

REFUGIO COUNTY, TEXAS

Annual Financial Report

For the fiscal year ended

September 30, 2015

Refugio County, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015

TABLE OF CONTENTS

FINANCIAL SECTION

- 1. Independent Auditor's Report
- 4. Management's Discussion and Analysis

Basic Financial Statements:

Government-wide Financial Statements:

- 13. Statement of Net Position
- 14. Statement of Activities

Fund Financial Statements:

- 15. Balance Sheet - Governmental Funds
- 16. Reconciliation of the Government Funds
- 17. Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
- 18. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- 19. Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - General Fund
- 21. Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Road and Bridge Fund
- 22. Statement of Net Position - Proprietary Funds
- 23. Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
- 24. Statement of Cash Flows - Proprietary Funds
- 26. Statement of Fiduciary Net Position - Fiduciary Funds
- 27. Notes to the Financial Statements

Required Supplementary Information:

- 57. Schedule of Funding Progress - Public Employees Retirement System

Combining and Individual Fund Statements and Schedules:

- 61. Combining Balance Sheet - Road and Bridge Fund
- 62. Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Road and Bridge Fund
- 63. Combining Balance Sheet - Non-major Governmental Funds
- 65. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds

Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

67. Airport Fund
68. Asset Sharing
69. Attorney Administration
70. County Clerk Records Management
71. Courthouse Security
72. Court Technology
73. District Clerk Records Management
74. Elderly Services
75. Election Administration
76. Jail Commissary Fund
77. Jury Fund
78. Justice Court Technology
79. Juvenile Services
80. Law Library
81. LEOSE Training - Fire
82. LEOSE Training – Constable No. 1
83. LEOSE Training – Constable No. 2
84. Library Fund
85. Narcotics Fund
86. Pre Trial Diversion
87. Records Management and Preservation
88. Special Forfeiture Fund
89. Title IV-E
90. Vehicle Replacement

Agency Funds:

91. Combining Statement of Fiduciary Net Position
92. Combining Statement of Changes in Assets and Liabilities

Single Audit Section:

94. Schedule of Expenditures of Federal Awards
95. Community Development Block Grants/States Program - Budget-Award No. 713401
95. Community Development Block Grants/States Program - Budget-Award No. 713095
96. Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
98. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB CIRCULAR A-133
100. Notes to Schedule of Expenditures of Federal Awards
100. Schedule of Prior Audit Findings
101. Schedule of Findings and Questioned Costs



FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Commissioner's Court
Refugio County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Refugio County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Refugio County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Refugio County, Texas, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note F to the financial statements, in 2015 the County adopted new accounting guidance, *GASB Statement No. 68 Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the schedules of funding progress for the Retirement System Information pages 4-12, 67-90 and 57-60 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 Refugio County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2016, on our consideration of Refugio County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Refugio County, Texas' internal control over financial reporting and compliance.

Wayne R. Beyer

BEYER & COMPANY
Certified Public Accountants
April 22, 2016



Management's Discussion and Analysis

As management of Refugio County, Texas, we offer readers of Refugio County, Texas' financial statements this narrative overview and analysis of the financial activities of Refugio County, Texas for the fiscal year ended September 30, 2015.

Financial Highlights

- . The assets of Refugio County, Texas, exceeded its liabilities at the close of the most recent fiscal year by \$12,199,696 (net assets). Of this amount, \$3,826,543 or 31% (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net assets increased by \$1,123,255. This increase is mainly attributable to an increase in ad valorem taxes of \$546,812, Capital Grants and Contributions of \$261,089, and careful budget monitoring.
- . Refugio County, Texas' total restricted net assets at September 30, 2015 are \$2,196,217 or 18% of net assets.
- . Refugio County, Texas' total debt increased by \$137,921 (40 percent) during the current fiscal year. The key factor in this increase was the issuance of capital leases of \$245,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Refugio County, Texas' basic financial statements. Refugio County, Texas' 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 themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Refugio County, Texas' finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Refugio County, Texas' assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Refugio County, Texas is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 and earned but unused vacation leave).

The government-wide financial statements distinguish functions of Refugio County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Refugio County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Refugio County, Texas include the Internal Service Fund.

The government-wide financial statements include only Refugio County, Texas itself (known as the primary government).

The government-wide financial statements can be found on pages 13-14 of this report.

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. Refugio County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Refugio County, Texas can be divided into three categories: governmental funds, fiduciary funds, and proprietary 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 of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Refugio County, Texas maintains thirty-four (34) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge Fund, and the Sheriff Grant Fund each of which are considered to be major funds. Data from the other thirty-one (31) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Refugio County, Texas adopts an annual appropriated budget for its General Fund, and the Road and Bridge Fund. A budgetary comparison statement has been provided for the general fund, road and bridge fund, and all the other special revenue funds for which budgets were adopted. The basic governmental fund financial statements can be found on pages 15-21 of this report.

Proprietary funds: Refugio County maintains one type of proprietary fund. The Internal Service Fund for Refugio County, Texas, consists solely of the Employee Insurance Fund. This fund was created to provide coverage for employee health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 22-25 of this report.

Refugio County, Texas also has five agency funds. The fiduciary fund types can be found on page 26 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 27-56 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Refugio County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 57-60 of this report.

The combining statements referred to earlier in connection with major road and bridge funds, the non-major governmental funds, and the fiduciary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 61-66 and on pages 91-93 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 67-90 of this report.

The single audit section can be found on pages 94-101 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Refugio County, Texas, assets exceeded liabilities by \$12,199,696 at the close of the most recent fiscal year.

REFUGIO COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2015	2014	2015	2014
Current and Other Assets	\$6,106,387	\$4,889,177	\$6,106,387	\$4,889,177
Capital Assets:	6,421,936	6,252,601	6,421,936	6,252,601
Total Assets	<u>12,528,323</u>	<u>11,141,778</u>	<u>12,528,323</u>	<u>11,141,778</u>
Total Deferred Outflows of Resources	<u>688,357</u>	<u>515,658</u>	<u>688,357</u>	<u>515,658</u>
Long-Term Liabilities	485,292	347,371	485,292	347,371
Other Liabilities	172,930	233,624	172,930	233,624
Total Liabilities	<u>658,222</u>	<u>580,995</u>	<u>658,222</u>	<u>580,995</u>
Total Deferred Inflows of Resources	<u>358,762</u>		<u>358,762</u>	<u>0</u>
Invested in Capital Assets, Net of Related Debt	6,176,936	6,207,619	6,176,936	6,207,619
Restricted	2,196,217	1,919,045	2,196,217	1,919,045
Unrestricted	<u>3,826,543</u>	<u>2,949,777</u>	<u>3,826,543</u>	<u>2,949,777</u>
Total Net Position	<u>\$12,199,696</u>	<u>\$11,076,441</u>	<u>\$12,199,696</u>	<u>\$11,076,441</u>

A portion of Refugio County, Texas' net assets (18 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$3,826,543) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Refugio County, Texas is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

There was an increase of \$277,172 in restricted net assets reported in connection with Refugio County, Texas' governmental activities. This increase resulted from monies being saved for future special projects and construction.

The government's total net assets increased by \$1,123,255. This increase is mainly attributable to an increase in ad valorem taxes of \$546,812, Capital Grants and Contributions of \$261,089, and careful budget monitoring.

Governmental activities: There were no business-type activities so any analysis regarding governmental activities will be the same as the analysis of the Government-wide Financial Analysis.

**REFUGIO COUNTY, TEXAS
CHANGE IN NET ASSETS**

	Governmental Activities		Total	
	2015	2014	2015	2014
Revenues:				
Program Revenues:				
Charges for Services	\$2,772,389	\$2,986,490	\$2,772,389	\$2,986,490
Operating Grants and Contributions	991,136	837,170	991,136	837,170
Capital Grants and Contributions	261,089	765,693	261,089	765,693
General Revenues:				
Maintenance and Operations Taxes	7,963,682	7,416,870	7,963,682	7,416,870
Unrestricted Investment Earnings	24,618	24,999	24,618	24,999
Miscellaneous	1,074,437	735,982	1,074,437	735,982
Total Revenue	13,087,351	12,767,204	13,087,351	12,767,204
Expenses:				
General Administration	2,318,727	2,516,365	2,318,727	2,516,365
Judicial	694,626	640,458	694,626	640,458
Legal	154,042	139,783	154,042	139,783
Financial Administration	500,698	467,543	500,698	467,543
Public Facilities	249,475	1,078,664	249,475	1,078,664
Public Safety	4,712,229	4,223,529	4,712,229	4,223,529
Public Transportation	2,347,383	2,092,268	2,347,383	2,092,268
Culture and Recreation	274,996	269,314	274,996	269,314
Health and Welfare	624,963	609,063	624,963	609,063
Conservation - Agriculture	84,566	79,319	84,566	79,319
Interest and Fiscal Charges	2,391	4,660	2,391	4,660
Total Expenses	11,964,096	12,120,966	11,964,096	12,120,966
Increase in Net Position Before Transfers and Special Items	1,123,255	646,238	1,123,255	646,238
Transfers	0	0	0	0
Increase in Net Position	1,123,255	646,238	1,123,255	646,238
Net Position at 09/30/2014 - Restated	11,076,441	10,430,203	11,076,441	10,430,203
Net Position at 09/30/2015	\$12,199,696	\$11,076,441	\$12,199,696	\$11,076,441

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government activities:				
General Administration	\$2,318,727	\$893,899	\$29,956	\$0
Judicial	694,626	332,899	8,482	
Legal	154,042	71,530	23,333	
Financial Administration	500,698	262,352		
Public Facilities	249,475			261,089
Public Safety	4,712,229	128,701	734,225	
Public Transportation	2,347,383	950,139	81,222	
Culture and Recreation	274,996	112,039		
Health and Welfare	624,963	20,830	113,918	
Conservation - Agriculture	84,566			
Interest and Fiscal Charges	2,391			
Total Government Activities	\$11,964,096	\$2,772,389	\$991,136	\$261,089

Revenues by Source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$2,772,389	21.18%
Operating Grants and Contributions	991,136	7.57%
Capital Grants and Contributions	261,089	1.99%
Maintenance and Operations Taxes	7,963,682	60.85%
Unrestricted Investment Earnings	24,618	0.19%
Miscellaneous	1,074,437	8.21%
	<u>\$13,087,351</u>	<u>100.00%</u>

For the most part, the increases and decreases in expenses closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Refugio County, Texas' governmental funds reported combined ending fund balances of \$4,652,000, an increase of \$1,056,233 in comparison with the prior year. Approximately 41% of this total amount (\$1,919,895) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is restricted or committed.

The general fund is the chief operating fund of Refugio County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,919,895, while total fund balance reached a balance of \$2,016,332. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned, undesignated fund balance represents 26 percent of total general fund expenditures, while total fund balance represents 28 percent of that same amount.

The fund balance of the general fund increased by \$548,347 during the current fiscal year. This increase is a result of an increase in ad valorem taxes of \$469,575 and careful budget monitoring.

At the end of the current fiscal year restricted fund balance of the road and bridge fund was \$1,173,802, while total fund balance reached a balance of \$1,184,963. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 48 percent of total road and bridge fund expenditures, while total fund balance represents 49 percent of that same amount.

