$ 1,082,436	\$ 1,025,039	\$ 114,680
Investments	120,774	650	22,349	99,075
Total Assets	<u>\$ 178,057</u>	<u>\$ 1,083,086</u>	<u>\$ 1,047,388</u>	<u>\$ 213,755</u>
Liabilities:				
Due to others	\$ 178,057	\$ 1,083,086	\$ 1,047,388	\$ 213,755
Total Liabilities	<u>\$ 178,057</u>	<u>\$ 1,083,086</u>	<u>\$ 1,047,388</u>	<u>\$ 213,755</u>
 DISTRICT CLERK				
Assets:				
Cash and cash investments	\$ 206,632	\$ 575,414	\$ 661,751	\$ 120,295
Investments	228,945	10,337	12,506	226,776
Total Assets	<u>\$ 435,577</u>	<u>\$ 585,751</u>	<u>\$ 674,257</u>	<u>\$ 347,071</u>
Liabilities:				
Due to others	\$ 435,577	\$ 585,751	\$ 674,257	\$ 347,071
Total Liabilities	<u>\$ 435,577</u>	<u>\$ 585,751</u>	<u>\$ 674,257</u>	<u>\$ 347,071</u>
 JUSTICE OF THE PEACE #1				
Assets:				
Cash and cash investments	\$ 200	\$ 72,769	\$ 72,769	\$ 200
Total Assets	<u>\$ 200</u>	<u>\$ 72,769</u>	<u>\$ 72,769</u>	<u>\$ 200</u>
Liabilities:				
Due to others	\$ 200	\$ 72,769	\$ 72,769	\$ 200
Total Liabilities	<u>\$ 200</u>	<u>\$ 72,769</u>	<u>\$ 72,769</u>	<u>\$ 200</u>
 JUSTICE OF THE PEACE #2				
Assets:				
Cash and cash investments	\$ 200	\$ 196,169	\$ 196,169	\$ 200
Total Assets	<u>\$ 200</u>	<u>\$ 196,169</u>	<u>\$ 196,169</u>	<u>\$ 200</u>
Liabilities:				
Due to others	\$ 200	\$ 196,169	\$ 196,169	\$ 200
Total Liabilities	<u>\$ 200</u>	<u>\$ 196,169</u>	<u>\$ 196,169</u>	<u>\$ 200</u>
 JUSTICE OF THE PEACE #3				
Assets:				
Cash and cash investments	\$	\$ 100,469	\$ 100,469	\$
Total Assets	<u>\$</u>	<u>\$ 100,469</u>	<u>\$ 100,469</u>	<u>\$</u>
Liabilities:				
Due to others	\$	\$ 100,469	\$ 100,469	\$
Total Liabilities	<u>\$</u>	<u>\$ 100,469</u>	<u>\$ 100,469</u>	<u>\$</u>
 JUSTICE OF THE PEACE #4				
Assets:				
Cash and cash investments	\$	\$ 85,117	\$ 85,117	\$
Total Assets	<u>\$</u>	<u>\$ 85,117</u>	<u>\$ 85,117</u>	<u>\$</u>
Liabilities:				
Due to others	\$	\$ 85,117	\$ 85,117	\$
Total Liabilities	<u>\$</u>	<u>\$ 85,117</u>	<u>\$ 85,117</u>	<u>\$</u>

CORYELL COUNTY, TEXAS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS

SEPTEMBER 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
JAIL				
Assets:				
Cash and cash investments	\$ 5,974	\$ 230,677	\$ 231,215	\$ 5,436
Total Assets	<u>\$ 5,974</u>	<u>\$ 230,677</u>	<u>\$ 231,215</u>	<u>\$ 5,436</u>
Liabilities:				
Due to others	\$ 5,974	\$ 230,677	\$ 231,215	\$ 5,436
Total Liabilities	<u>\$ 5,974</u>	<u>\$ 230,677</u>	<u>\$ 231,215</u>	<u>\$ 5,436</u>
 SHERIFF				
Assets:				
Cash and cash investments	\$ 34,552	\$ 3,725	\$ 19,000	\$ 19,277
Total Assets	<u>\$ 34,552</u>	<u>\$ 3,725</u>	<u>\$ 19,000</u>	<u>\$ 19,277</u>
Liabilities:				
Due to others	\$ 34,552	\$ 3,725	\$ 19,000	\$ 19,277
Total Liabilities	<u>\$ 34,552</u>	<u>\$ 3,725</u>	<u>\$ 19,000</u>	<u>\$ 19,277</u>
 TAX ASSESSOR COLLECTOR				
Assets:				
Cash and cash investments	\$ 623,883	\$ 66,479,266	\$ 66,691,111	\$ 412,038
Total Assets	<u>\$ 623,883</u>	<u>\$ 66,479,266</u>	<u>\$ 66,691,111</u>	<u>\$ 412,038</u>
Liabilities:				
Due to others	\$ 623,883	\$ 66,479,266	\$ 66,691,111	\$ 412,038
Total Liabilities	<u>\$ 623,883</u>	<u>\$ 66,479,266</u>	<u>\$ 66,691,111</u>	<u>\$ 412,038</u>
 HOT CHECK FUND				
Assets:				
Cash and cash investments	\$ _____	\$ 52,598	\$ 52,598	\$ _____
Total Assets	<u>\$ _____</u>	<u>\$ 52,598</u>	<u>\$ 52,598</u>	<u>\$ _____</u>
Liabilities:				
Due to others	\$ _____	\$ 52,598	\$ 52,598	\$ _____
Total Liabilities	<u>\$ _____</u>	<u>\$ 52,598</u>	<u>\$ 52,598</u>	<u>\$ _____</u>
 TOTAL ALL AGENCY FUNDS				
Assets:				
Cash and cash investments	\$ 928,724	\$ 68,878,640	\$ 69,135,238	\$ 672,126
Investments	349,719	10,987	34,855	325,851
Total Assets	<u>\$ 1,278,443</u>	<u>\$ 68,889,627</u>	<u>\$ 69,170,093</u>	<u>\$ 997,977</u>
Liabilities:				
Due to others	<u>1,278,443</u>	<u>68,889,627</u>	<u>69,170,093</u>	<u>997,977</u>
Total Liabilities	<u>\$ 1,278,443</u>	<u>\$ 68,889,627</u>	<u>\$ 69,170,093</u>	<u>\$ 997,977</u>