The fund balance of the road and bridge fund increased by \$177,951 during the current fiscal year. Key factors in this increase are as follows:

- . Ad valorem taxes increased by \$64,550 and careful budget monitoring.

There is no discussion regarding the sheriff grant fund since this fund is a grant fund and is structured to conform to a grant budget.

Budgetary Highlights:

Differences between the original budget and the final amended budget in the general fund was an increase of \$500,200 in appropriations and the majority of the amendments can be briefly summarized as follows:

- . \$599,691 increase in the sheriff department. All of the increase was funded from available fund balance and other departments.

The total actual expenditures in the general fund of \$7,310,587 was under the budgeted amount of \$7,789,360 by \$478,773.

Differences between the original budget and the final amended budget in the road and bridge fund was an increase of \$184,000 in appropriations and the majority of the amendments can be briefly summarized as follows:

- . \$184,000 increase in transportation expenditures. All of the increase was funded from available fund balance.

The total actual expenditures in the road and bridge fund of \$2,430,059 was under the budgeted amount of \$2,658,568 by \$228,509.

Capital Asset and Debt Administration

Capital assets:

Refugio County, Texas' investment in capital assets for its governmental activities as of September 30, 2015, amounts to \$6,421,936 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, roads and infrastructure, machinery and equipment, and park facilities. The total increase in Refugio County, Texas' investment in capital assets for the current fiscal year was 2.7 percent.

There were no major capital asset events during the current fiscal year.

REFUGIO COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Total	
	2015	2014	2015	2014
Land	\$201,395	\$201,895	\$201,395	\$201,895
Building and Improvements	2,684,951	2,409,272	2,684,951	2,409,272
Machinery and Equipment	1,841,089	1,855,135	1,841,089	1,855,135
Intangible	31,306	37,184	31,306	37,184
Infrastructure	1,663,195	1,749,115	1,663,195	1,749,115
Total	<u>\$6,421,936</u>	<u>\$6,252,601</u>	<u>\$6,421,936</u>	<u>\$6,252,601</u>

Additional information on Refugio County, Texas' capital assets can be found in note IV C on page 38 of this report.

Long-term debt:

At the end of the current fiscal year, Refugio County, Texas had no bonded debt.

Economic Factors

There are no significant economic factors or conditions that may have a significant effect on any future financial positions or results of operations in the County.

Requests for Information

This financial report is designed to provide our citizen's taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If questions are encountered regarding this report; contact the Refugio County Auditor's Office, 808 Commerce, Rm. 107, Refugio, TX 78377, or (361) 526-2245.



BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

REFUGIO COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

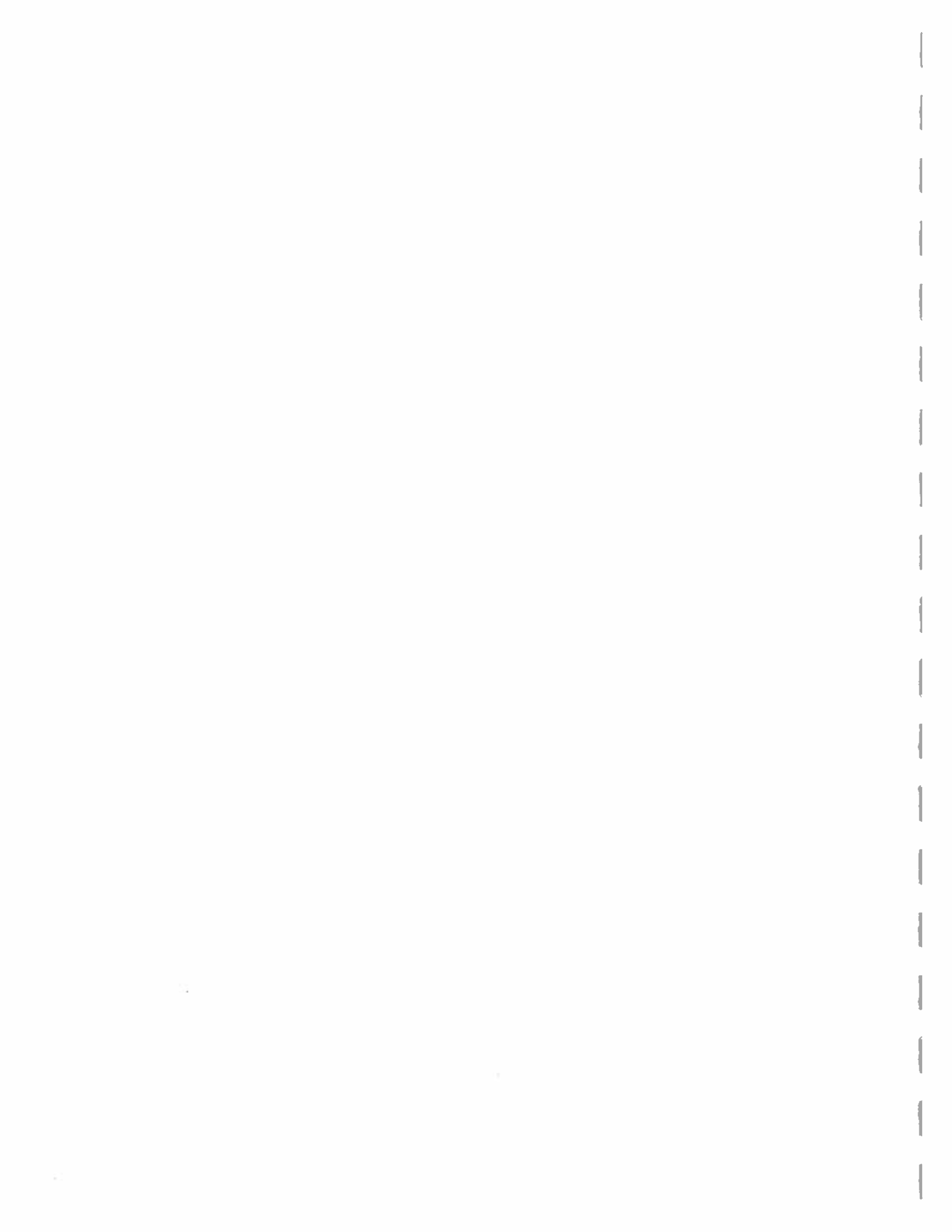
	Primary Government	
	Governmental	
	Activities	Total
ASSETS		
Cash and Cash Equivalents	\$4,409,098	\$4,409,098
Receivables (net of allowance for uncollectibles)	1,200,724	1,200,724
Net Pension Receivable	388,111	388,111
Prepaid Expenses	108,454	108,454
Capital assets not being depreciated:		
Land	201,395	201,395
Total Capital assets being depreciated, net		
Building and Improvements	2,684,951	2,684,951
Machinery, Vehicles, and Equipment	1,841,089	1,841,089
Intangible	31,306	31,306
Infrastructure	1,663,195	1,663,195
Total Assets	\$12,528,323	\$12,528,323
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflow of Resources-Contributions (after 12/31/14)	543,769	543,769
Deferred Outflow-Investment Experience	144,588	144,588
Total Deferred Inflows of Resources	688,357	688,357
LIABILITIES:		
Accounts Payable	\$171,181	\$171,181
Accrued Wages Payable	904	904
Deferred Revenues	845	845
Noncurrent Liabilities:		
Due within one year	288,365	288,365
Due in more than one year	196,927	196,927
Total Liabilities	658,222	658,222
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue-County Attorney Grant	28,333	28,333
Deferred Inflow-Actual Experience vs. Assumption	330,429	330,429
Total Deferred Inflows of Resources	358,762	358,762
NET POSITION		
Invested in Capital Assets, Net of Related Debt	6,176,936	6,176,936
Restricted		
General Administration	11,164	11,164
General Administration - Records	262,233	262,233
Health and Welfare	210,419	210,419
Judicial	230,732	230,732
Permanent Improvement	1,155	1,155
Public Safety	306,712	306,712
Public Transportation	1,173,802	1,173,802
Unrestricted	3,826,543	3,826,543
Total Net Position	\$12,199,696	\$12,199,696

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary Government						
Government activities:						
General Administration	\$2,318,727	\$893,899	\$29,956		(\$1,394,872)	(\$1,394,872)
Judicial	694,626	332,899	8,482		(353,245)	(353,245)
Legal	154,042	71,530	23,333		(59,179)	(59,179)
Financial Administration	500,698	262,352			(238,346)	(238,346)
Public Facilities	249,475			261,089	11,614	11,614
Public Safety	4,712,229	128,701	734,225		(3,849,303)	(3,849,303)
Public Transportation	2,347,383	950,139	81,222		(1,316,022)	(1,316,022)
Culture and Recreation	274,996	112,039			(162,957)	(162,957)
Health and Welfare	624,963	20,830	113,918		(490,215)	(490,215)
Conservation - Agriculture	84,566				(84,566)	(84,566)
Interest and Fiscal Charges	2,391				(2,391)	(2,391)
Total Government Activities	11,964,096	2,772,389	991,136	261,089	(7,939,482)	(7,939,482)
Total Primary Government	\$11,964,096	\$2,772,389	\$991,136	\$261,089	(7,939,482)	(7,939,482)
General Revenues						
Property Taxes, Levies for General Purposes					7,963,682	7,963,682
Unrestricted Investment Earnings					24,618	24,618
Miscellaneous					1,074,437	1,074,437
Total General Revenues and Transfers					9,062,737	9,062,737
Change in Net Position					1,123,255	1,123,255
Net Position - Beginning - Restated					11,076,441	11,076,441
Net Position - Ending					\$12,199,696	\$12,199,696

The accompanying notes are an integral part of this statement.



FUND FINANCIAL STATEMENTS

REFUGIO COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	General Fund	Road and Bridge	Sheriff Grants	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$1,776,402	\$1,186,967	\$0	\$1,431,596	\$4,394,965
Receivables (net of allowance for uncollectibles)	536,440	105,865		23,415	665,720
Prepaid Expenses	96,437	11,161		856	108,454
Total Assets	\$2,409,279	\$1,303,993	\$0	\$1,455,867	\$5,169,139
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$104,628	\$61,612		\$4,941	\$171,181
Bank Overdraft				0	0
Accrued Wages Payable	683			221	904
Deferred Revenues		845			845
Total Liabilities	105,311	62,457	0	5,162	172,930
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Property Taxes					
Total deferred inflows of resources	287,636	56,573	0	0	344,209
Fund Balances:					
Non-Spendable					
Prepaid Items	96,437	11,161		856	108,454
Restricted					
Economic Development				0	0
General Administration				11,164	11,164
General Administration - Records				262,233	262,233
Health and Welfare				210,419	210,419
Judicial				230,732	230,732
Permanent Improvement				1,155	1,155
Public Safety				306,712	306,712
Public Transportation		1,173,802			1,173,802
Committed					
Culture and Recreation				82,348	82,348
General Administration				341,154	341,154
Public Facilities				3,932	3,932
Unassigned	1,919,895			0	1,919,895
Total Fund Balance	2,016,332	1,184,963	0	1,450,705	4,652,000
Total Liabilities and Fund Balances	\$2,409,279	\$1,303,993	\$0	\$1,455,867	\$5,169,139

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2015

Total Fund Balances - governmental funds balance sheet	\$4,652,000
Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	6,421,936
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	892,932
Net Pension Receivable	388,111
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	315,876
Compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(240,292)
Long-term liabilities - Capital lease payable, is not due and payable in the current period and therefore is not reported in the funds.	(245,000)
Internal Service funds are used by management to account for funds for Self-Insurance. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	14,133
Net Position of governmental activities - statement of Net Position	<u>\$12,199,696</u>

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Road and Bridge	Sheriffs Grants	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property	\$6,519,377	\$1,422,366	\$0	\$0	\$7,941,743
Intergovernmental	58,609	81,222	648,147	464,247	1,252,225
Licenses and Permits	4,735	235,006			239,741
Charges for Services	726,199	58,914		282,130	1,067,243
Fines and Forfeitures		656,219			656,219
Interest	18,020	1,525		5,072	24,617
Miscellaneous	832,922	7,758		233,757	1,074,437
Total Revenues	<u>8,159,862</u>	<u>2,463,010</u>	<u>648,147</u>	<u>985,206</u>	<u>12,256,225</u>
EXPENDITURES					
Current:					
General Administration	1,486,516				1,486,516
Judicial	653,044			33,254	686,298
Legal	146,581			7,986	154,567
Financial Administration	499,323				499,323
Public Facilities	351,068				351,068
Public Safety	3,538,718		648,147	360,771	4,547,636
Public Transportation		2,430,059			2,430,059
Culture and Recreation	148,736			117,078	265,814
Health and Welfare	356,506			276,021	632,527
Conservation - Agriculture	82,722				82,722
Capital Projects -					
Capital Outlay and Other				261,089	261,089
Debt Service					
Principal Retirement	44,982				44,982
Interest and Fiscal Charges	2,391				2,391
Total Expenditures	<u>7,310,587</u>	<u>2,430,059</u>	<u>648,147</u>	<u>1,056,199</u>	<u>11,444,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>849,275</u>	<u>32,951</u>	<u>0</u>	<u>(70,993)</u>	<u>811,233</u>
OTHER FINANCING SOURCES (USES):					
Other Financing Sources - Capital Leases		245,000			245,000
Operating Transfers In	40,000			440,928	480,928
Operating Transfers Out	(340,928)	(100,000)		(40,000)	(480,928)
Total Other Financing Sources (Uses)	<u>(300,928)</u>	<u>145,000</u>	<u>0</u>	<u>400,928</u>	<u>245,000</u>
Net Changes in Fund Balances	548,347	177,951	0	329,935	1,056,233
Fund Balances - Beginning	1,467,985	1,007,012	0	1,120,770	3,595,767
Fund Balances - Ending	<u>\$2,016,332</u>	<u>\$1,184,963</u>	<u>\$0</u>	<u>\$1,450,705</u>	<u>\$4,652,000</u>

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED SEPTEMBER 30, 2015

Net Changes in Fund Balances - total governmental funds \$1,056,233

Amounts reported for governmental activities in the statement of Net Position
 ("SNA") are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	169,335
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	21,939
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	39,577
Net Pension Receivable. This is the change in these amounts this year.	132,457
Deferred Outflow of Resources-Contribution. This is the change in these amounts this year.	28,111
Deferred Outflow-Investment Experience. This is the change in these amounts this year.	144,588
Deferred Outflow-Actual Experience vs. Assumption. This is the change in these amounts this year.	(330,429)
(Increase) decrease in Compensated absences from beginning of period to end of period.	62,097
Increase in loan principal are receipts in the funds but not revenue in the SOA.	(245,000)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	44,982
Internal Service funds are used by management to account for funds for Self-Insurance. The net revenue of certain activities of Internal service funds is reported with governmental activities.	(635)
Change in Net Position of governmental activities - statement of activities	<u><u>\$1,123,255</u></u>

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$6,585,534	\$6,585,534	\$6,519,377	(\$66,157)
Intergovernmental	53,153	53,153	58,609	5,456
Licenses and Permits	3,800	3,800	4,735	935
Charges for Services	721,650	721,650	726,199	4,549
Interest	10,000	10,000	18,020	8,020
Miscellaneous	114,123	715,108	832,922	117,814
Total Revenues	7,488,260	8,089,245	8,159,862	70,617

EXPENDITURES

Current:

General Administration

Commissioner's Court	24,546	24,546	18,714	5,832
County Clerk	197,908	215,734	210,909	4,825
County Judge	142,007	149,802	139,145	10,657
Economic Development	50,000	50,000	50,000	0
Elections	112,502	112,610	112,298	312
IT Department	48,497	48,518	45,268	3,250
Non-Departmental	1,267,281	951,990	884,983	67,007
Veterans Service	26,383	26,383	25,199	1,184

Legal

County Attorney	143,256	152,818	146,581	6,237
Judicial				
Assistant District Attorney	71,288	72,101	65,932	6,169
County Court	17,000	23,492	23,482	10
District Clerk	194,963	204,632	203,766	866
District Court	88,008	81,516	79,434	2,082
Justices of the Peace	266,187	284,127	280,430	3,697

Financial Administration

County Auditor	138,561	148,927	146,566	2,361
County Treasurer	157,557	157,874	141,801	16,073
Tax Assessor-Collector	198,573	213,065	210,956	2,109

Public Facilities

Courthouse Maintenance	235,063	235,195	214,309	20,886
Public Buildings	175,300	175,300	136,759	38,541

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Public Safety				
911	\$53,219	\$53,306	\$50,800	\$2,506
Adult Probation	2,500	2,500	2,500	0
Animal Control	106,004	115,566	108,338	7,228
Constables	63,157	70,586	67,449	3,137
D.P.S.	42,279	47,060	44,305	2,755
Emergency Management	42,062	47,253	47,199	54
Fire	102,550	102,550	100,490	2,060
Jail	1,082,437	1,161,961	1,078,550	83,411
Sheriff	1,556,192	2,155,883	2,039,087	116,796
Culture and Recreation				
Library	134,905	144,467	127,986	16,481
Museum	20,750	20,750	20,750	0
Health and Welfare				
Elderly Services	141,854	141,854	141,854	0
Food service	255,436	262,358	214,652	47,706
Conservation - Agriculture				
Agriculture Extension Service	83,562	87,263	82,722	4,541
Debt Service				
Principal Retirement	44,982	44,982	44,982	0
Interest and Fiscal Charges	2,391	2,391	2,391	0
Total Expenditures	<u>7,289,160</u>	<u>7,789,360</u>	<u>7,310,587</u>	<u>478,773</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>199,100</u>	<u>299,885</u>	<u>849,275</u>	<u>549,390</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	40,000	40,000	40,000	0
Operating Transfers Out	(239,100)	(339,885)	(340,928)	(1,043)
Total Other Financing Sources (Uses)	<u>(199,100)</u>	<u>(299,885)</u>	<u>(300,928)</u>	<u>(1,043)</u>
Net Changes in Fund Balances	0	0	548,347	548,347
Fund Balances - Beginning	<u>1,467,985</u>	<u>1,467,985</u>	<u>1,467,985</u>	
Fund Balances - Ending	<u>\$1,467,985</u>	<u>\$1,467,985</u>	<u>\$2,016,332</u>	<u>\$548,347</u>

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



REFUGIO COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$1,433,768	\$1,433,768	\$1,422,366	(\$11,402)
Intergovernmental	71,700	71,700	81,222	9,522
Licenses and Permits	275,000	275,000	235,006	(39,994)
Charges for Services	55,000	55,000	58,914	3,914
Fines and Forfeitures	635,000	635,000	656,219	21,219
Interest	3,650	3,650	1,525	(2,125)
Miscellaneous	0	0	7,758	7,758
Total Revenues	<u>2,474,118</u>	<u>2,474,118</u>	<u>2,463,010</u>	<u>(11,108)</u>
EXPENDITURES				
Current				
Public Transportation	2,474,568	2,658,568	2,430,059	228,509
Total Expenditures	<u>2,474,568</u>	<u>2,658,568</u>	<u>2,430,059</u>	<u>228,509</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(450)</u>	<u>(184,450)</u>	<u>32,951</u>	<u>217,401</u>
OTHER FINANCING SOURCES (USES):				
Other Financing Sources - Capital Leases		245,000	245,000	0
Operating Transfers Out		(100,000)	(100,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>145,000</u>	<u>145,000</u>	<u>0</u>
Net Changes in Fund Balances	<u>(450)</u>	<u>(39,450)</u>	<u>177,951</u>	<u>217,401</u>
Fund Balances - Beginning	1,007,012	1,007,012	1,007,012	
Fund Balances - Ending	<u>\$1,006,562</u>	<u>\$967,562</u>	<u>\$1,184,963</u>	<u>\$217,401</u>

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

REFUGIO COUNTY, TEXAS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2015

	GOVERN MENTAL ACTIVITIES- INTERNAL SERVICE FUND
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$14,133
Total Current Assets	<u>14,133</u>
Total Assets	<u><u>\$14,133</u></u>
FUND EQUITY AND OTHER CREDITS	
Net Position	
Restricted for:	
Employee Insurance - Expendable	14,133
Unrestricted	<u>0</u>
Total Net Position	<u><u>\$14,133</u></u>

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

REFUGIO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	GOVERN MENTAL ACTIVITIES- INTERNAL SERVICE FUND
OPERATING REVENUES:	
Charges for Services	\$755,495
Miscellaneous	14,114
Total Operating Revenues	<u>769,609</u>
OPERATING EXPENSES:	
Personal Services	
Other Services and Charges	770,245
Total Operating Expenses	<u>770,245</u>
Operating Income (Loss)	<u>(636)</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest Income	1
Total Non-Operating Revenues (Expenses)	<u>1</u>
Income Before Transfers	(635)
Transfers In (Out) - Net	0
Change in Net Position	<u>(635)</u>
Total Net Position - Beginning	<u>14,768</u>
Total Net Position - Ending	<u>\$14,133</u>

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

REFUGIO COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	GOVERN MENTAL ACTIVITIES- INTERNAL SERVICE FUND
	<u> </u>
Cash Flows from Operating Activities	
Receipts from customers and users	\$769,609
Payments to suppliers	(770,245)
Payments to employees	0
Net Cash Provided (Used) By Operating Activities	<u> (635)</u>
Cash Flows from Non-Capital and Related Financing Activities	
Transfers In (Out) - Net	
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u> 0</u>
Cash Flows from Capital and Related Financing Activities	
Interest and Fiscal Charges	0
Purchases of Capital Assets	0
Net Cash Provided (Used) By Capital and Related Financing Activities	<u> 0</u>
Cash Flows from Investing Activities	
Interest Received	1
Net Cash Provided (Used) by Investment Activities	<u> 1</u>
Net Increase (Decrease) in Cash Equivalents	(635)
Cash and Cash Equivalents at Beginning of Year	14,768
Cash and Cash Equivalents at End of Year (continued)	<u><u> \$14,133</u></u>

(continued)

GOVERN
MENTAL
ACTIVITIES-
INTERNAL
SERVICE
FUND

Reconciliation of operating income to
net cash provided (used) by operating
activities:

Operating Income (Loss)	(\$636)
Adjustments to Reconcile to Net Cash Flow	
Non-Cash Items Included in Net Income	
Depreciation	0
Changes in Current Items	
Increase (Decrease) in Accounts Payable	0
Net Cash Provided (Used)	
By Operating Activities	<u>(\$636)</u>

Noncash Investing, Capital, and Financing Activities:

Borrowing from Capital Debt	<u>\$0</u>
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Note: The above funds are all Enterprise Funds.

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



REFUGIO COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Agency Funds</u>
	<u>Total</u>
ASSETS	
Cash and Cash Equivalents	\$1,604,565
Receivables (net of allowance for uncollectibles)	<u>50,113</u>
Total Assets	<u><u>\$1,654,678</u></u>
LIABILITIES:	
Accounts Payable	
Due to Others	<u>1,654,678</u>
Total Liabilities	<u>1,654,678</u>
NET POSITION	
Held in Trust - Historical Purposes	<u>0</u>
Total Net Position	<u><u>\$0</u></u>

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

REFUGIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

I. Summary of Significant Accounting Policies

A. Reporting entity

Refugio County operates under a County Judge – Commissioner’s Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. The accounting policies of Refugio County, Texas, (the County) conform to generally accepted accounting principles. The County also applies all relevant Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting policies of Refugio County, Texas, (the County) conform to generally accepted accounting principles generally accepted in the United States of America. The County also applies all relevant Government Accounting Standards Board (GASB) pronouncements.

B. Government-Wide and Fund Financial Statements

The County’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the County accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the County’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the Net Position and changes in Net Position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The County’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The government reports the following major governmental funds:

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

The road and bridge fund accounts for the activities of the government's road and bridge operations.

The sheriff grant fund accounts for the Stonegarden Grant monies for the overtime of sheriff deputies.

The agency funds are ministerial in nature and are shown because Refugio County is responsible for these funds.

C. Proprietary fund financial statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

D. Assets, Liabilities, and Net Assets or Equity (continued)

2. Receivables and Payables (continued)

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

All property tax receivables are shown net of an allowance for uncollectible. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at September 30, 2015 and 10 percent of the delinquent outstanding property taxes at September 30, 2015.

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

3. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for in the Balance Sheet. In the General Fund, disbursements for supplies and materials are considered to be expenditures at the time of purchase. There were no inventory items at September 30, 2015.

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

4. Restricted Assets

There were no restricted assets at September 30, 2015.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure items such as roads, highways, and bridges are not included.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no such construction during the current fiscal year.

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

Assets	Years
Buildings	50
Building Improvements	20
System infrastructure	30
Vehicles	5
Office Equipment	5
Computer Equipment	5

6. Compensated Absences

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

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. Fund Balances – Governmental Funds

As of September 30, 2015, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of Commissioner’s Court. Commissioner’s Court is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Commissioner’s Court.

Unassigned — all other spendable amounts.

As of September 30, 2015, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$108,454
Restricted	
Economic Development	0
General Administration	11,164
General Administration - Records	262,233
Health and Welfare	210,419
Judicial	230,732
Permanent Improvement	1,155
Public Safety	306,712
Public Transportation	1,173,802
Committed	
Culture and Recreation	82,348
General Administration	341,154
Public Facilities	3,932
Unassigned	1,919,895
Total Fund Balance	<u>\$4,652,000</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Commissioner’s Court or the finance committee has provided otherwise in its commitment or assignment actions.

In fiscal year 2011, the Commissioner’s Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year end to be at least equal to 20 percent of the subsequent year’s budgeted General Fund expenditures.

9. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

10. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

11. Net position flow assumption

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

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$6,421,936 difference are as follows:

Capital Assets Not Being Depreciated	\$201,395
Capital Assets Being Depreciated	15,090,837
Depreciation Expense	(8,870,296)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	\$6,421,936

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles)." The details of this \$315,876 difference are as follows:

Property Taxes Receivable	\$341,056
Allowance for Doubtful Accounts	(25,180)
Net	\$315,876

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$892,932 difference are as follows:

Fines Receivable	\$2,174,371
Allowance for Doubtful Accounts	(1,639,367)
Deferred Outflow of Resources-Contributions (after 12/31/14)	543,769
Deferred Outflow-Investment Experience	144,588
Deferred Outflow-Actual Experience vs. Assumption	(330,429)
Net	\$892,932

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$169,335 difference are as follows:

Capital Outlay - Additions	\$832,938
Capital Outlay - Dispositions - Net	(7,152)
Depreciation Expense	(656,451)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$169,335</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

The final amended budget is used in this report. The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioner's Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioner's Court.

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

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

Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2015 fiscal year were adopted for the General Fund, and the Road and Bridge Fund and other applicable non-major governmental funds.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2015, expenditures did not exceed appropriations in any funds.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2015.

IV. Detailed Notes on All Funds

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

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

Policies Governing Deposits and Investments

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy does address the following risks:

As of September 30, 2015, the government had the following investments: None

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2015, the government's bank balance of \$6,369,921 with Vantage Bank was not exposed to custodial credit risk because it was fully insured and collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The monies are secured by a line of credit negotiated with the depository bank and FDIC coverage is \$250,000. The book balance of the cash at September 30, 2015 is \$6,013,663.

IV. Detailed Notes on All Funds (continued)

B. Receivables

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

	General	Road and Bridge	Sheriff Grants	Other Govern- mental	Total
<u>Receivables</u>					
Ad Valorem Taxes	\$279,973	\$61,083			\$341,056
Fines	2,174,371				2,174,371
Other	277,137	49,292		23,415	349,844
Gross Receivables	2,731,481	110,375	0	23,415	2,865,271
Less: Allowance for Uncollectibles	1,660,037	4,510			1,664,547
Net Total Receivables	\$1,071,444	\$105,865	\$0	\$23,415	\$1,200,724

C. Capital Assets

Capital asset activity for the year ended September 30, 2015 was as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$201,895	\$0	\$500	\$201,395
Total capital assets not being depreciated:	201,895	0	500	201,395
Capital assets being depreciated:				
Building and Improvements	4,640,501	413,460	0	5,053,961
Machinery and Equipment	5,027,557	419,478	98,630	5,348,405
Intangible	58,779	0	0	58,779
Infrastructure	4,629,692	0	0	4,629,692
Total capital assets being depreciated:	14,356,529	832,938	98,630	15,090,837
Less: Accumulated Depreciation for:				
Building and Improvements	2,231,229	137,781	0	2,369,010
Machinery and Equipment	3,172,422	426,872	91,978	3,507,316
Intangible	21,595	5,878	0	27,473
Infrastructure	2,880,577	85,920	0	2,966,497
Total Accumulated Depreciation	8,305,823	656,451	91,978	8,870,296
Total Capital Assets Depreciated, Net	6,050,706	176,487	6,652	6,220,541
Governmental Activities capital assets, Net	\$6,252,601	\$176,487	\$7,152	\$6,421,936

The 2014-2015 depreciation is as follows:

Governmental Activities	
General Administration	\$59,889
Judicial	5,550
Public Facilities	54,042
Public Safety	257,664
Public Transportation	256,315
Culture and Recreation	8,889
Health and Welfare	11,840
Conservation - Agriculture	2,262
Total Depreciation Expense - Governmental Activities	<u>\$656,451</u>

The infrastructure capital assets were not fully depreciated at September 30, 2015.

Construction commitments

There were no major capital asset construction events during the 2014-2015 year.

D. Interfund Receivables, Payables, and Transfers

There were no due to/from other funds: There were no interfund balances as of September 30, 2015. There were no advances at September 30, 2015. The following transfers were non-recurrent and were for operating capital.

TRANSFER OUT	TRANSFER IN		TOTAL
	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	
GENERAL FUND	\$0	340,928	\$340,928
ROAD AND BRIDGE FUND		100,000	100,000
NON-MAJOR GOVERNMENTAL FUNDS	(40,000)		(40,000)
TOTALS	<u>(\$40,000)</u>	<u>\$440,928</u>	<u>\$400,928</u>

E. Leases

Operating Leases

The government leases equipment under noncancelable operating leases. Total costs for such leases were \$40,204 for the year ended September 30, 2015. The future minimum lease payments for these leases are as follows:

Year Ending Sep. 30	<u>Amount</u>
2016	36,401
2017	24,389
2018	5,637
2019	<u>5,637</u>
Total	<u>\$ 72,064</u>

F. Long-Term Debt

Capital Leases: The government has entered into one capital lease agreements as lessee for financing the acquisition of one (1) Chip Spreader/Gooseneck Trailer. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

Assets acquired through capital leases are as follows:

Asset:	2015 CHIPSPREADER/ GOOSENECK	
	TRAILER	TOTAL
Cost	\$270,000	\$270,000
Less: Accumulated Depreciation	33,761	33,761
Total	<u>\$236,239</u>	<u>\$236,239</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

YEAR	Activities	Total
2016	\$53,575	\$53,575
2017	53,575	53,575
2018	53,575	53,575
2019	53,576	53,576
2020	53,576	53,576
TOTAL MINIMUM LEASE PAYMENTS	<u>267,877</u>	<u>267,877</u>
LESS: AMOUNT REPRESENTING INTEREST	22,877	22,877
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$245,000</u>	<u>\$245,000</u>

The above debt is to be serviced by the General Fund.

The changes in long-term liabilities are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<u>Governmental Activities:</u>						
Capital Lease	\$44,982	\$245,000	\$44,982	\$245,000	\$48,073	\$196,927
Compensated Absences	302,389	240,292	302,389	240,292	240,292	0
Grand Total	<u>\$347,371</u>	<u>\$485,292</u>	<u>\$347,371</u>	<u>\$485,292</u>	<u>\$288,365</u>	<u>\$196,927</u>

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2015-16 year is \$240,292. The compensated absences are deemed to be current liabilities.

The government-wide statement of activities includes \$196,927 as "non-current liabilities, due within one year".

The total amount of interest expensed in 2014-2015 is \$2,391.

V. Other Information

A. Risk Management

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

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

	<u>Year ended 09/30/15</u>	<u>Year ended 09/30/14</u>
Unpaid Claims, Beginning of Fiscal Year	\$ -0-	\$ -0-
Incurred Claims (including IBNRs)		
Claim Payments		
Unpaid Claims, End of Fiscal Year	<u>\$ -0-</u>	<u>\$ -0-</u>

1. General Liability Insurance

The County is insured for general, police officers and automobile liability.

The County has joined together with other governments in the Texas Association of Counties Risk Management Pool. The County pays an annual premium to Risk Management for auto vehicle insurance coverage. The agreement with Risk Management provides that Risk Management will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 to \$300,000 for each insurance event. The County anticipates no contingent losses.

Texas Association of Counties Risk Management Pool has published its own financial report that can be obtained from the Texas Association of Counties Risk Management Pool.

The County continues to carries commercial fidelity bonds for elected officials and for management.

2. Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Association of Counties Risk Management Pool.

3. Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Association of Counties Risk Management Pool.

4. Group Health and Life Insurance

The County maintains a group health insurance plan for active employees and their eligible dependents. Costs are recorded in the fund from which the employees' compensation is paid.

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Association of Counties.

B. Related Party Transaction

A commissioner owns a Grocery where the county purchased goods totaling \$303.56, in the 2015 fiscal year. There were no amounts owed to or by the commissioner at year's end.

C. Subsequent Events

There were no subsequent events requiring disclosure.

D. Contingent Liabilities

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

The County is not a defendant in any lawsuit at September 30, 2015.

E. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year.

The County had a prior period adjustment whereby governmental activities Net Assets were increased by \$771,312. The restatement was a result of the County implementing GASB 68.

These restatements had a corresponding effect on the beginning net assets.

	Net Assets, as Previously Reported	GASB 68 RESTATEMENT	Net Assets As Restated
Governmental Activities:			
Net Assets	\$10,305,129	\$771,312	\$11,076,441
Total Governmental Activities	\$10,305,129	\$771,312	\$11,076,441

F. Summary of TCDRS Funding Policy

Introduction

The funding policy governs how the Texas County & District Retirement System (TCDRS) determines the employer contributions required to ensure that benefits provided to TCDRS members are funded in a reasonable and equitable manner. The goals of TCDRS' funding policy are to fully fund benefits over the course of employees' careers to ensure intergenerational equity, and to balance rate and benefit stability with the need for the plan funding to be reflective of current plan conditions.

This policy documents the current funding policies in effect for the Dec. 31, 2014 actuarial valuation as established by state law, administrative rule and action by the TCDRS Board of Trustees (the board). The policy serves as a comprehensive funding overview and complies with the GASB reporting requirements for an agent multiple-employer plan.

TCDRS funding overview

TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system funds its plan independently. A combination of three elements funds each employer's plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

Methodology for determining employer contribution rates

The board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following:

- Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments.
- Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits.
- Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy.

The valuation of each employer plan is based on the system funding policy and the assets, benefits and participant profile of each participating employer plan. The four key components in the determination of employer contribution rates are: the actuarial cost method, amortization policy, the asset valuation method and the actuarial assumptions. The employer rate for the 2014 and 2015 years is 7.03% and 6.61%, respectively.

Actuarial cost method

TCDRS has adopted the replacement life entry age cost method, a conservative cost method and an industry standard. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach, benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year.

Amortization policy

The portion of the contribution rate that funds any remaining unfunded amounts for benefits that are not covered by the normal cost is called the unfunded actuarial accrued liability (UAAL) rate. UAAL amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and losses). UAAL amounts are amortized on a level-percentage-of-covered-payroll basis over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains or losses, as well as any plan benefit changes elected by an employer for that year.

Benefit enhancements are amortized over a 15-year closed period. All other changes in the UAAL are amortized over 20-year closed periods. These amortization periods are generally more conservative than those of most other public retirement plans and are stricter than the minimum amortization period required under state law.

For newly participating districts that have five or fewer employees who are all within five years of retirement eligibility, any initial UAAL and any subsequent adoption of prior service credits are amortized over a five-year closed amortization period. This ensures that benefits are appropriately funded over the current generation of employees.

Notwithstanding the layered approach, the total UAAL payment may not be less than the required payment obtained by amortizing the entire UAAL over a 20-year period.

If a plan is overfunded, the overfunded actuarial accrued liability (OAAL) is calculated annually using a 30- year open amortization period.

Asset valuation method

When determining the actuarial value of assets used for measuring a plan's funded status, TCDRS smoothes each year's actuarial investment gains and losses and recognizes them over a five-year period to better reflect the system's long-term investment horizons and to keep employer contribution rates more stable. As actuarial asset investment gains and losses are recognized, they become part of the actuarial gains and losses for the year and are funded according to the amortization policy. The five-year period helps stabilize employer rates while still ensuring that rates are reflective of current market conditions.

In addition, the board has the ability to set aside reserves from investment earnings that are used to help offset future negative economic cycles. These reserves are held separately and are not counted as part of a participating employer's plan assets until they are passed through to employers when determined necessary by the board. Reserves help maintain rate stability for employers. In addition, reserves ensure that employers do not adopt benefit increases based on a temporarily lower plan cost at a high point in a market cycle and, conversely, are not as pressured to immediately reduce benefit levels during a low point in a market cycle.

Actuarial assumptions

Demographic and economic assumptions are used to estimate employer liabilities and to determine the amount of funding required from employer contributions as opposed to investment earnings. These assumptions reflect a long-term perspective of 30 years or more. Examples of key economic assumptions include long-term investment return, long-term inflation and annual payroll increase.

Demographic assumptions are the actuary's best estimate of what will happen to TCDRS members and retirees. Examples of demographic assumptions are employment termination rates, retirement rates and retiree mortality rates. A complete listing of all actuarial assumptions can be found in the annual system-wide valuation report.

Oversight

The board has established review policies to ensure that actuarial assumptions are appropriate and that the methodology for determining employer contribution rates is being correctly applied.

Review of actuarial assumptions

TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience. TCDRS assumptions are compared to plan experience and future expectations, and changes to the assumptions are recommended as needed. The board adopts actuarial assumptions to be used in the valuation based on the results of this study.

An actuarial audit of every investigation of experience is required and must be performed by an independent auditing actuary to review the consulting actuary's analysis, conclusions and recommendations for accuracy, appropriateness and reasonableness. These audits alternate between a peer review and a full replication audit of the investigation of experience. In a peer review audit of the investigation, the reviewing actuary uses the raw results of the investigation for demographic assumptions as calculated by the consulting actuary to test the conclusions and recommendations. In addition, the reviewing actuary independently analyzes economic assumptions to test the results and recommendations of the consulting actuary. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the investigation, in addition to performing all of the steps of a peer review, the auditing actuary fully replicates the calculation of the investigation's raw results.

Review of employer contribution rates

In order to test accuracy and ensure that the actuarial methods and assumptions are being correctly applied, an audit of the valuation is required every four years. These audits are conducted by an independent reviewing actuary and alternate between a peer review and a full replication audit of the valuation. In the peer review audit of the valuation, the actuary uses a sample of participant data and TCDRS plans to test the results of the valuation. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the valuation, the auditing actuary performs all the steps of a peer review audit but instead of analyzing sample data and plans, the auditing actuary fully replicates the original actuarial valuation.

Review and modification of funding policy

The board will review this policy on a regular basis and may modify this policy at its discretion. Modifications to the policy may be submitted for consideration to the board by staff and/or outside consulting actuaries as circumstances warrant.

Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	December 31, 2013	December 31, 2014
Total pension liability	\$13,412,219	\$13,833,400
Fiduciary net position	13,667,873	14,221,512
Net pension liability / (asset)	(255,654)	(388,111)
Fiduciary net position as a % of total pension liability	101.91%	102.81%
Pensionable covered payroll	\$4,816,078	\$5,035,263
Net pension liability as a % of covered payroll	(5.31%)	(7.71%)

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Note: Rounding differences may exist above or in other tables in this report.

Payroll is calculated based on contributions as reported to TCDRS.

Discount rate

Long-term expected rate of return, net of investment expense	8.10%	8.10%
Municipal bond rate	Does not apply	Does not apply

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2014 were based on the results of an actuarial experience study for the period January 1, 2009 - December 31, 2012, except where required to be different by GASB 68.

See Appendix A of this report (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the total pension liability and other GASB 68 metrics.

See Appendix B (Actuarial Methods and Assumptions Used for Funding Valuation) of this report for a full description of the actuarial assumptions used in the funding valuation.

Valuation date	Dec. 31, 2013	Dec. 31, 2014
Measurement date	Dec. 31, 2013	Dec. 31, 2014
Reporting date	Employer Beg. Fiscal Year	Employer FYE

Depletion of Plan Assets / GASB Discount Rate

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's 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 TCDRS 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 COLA is required to be funded over a period of 15 years, if applicable.

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 years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer 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 for GASB 68 purposes. 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 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Increase (Decrease) Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2013	\$13,412,219	\$13,667,873	\$(255,654)
Changes for the year:			
Service cost	556,571		556,571
Interest on total pension liability	1,077,810		1,077,810
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	(440,572)		(440,572)
Effect of assumptions changes or inputs	0		0
Refund of contributions	(173,291)	(173,291)	0
Benefit payments	(599,337)	(599,337)	0
Administrative expenses		(10,733)	10,733
Member contributions		352,468	(352,468)
Net investment income		922,450	(922,450)
Employer contributions		353,978	(353,978)
Other	0	(291,897)	291,897
Balances as of December 31, 2014	\$13,833,400	\$14,221,512	\$(388,111)

Sensitivity Analysis

The following presents the net pension liability of the county/district, calculated using the discount rate of 8.10%, as well as what the Refugio County 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	Current Discount Rate	1% Increase
7.10%	8.10%	9.10%

Total pension liability	\$34,721,435	\$30,897,827	\$27,720,184
Fiduciary net position	29,660,547	29,660,547	29,660,547
Net pension liability / (asset)	\$5,060,888	\$1,237,280	(\$1,940,363)

Pension Expense / (Income)

<i>Pension Expense / (Income)</i>	<u>January 1, 2014 to December 31, 2014</u>
Service cost	\$556,571
Interest on total pension liability	1,077,810
Effect of plan changes	
Administrative expenses Member contributions	10,733
Expected investment return net of investment expenses	(352,468)
Recognition of deferred inflows/outflows of resources	(1,103,185)
Recognition of economic/demographic gains or losses	(110,143)
Recognition of assumption changes or inputs	0
Recognition of investment gains or losses	36,147
Other	291,897
 Pension expense / (income)	 <u>\$407,361</u>

As of December 31, 2014, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$330,429	\$0
Changes of assumptions	0	0
Net difference between projected and actual earnings	0	144,588
Contributions made subsequent to measurement date	NIA	Employer determined

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:	
2015	\$(73,996)
2016	(73,996)
2017	(73,996)
2018	36,147
2019	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 12/31/2014 Expense	Balance of Deferred Inflows 12/31/2014	Balance of Deferred Outflows 12/31/2014
Investment (gains) or losses	\$180,734	12/31/2014	5.0	\$36,147	\$0	\$144,588
Economic/ demographic (gains) or losses	(440,572)	12/31/2014	4.0	(110,143)	(330,429)	0
Assumption changes or inputs	0	12/31/2014	4.0	0	0	0

Long-Term Expected Rate of Return

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 investment consultant, Cliffwater LLC. The numbers shown are based on January 2015 information for a 7-10 year time horizon.

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

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
USEquities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities -Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USO (net) Index	11.00%	5.35%
International Equities -Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USO (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

Employees covered by benefit terms.

Actuarial Valuation and Measurement Date, December 31,	2013	2014
Membership		
Number of		
- Inactive employees or beneficiaries currently receiving benefits	69	69
- Inactive employees entitled to but not yet receiving benefits	42	42
- Active employees	<u>130</u>	<u>130</u>
- Total	241	241



REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

Year Ended December 31

	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability							
Service cost	\$556,571	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,077,810	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(440,572)	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(772,628)</u>	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	421,181	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	13,412,219	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	<u>\$13,833,400</u>	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position							
Employer contributions	\$353,978	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	352,468	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	922,450	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(772,628)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(10,733)	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(291,897)</u>	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	553,639	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	13,687,873	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	<u>\$14,221,512</u>	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A
Net pension liability / (asset), ending = (a) - (b)	<u>(\$388,112)</u>	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	102.81%	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$5,035,263	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	-7.71%	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67168, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽¹⁾	Actual Contribution as a % of Covered Payroll
2005	Not Available	Not Available	Not Available	Not Available	Not Available
2006	\$181,777	\$181,777	0	\$2,754,192	6.6%
2007	195,293	195,293	0	2,977,033	6.6%
2008	193,918	193,918	0	3,189,437	6.1%
2009	205,320	205,320	0	3,399,336	6.0%
2010	241,880	241,880	0	3,557,054	6.8%
2011	249,407	249,407	0	3,814,422	6.5%
2012	306,821	306,873	(52)	4,565,789	6.7%
2013	327,010	327,010	0	4,816,078	6.8%
2014	353,978	353,978	0	5,035,263	7.0%

Payroll is calculated based on contributions as reported to TCDRS.

Appendix A - Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASS analysis were the same as those used in the December 31, 2014 funding valuation (see Appendix B, following, for details), except as noted below and throughout this report. Please see the employer summary actuarial valuation report as of December 31, 2014 for further details.

Following are the key assumptions and methods used in this GASS analysis.

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation: See Appendix B
Salary Increases	Same as funding valuation: See Appendix B
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Wilson County are not considered to be substantively automatic under GASS 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASS calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Same as funding valuation: See Appendix B
Turnover	Same as funding valuation: See Appendix B
Mortality	Same as funding valuation: See Appendix B

Appendix B-Actuarial Methods and Assumptions Used for Funding Valuation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2014 financial reporting metrics are the same as those used in the December 31, 2014 actuarial valuation analysis for Wilson County.

Following is a description of the assumptions used in the December 31, 2014 actuarial valuation analysis for Wilson County. This information may also be found in the Wilson County December 31, 2014 Summary Valuation Report.

Economic Assumptions

TCDRS system-wide economic assumptions:

Real rate of return	5.0%
Inflation	3.0%
Long-term investment return	8.0%

The long-term investment return of 8% is net of investment expenses and is expected to enable the system to credit interest at the nominal annual rates shown below to the following major funds:

Subdivision Accumulation Fund	9%
Employees Saving Fund	7%
Current Service Annuity Reserve Fund	7%

Assuming interest will be credited at these nominal annual rates to the various funds, we have then assumed the following:

An annual rate of 9% for calculating the actuarial accrued liability and normal cost contributions rate for the retirement plan of each participating employer.

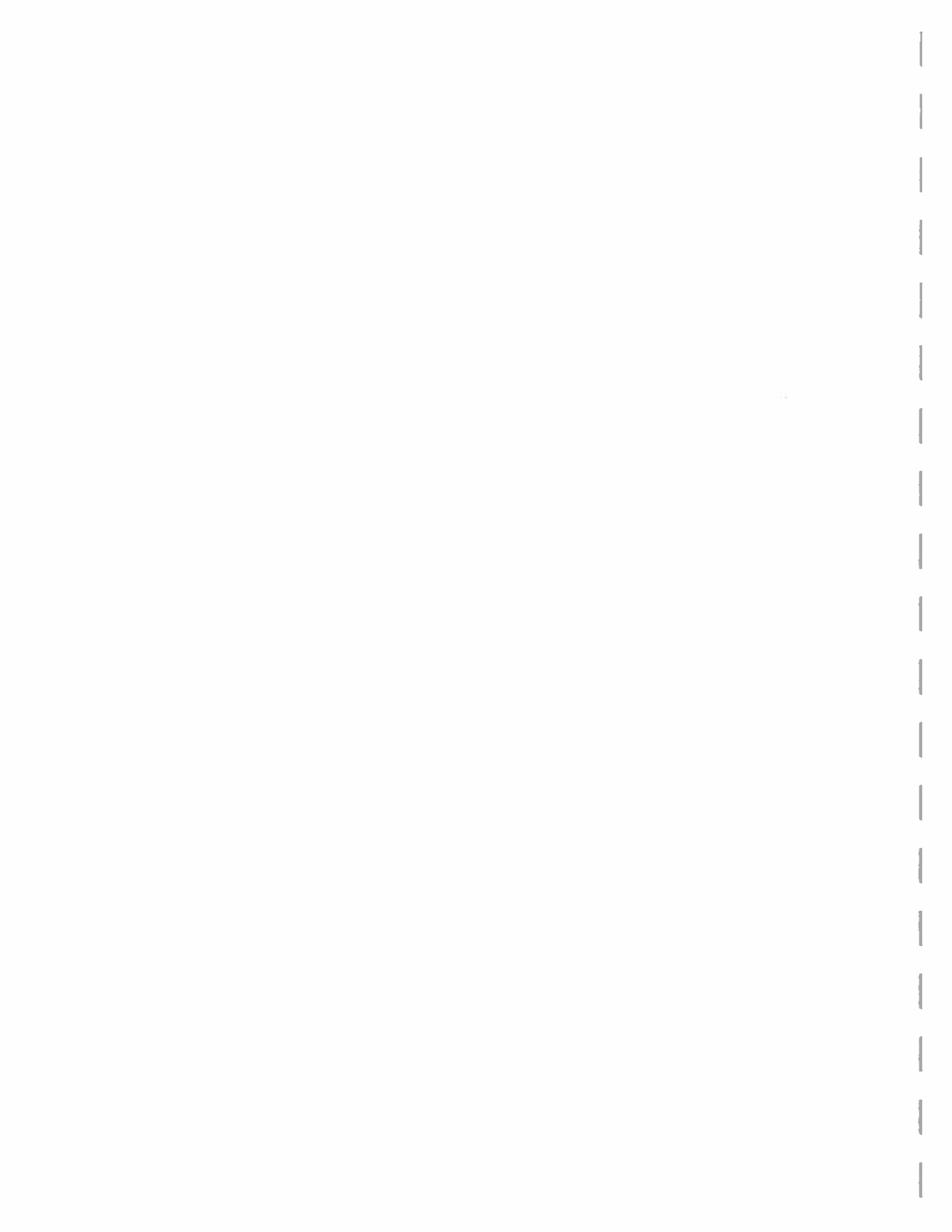
An annual rate of 7% required under the TCDRS Act for: (1) accumulating current service credit and multiple matching credit after the valuation date; (2) accumulating prior service credit after the valuation date; (3) determining the amount of the monthly benefit at future dates of retirement or disability; and (4) calculating the actuarial accrued liability of the system-wide Current Service Annuity Reserve Fund.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee. (See Table 1 for Merit Salary Increases.)

Employer-specific economic assumptions:

Growth in membership	0.0%
Payroll growth	3.5%

The payroll growth assumption is for the aggregate covered payroll of an employer.



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

REFUGIO COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUNDS
 SEPTEMBER 30, 2015

	Road and Bridge	Road and Bridge Special	Lateral Road	Total Road and Bridge
ASSETS				
Cash and Cash Equivalents	\$757,482	\$352,186	\$77,299	\$1,186,967
Receivables (net of allowance for uncollectibles)	104,575	1,290		105,865
Prepaid Expenses	11,161			11,161
Total Assets	\$873,218	\$353,476	\$77,299	\$1,303,993
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$61,612			\$61,612
Accrued Wages Payable	845			845
Total Liabilities	62,457	0	0	62,457
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Property Taxes				
Total deferred inflows of resources	56,573	0	0	56,573
Fund Balances:				
Non-Spendable				
Prepaid Items	11,161			11,161
Restricted				
Public Transportation	743,027	353,476	77,299	1,173,802
Total Fund Balance	754,188	353,476	77,299	1,184,963
Total Liabilities and Fund Balances	\$873,218	\$353,476	\$77,299	\$1,303,993

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2015

	Road and Bridge	Road and Bridge Special	Lateral Road	Total Road and Bridge
<i>REVENUES</i>				
Taxes				
Property	\$1,422,366			\$1,422,366
Intergovernmental		69,831	11,391	81,222
Licenses and Permits	235,006			235,006
Charges for Services	58,914			58,914
Fines and Forfeitures	656,219			656,219
Interest	6,092	1,360	306	7,758
Miscellaneous	1,525			1,525
Total Revenues	<u>2,380,122</u>	<u>71,191</u>	<u>11,697</u>	<u>2,463,010</u>
<i>EXPENDITURES</i>				
Current:				
Public Transportation				
Road and Bridge	2,430,059			2,430,059
Total Expenditures	<u>2,430,059</u>	<u>0</u>	<u>0</u>	<u>2,430,059</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(49,937)</u>	<u>71,191</u>	<u>11,697</u>	<u>32,951</u>
<i>OTHER FINANCING SOURCES (USES):</i>				
Other Financing Sources - Capital Leases	245,000			245,000
Operating Transfers Out	(100,000)			(100,000)
Total Other Financing Sources (Uses)	<u>145,000</u>	<u>0</u>	<u>0</u>	<u>145,000</u>
Net Changes in Fund Balances	95,063	71,191	11,697	177,951
Fund Balances - Beginning	659,125	282,285	65,602	1,007,012
Fund Balances - Ending	<u>\$754,188</u>	<u>\$353,476</u>	<u>\$77,299</u>	<u>\$1,184,963</u>

The accompanying notes are an integral part of this statement.

REFUGIO COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2015

	SPECIAL REVENUE																	
	AIRPORT FUND	ASSET SHARING	ATTORNEY ADMINI- STRATION	COUNTY CLERK RECORD MANAGEMENT	COURT- HOUSE SECURITY	COURT TECH- NOLOGY	DISTRICT CLERK RECORD MANAGEMENT	ELDERLY SERVICES FUND	ELECTION ADMINI- STRATION	EMPLOY- MENT CONTIN- GENCY	ESTRAY FUND	GRANT FUND	JAIL COMM- ISSARY	JURY	JUSTICE COURT TECH	JUVENILE SERVICES	LAW LIBRARY	LEOSE TRAINING FIRE
ASSETS																		
Cash and Cash Equivalents	\$32,182	\$142,379	\$8,278	\$186,347	\$32,714	\$5,235	\$13,898	\$77,383	\$11,164	\$50,103	\$592	\$117,324	\$21,937	\$59,227	\$53,391	\$11,108	\$7,522	
Receivables (net of allowance for uncollectibles)	10,648			3,215	366	180	135	4,581					30	1,227		160		
Prepaid Expenses								856										
Total Assets	\$42,830	\$142,379	\$8,278	\$189,562	\$33,080	\$5,415	\$14,033	\$82,820	\$11,164	\$50,103	\$592	\$0	\$117,324	\$21,967	\$60,454	\$53,391	\$11,268	\$7,522
LIABILITIES AND FUND BALANCES																		
Liabilities																		
Accounts Payable	\$703							\$618				\$1,287		\$774		\$752		
Bank Overdraft																		
Accrued Wages Payable								89										
Total Liabilities	703	0	0	0	0	0	0	707	0	0	0	0	1,287	0	774	0	752	0
Fund Balances																		
Non-Spendable																		
Prepaid Items								856										
Restricted																		
Economic Development																		
General Administration				189,562					11,164									
General Administration - Records																		
Judicial			8,278			5,415	14,033						21,967	59,680		10,516		
Health and Welfare								81,257										
Permanent Improvement																		
Public Safety					33,080							592	116,037		53,391		7,522	
Committed																		
Culture and Recreation	42,127																	
General Administration		142,379								50,103								
Public Facilities																		
Unassigned																		
Total Fund Balances	42,127	142,379	8,278	189,562	33,080	5,415	14,033	82,113	11,164	50,103	592	0	116,037	21,967	59,680	53,391	10,516	7,522
TOTAL LIABILITIES AND FUND BALANCES	\$42,830	\$142,379	\$8,278	\$189,562	\$33,080	\$5,415	\$14,033	\$82,820	\$11,164	\$50,103	\$592	\$0	\$117,324	\$21,967	\$60,454	\$53,391	\$11,268	\$7,522

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

SPECIAL REVENUE										CAPITAL PROJECT			TOTAL
LEOSE TRAINING CONST- ABLE NO. 1	LEOSE TRAINING CONST- ABLE NO. 2	LIBRARY FUND	NARCO-TICS FUND	PRE TRIAL DRIVER- SION	RECORD MANAGEMENT AND PRES- ERVATION	SPECIAL FOR- EITURE	TCLEOSE TRAINING	TITLE IV-E	VEHICLE REPLACE- MENT	CAPITAL IMPROVE- MENT FUND	COASTAL IMPACT ASSIS- TANCE	COURT- HOUSE RESTOR- ATION	NON-MAJOR GOVERN- MENTAL FUND
\$4,038	\$2,223	\$40,221	\$150,414	\$89,030	\$72,438	\$83,297	\$6,532		\$147,532	\$1,155		\$3,932	\$1,431,596
				1,500	233				1,140				23,415
													856
\$4,038	\$2,223	\$40,221	\$150,414	\$90,530	\$72,671	\$83,297	\$6,532	\$0	\$148,672	\$1,155	\$0	\$3,932	\$1,455,867
			\$807										\$4,941
			132										0
0	0	0	939	0	0	0	0	0	0	0	0	0	5,162
													856
													0
				90,530	72,671								11,164
			149,475										262,233
													210,419
													230,732
4,038	2,223					83,297	6,532			1,155			1,155
													306,712
		40,221											82,348
									148,672				341,154
												3,932	3,932
													0
4,038	2,223	40,221	149,475	90,530	72,671	83,297	6,532	0	148,672	1,155	0	3,932	1,450,705
\$4,038	\$2,223	\$40,221	\$150,414	\$90,530	\$72,671	\$83,297	\$6,532	\$0	\$148,672	\$1,155	\$0	\$3,932	\$1,455,867

REFUGIO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	SPECIAL REVENUE																	
	AIRPORT FUND	ASSET SHARING	ATTORNEY ADMIN- STRATION	COUNTY CLERK RECORD MANAGEMENT	COURT- HOUSE SECURITY	COURT TECH- NOLOGY	DISTRICT CLERK RECORD MANAGEMENT	ELDERLY SERVICES FUND	ELECTION ADMIN- STRATION	EMPLOY- MENT GENCY	ESTRAY FUND	GRANT FUND	JAIL COMM- ISSARY	JURY	JUSTICE COURT TECH	JUVENILE SERVICES	LAW LIBRARY	LEOSE TRAINING FIRE
REVENUES																		
Intergovernmental							\$113,918				\$7,284		\$3,162		\$81,132		\$659	
Charges for Services	112,039		560	32,147	3,736	1,493	2,209	20,830	1,908			39,324	570	16,966		2,546		
Interest	2	204		719	127		51	650		92		509	12	300	447			
Miscellaneous							141,854											
Total Revenues	112,041	204	560	32,866	3,863	1,493	2,260	277,252	1,908	92	0	7,284	39,833	3,744	17,266	81,579	2,546	659
EXPENDITURES																		
Current:																		
Judicial														7,075	26,076			
Legal			103															
Law Library																7,986		
Public Safety																		
Courthouse Security					541													
Juvenile Probation															207,827			
Sheriff												26,513						
Culture and Recreation																		
Airport	117,078																	
Health and Welfare																		
Elderly Services								276,021										
Capital Projects -																		
Capital Outlay and Other												7,284						
Total Expenditures	117,078	0	103	0	541	0	0	276,021	0	0	0	7,284	26,513	7,075	26,076	207,827	7,986	0
Excess (Deficiency) of Revenues Over (Under)																		
Expenditures	(5,037)	204	457	32,866	3,322	1,493	2,260	1,231	1,908	92	0	0	13,320	(3,331)	(8,810)	(126,240)	(5,440)	659
OTHER FINANCING SOURCES (USES):																		
Operating Transfers In	30,000	100,000								25,000					1,043	179,885	5,000	
Operating Transfers Out																		
Total Other Financing Sources (Uses)	30,000	100,000	0	0	0	0	0	0	0	25,000	0	0	0	0	1,043	179,885	5,000	0
Net Changes in Fund Balances	24,963	100,204	457	32,866	3,322	1,493	2,260	1,231	1,908	25,092	0	0	13,320	(3,331)	(7,767)	53,637	(440)	659
Fund Balances - Beginning	17,164	42,175	7,821	156,696	29,758	3,922	11,773	80,882	9,256	25,011	592	0	102,717	25,298	67,447	(246)	10,956	6,863
Fund Balances - Ending	\$42,127	\$142,379	\$8,278	\$189,562	\$33,080	\$5,415	\$14,033	\$82,113	\$11,164	\$50,103	\$592	\$0	\$116,037	\$21,967	\$59,680	\$53,391	\$10,516	\$7,522

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

SPECIAL REVENUE											CAPITAL PROJECT			TOTAL
LEOSE TRAINING CONST- ABLE NO. 1	LEOSE TRAINING CONST- ABLE NO. 2	LIBRARY FUND	NARCO-TICS FUND	PRE TRIAL DIVER-SION	RECORD MANAGEMENT AND PRES-ERVATION	SPECIAL FOR-FEITURE	TCLEOSE TRAINING	TITLE IV-E	VEHICLE REPLACE-MENT	CAPITAL IMPROVE-MENT FUND	COASTAL IMPACT ASSIS-TANCE	COURT-HOUSE RESTOR-ATION	NON-MAJOR GOVERN-MENTAL FUND	
\$659				44,076	3,726		\$3,628			\$253,805			\$464,247	
		280	1,046	194	306				133				282,130	
		40,300	199			41,484			9,920				5,072	
659	0	40,580	1,245	44,270	4,032	41,484	3,628	0	10,053	0	253,805	0	233,757	
													985,206	
													33,254	
													7,986	
								1,479					541	
	708		123,703										209,306	
													150,924	
													117,078	
													276,021	
											253,805		261,089	
0	708	0	123,703	0	0	0	0	1,479	0	0	253,805	0	1,056,199	
659	(708)	40,580	(122,458)	44,270	4,032	41,484	3,628	(1,479)	10,053	0	0	0	(70,993)	
													440,928	
		(40,000)							100,000				(40,000)	
0	0	(40,000)	0	0	0	0	0	0	100,000	0	0	0	400,928	
659	(708)	580	(122,458)	44,270	4,032	41,484	3,628	(1,479)	110,053	0	0	0	329,935	
3,379	2,931	39,641	271,933	46,260	68,639	41,813	2,904	1,479	38,619	1,155	0	3,932	1,120,770	
\$4,038	\$2,223	\$40,221	\$149,475	\$90,530	\$72,671	\$83,297	\$6,532	\$0	\$148,672	\$1,155	\$0	\$3,932	\$1,450,705	



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

REFUGIO COUNTY, TEXAS
 AIRPORT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$94,800	\$94,800	\$112,039	\$17,239
Interest	0	0	2	2
Total Revenues	<u>94,800</u>	<u>94,800</u>	<u>112,041</u>	<u>17,241</u>
EXPENDITURES				
Current:				
Culture and Recreation	124,800	124,800	117,078	7,722
Total Expenditures	<u>124,800</u>	<u>124,800</u>	<u>117,078</u>	<u>7,722</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,000)</u>	<u>(30,000)</u>	<u>(5,037)</u>	<u>24,963</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	30,000	30,000	30,000	0
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Net Changes in Fund Balances	0	0	24,963	24,963
Fund Balances - Beginning	17,164	17,164	17,164	
Fund Balances - Ending	<u>\$17,164</u>	<u>\$17,164</u>	<u>\$42,127</u>	<u>\$24,963</u>

REFUGIO COUNTY, TEXAS
 ASSET SHARING
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$145	\$145	\$204	\$59
Total Revenues	145	145	204	59
EXPENDITURES				
Capital Projects -				
Capital Outlay and Other	42,130	42,130	0	42,130
Total Expenditures	42,130	42,130	0	42,130
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,985)	(41,985)	204	42,189
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	100,000	100,000
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	100,000	100,000
Net Changes in Fund Balances	(41,985)	(41,985)	100,204	142,189
Fund Balances - Beginning	42,175	42,175	42,175	
Fund Balances - Ending	\$190	\$190	\$142,379	\$142,189

REFUGIO COUNTY, TEXAS
 ATTORNEY ADMINISTRATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$1,000	\$1,000	560	(\$440)
Total Revenues	1,000	1,000	560	(440)
EXPENDITURES				
Current:				
Judicial	3,000	3,000	103	2,897
Total Expenditures	3,000	3,000	103	2,897
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(2,000)	457	2,457
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(2,000)	(2,000)	457	2,457
Fund Balances - Beginning	7,821	7,821	7,821	
Fund Balances - Ending	\$5,821	\$5,821	\$8,278	\$2,457

REFUGIO COUNTY, TEXAS
COUNTY CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$19,000	\$19,000	32,147	\$13,147
Interest	300	300	719	419
Total Revenues	19,300	19,300	32,866	13,566
EXPENDITURES				
Current:				
General Administration	61,000	61,000	0	61,000
Total Expenditures	61,000	61,000	0	61,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,700)	(41,700)	32,866	74,566
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(41,700)	(41,700)	32,866	74,566
Fund Balances - Beginning	156,696	156,696	156,696	
Fund Balances - Ending	\$114,996	\$114,996	\$189,562	\$74,566

REFUGIO COUNTY, TEXAS
 COURTHOUSE SECURITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$2,900	\$2,900	3,736	\$836
Interest	100	100	127	27
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>3,863</u>	<u>863</u>
EXPENDITURES				
Current:				
Public Safety	20,000	20,000	541	19,459
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>541</u>	<u>19,459</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,000)	(17,000)	3,322	20,322
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(17,000)	(17,000)	3,322	20,322
Fund Balances - Beginning	29,758	29,758	29,758	
Fund Balances - Ending	<u>\$12,758</u>	<u>\$12,758</u>	<u>\$33,080</u>	<u>\$20,322</u>

REFUGIO COUNTY, TEXAS
 COURT TECHNOLOGY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$800	\$800	1,493	\$693
Interest				0
Total Revenues	800	800	1,493	693
EXPENDITURES				
Current:				
Public Safety	4,300	4,300	0	4,300
Total Expenditures	4,300	4,300	0	4,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,500)	(3,500)	1,493	4,993
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(3,500)	(3,500)	1,493	4,993
Fund Balances - Beginning	3,922	3,922	3,922	
Fund Balances - Ending	\$422	\$422	\$5,415	\$4,993

REFUGIO COUNTY, TEXAS
DISTRICT CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$1,400	\$1,400	\$2,209	\$809
Interest	0	0	51	51
Total Revenues	1,400	1,400	2,260	860
EXPENDITURES				
Current:				
General Administration	6,400	6,400	0	6,400
Total Expenditures	6,400	6,400	0	6,400
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(5,000)	(5,000)	2,260	7,260
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(5,000)	(5,000)	2,260	7,260
Fund Balances - Beginning	11,773	11,773	11,773	
Fund Balances - Ending	\$6,773	\$6,773	\$14,033	\$7,260

REFUGIO COUNTY, TEXAS
 ELDERLY SERVICES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$125,815	\$125,815	\$113,918	(\$11,897)
Charges for Services	14,645	14,645	20,830	6,185
Interest	350	350	650	300
Miscellaneous	141,854	141,854	141,854	0
Total Revenues	<u>282,664</u>	<u>282,664</u>	<u>277,252</u>	<u>(5,412)</u>
EXPENDITURES				
Current:				
Health and Welfare	324,664	324,664	276,021	48,643
Total Expenditures	<u>324,664</u>	<u>324,664</u>	<u>276,021</u>	<u>48,643</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(42,000)</u>	<u>(42,000)</u>	<u>1,231</u>	<u>43,231</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(42,000)	(42,000)	1,231	43,231
Fund Balances - Beginning	80,882	80,882	80,882	
Fund Balances - Ending	<u>\$38,882</u>	<u>\$38,882</u>	<u>\$82,113</u>	<u>\$43,231</u>

REFUGIO COUNTY, TEXAS
 ELECTION ADMINISTRATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$2,500	\$2,500	\$1,908	(\$592)
Total Revenues	2,500	2,500	1,908	(592)
EXPENDITURES				
Current:				
Elections	6,025	6,025	0	6,025
Total Expenditures	6,025	6,025	0	6,025
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,525)	(3,525)	1,908	5,433
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(3,525)	(3,525)	1,908	5,433
Fund Balances - Beginning	9,256	9,256	9,256	
Fund Balances - Ending	\$5,731	\$5,731	\$11,164	\$5,433

REFUGIO COUNTY, TEXAS
 JAIL COMMISSARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$43,100	\$43,100	\$39,324	(\$3,776)
Interest	400	400	509	109
Total Revenues	<u>43,500</u>	<u>43,500</u>	<u>39,833</u>	<u>(3,667)</u>
EXPENDITURES				
Current:				
Public Safety	44,000	44,000	26,513	17,487
Total Expenditures	<u>44,000</u>	<u>44,000</u>	<u>26,513</u>	<u>17,487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(500)</u>	<u>(500)</u>	<u>13,320</u>	<u>13,820</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(500)	(500)	13,320	13,820
Fund Balances - Beginning	102,717	102,717	102,717	
Fund Balances - Ending	<u>\$102,217</u>	<u>\$102,217</u>	<u>\$116,037</u>	<u>\$13,820</u>

REFUGIO COUNTY, TEXAS
 JURY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$2,500	\$2,500	\$3,162	\$662
Charges for Services	500	500	570	70
Interest			12	12
Total Revenues	3,000	3,000	3,744	744
EXPENDITURES				
Current:				
Judicial	27,000	27,000	7,075	19,925
Total Expenditures	27,000	27,000	7,075	19,925
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(24,000)	(24,000)	(3,331)	20,669
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(24,000)	(24,000)	(3,331)	20,669
Fund Balances - Beginning	25,298	25,298	25,298	
Fund Balances - Ending	\$1,298	\$1,298	\$21,967	\$20,669

REFUGIO COUNTY, TEXAS
 JUSTICE COURT TECHNOLOGY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$22,000	\$22,000	16,966	(\$5,034)
Interest	170	170	300	130
Total Revenues	22,170	22,170	17,266	(4,904)
EXPENDITURES				
Current:				
Judicial	32,170	32,170	26,076	6,094
Total Expenditures	32,170	32,170	26,076	6,094
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(10,000)	(8,810)	1,190
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	1,043	1,043
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	1,043	1,043
Net Changes in Fund Balances	(10,000)	(10,000)	(7,767)	2,233
Fund Balances - Beginning	67,447	67,447	67,447	
Fund Balances - Ending	\$57,447	\$57,447	\$59,680	\$2,233

REFUGIO COUNTY, TEXAS
 JUVENILE SERVICES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$82,237	\$81,132	\$81,132	\$0
Interest	0	0	447	447
Total Revenues	82,237	81,132	81,579	447
EXPENDITURES				
Current:				
Public Safety	261,337	261,017	207,827	53,190
Total Expenditures	261,337	261,017	207,827	53,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	(179,100)	(179,885)	(126,248)	53,637
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	179,100	179,885	179,885	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	179,100	179,885	179,885	0
Net Changes in Fund Balances	0	0	53,637	53,637
Fund Balances - Beginning	(246)	(246)	(246)	
Fund Balances - Ending	(\$246)	(\$246)	\$53,391	\$53,637

REFUGIO COUNTY, TEXAS
LAW LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$2,000	\$2,000	2,546	\$546
Total Revenues	2,000	2,000	2,546	546
EXPENDITURES				
Current:				
Judicial	10,000	10,000	7,986	2,014
Total Expenditures	10,000	10,000	7,986	2,014
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,000)	(8,000)	(5,440)	2,560
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	5,000	5,000	5,000	0
Total Other Financing Sources (Uses)	5,000	5,000	5,000	0
Net Changes in Fund Balances	(3,000)	(3,000)	(440)	2,560
Fund Balances - Beginning	10,956	10,956	10,956	
Fund Balances - Ending	\$7,956	\$7,956	\$10,516	\$2,560

REFUGIO COUNTY, TEXAS
 LEOSE TRAINING - FIRE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$0	\$0	\$659	\$659
Interest				0
Total Revenues	0	0	659	659
EXPENDITURES				
Current:				
Public Safety	6,800	6,800	0	6,800
Total Expenditures	6,800	6,800	0	6,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,800)	(6,800)	659	7,459
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(6,800)	(6,800)	659	7,459
Fund Balances - Beginning	6,863	6,863	6,863	
Fund Balances - Ending	\$63	\$63	\$7,522	\$7,459

REFUGIO COUNTY, TEXAS
LEOSE TRAINING CONSTABLE NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$0	\$0	659	\$659
Interest				0
Total Revenues	0	0	659	659
EXPENDITURES				
Current:				
Public Safety	3,300	3,300	0	3,300
Total Expenditures	3,300	3,300	0	3,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,300)	(3,300)	659	3,959
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(3,300)	(3,300)	659	3,959
Fund Balances - Beginning	3,379	3,379	3,379	
Fund Balances - Ending	\$79	\$79	\$4,038	\$3,959

REFUGIO COUNTY, TEXAS
 LEOSE TRAINING CONSTABLE NO. 2
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental				\$0
Interest				0
Total Revenues	0	0	0	0
EXPENDITURES				
Current:				
Public Safety	2,900	2,900	708	2,192
Total Expenditures	2,900	2,900	708	2,192
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(2,900)	(2,900)	(708)	2,192
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(2,900)	(2,900)	(708)	2,192
Fund Balances - Beginning	2,931	2,931	2,931	
Fund Balances - Ending	\$31	\$31	\$2,223	\$2,192

REFUGIO COUNTY, TEXAS
LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$150	\$150	\$280	\$130
Miscellaneous	40,000	40,000	40,300	300
Total Revenues	40,150	40,150	40,580	430
EXPENDITURES				
Current:				
Culture and Recreation	10,150	10,150	0	10,150
Total Expenditures	10,150	10,150	0	10,150
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,000	30,000	40,580	10,580
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	(40,000)	(40,000)	(40,000)	0
Total Other Financing Sources (Uses)	(40,000)	(40,000)	(40,000)	0
Net Changes in Fund Balances	(10,000)	(10,000)	580	10,580
Fund Balances - Beginning	39,641	39,641	39,641	
Fund Balances - Ending	\$29,641	\$29,641	\$40,221	\$10,580

REFUGIO COUNTY, TEXAS
 NARCOTICS FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$1,297	\$1,297	1,046	(\$251)
Miscellaneous	1,600	1,600	199	(1,401)
Total Revenues	<u>2,897</u>	<u>2,897</u>	<u>1,245</u>	<u>(1,652)</u>
EXPENDITURES				
Current:				
Public Safety	202,997	202,997	123,703	79,294
Total Expenditures	<u>202,997</u>	<u>202,997</u>	<u>123,703</u>	<u>79,294</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(200,100)</u>	<u>(200,100)</u>	<u>(122,458)</u>	<u>77,642</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(200,100)	(200,100)	(122,458)	77,642
Fund Balances - Beginning	271,933	271,933	271,933	
Fund Balances - Ending	<u>\$71,833</u>	<u>\$71,833</u>	<u>\$149,475</u>	<u>\$77,642</u>

REFUGIO COUNTY, TEXAS
 PRE TRIAL DIVERSION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$35,000	\$35,000	44,076	\$9,076
Interest	0	0	194	194
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>44,270</u>	<u>9,270</u>
EXPENDITURES				
Current:				
General Administration	35,000	35,000	0	35,000
Total Expenditures	<u>35,000</u>	<u>35,000</u>	<u>0</u>	<u>35,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>44,270</u>	<u>44,270</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	0	0	44,270	44,270
Fund Balances - Beginning	46,260	46,260	46,260	
Fund Balances - Ending	<u>\$46,260</u>	<u>\$46,260</u>	<u>\$90,530</u>	<u>\$44,270</u>

REFUGIO COUNTY, TEXAS
 RECORDS MANAGEMENT AND PRESERVATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$3,200	\$3,200	3,726	\$526
Interest	200	200	306	106
Total Revenues	<u>3,400</u>	<u>3,400</u>	<u>4,032</u>	<u>632</u>
EXPENDITURES				
Current:				
General Administration	23,400	23,400	0	23,400
Total Expenditures	<u>23,400</u>	<u>23,400</u>	<u>0</u>	<u>23,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>4,032</u>	<u>24,032</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(20,000)	(20,000)	4,032	24,032
Fund Balances - Beginning	68,639	68,639	68,639	
Fund Balances - Ending	<u>\$48,639</u>	<u>\$48,639</u>	<u>\$72,671</u>	<u>\$24,032</u>

REFUGIO COUNTY, TEXAS
 SPECIAL FORFEITURE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$35	\$35	\$0	(\$35)
Miscellaneous	0	0	41,484	41,484
Total Revenues	35	35	41,484	41,449
EXPENDITURES				
Current:				
Capital Projects -				
Capital Outlay and Other	41,700	41,700	0	41,700
Total Expenditures	41,700	41,700	0	41,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,665)	(41,665)	41,484	83,149
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(41,665)	(41,665)	41,484	83,149
Fund Balances - Beginning	41,813	41,813	41,813	
Fund Balances - Ending	\$148	\$148	\$83,297	\$83,149

REFUGIO COUNTY, TEXAS

TITLE IV-E

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$0	\$0	\$0	\$0
Interest	0	0		0
Total Revenues	0	0	0	0
EXPENDITURES				
Current:				
Public Safety	1,479	1,479	1,479	0
Total Expenditures	1,479	1,479	1,479	0
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(1,479)	(1,479)	(1,479)	0
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(1,479)	(1,479)	(1,479)	0
Fund Balances - Beginning	1,479	1,479	1,479	
Fund Balances - Ending	\$0	\$0	\$0	\$0

REFUGIO COUNTY, TEXAS
 VEHICLE REPLACEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Miscellaneous	\$16,400	\$16,400	\$9,920	(\$6,480)
Interest	100	100	133	33
Total Revenues	<u>16,500</u>	<u>16,500</u>	<u>10,053</u>	<u>(6,447)</u>
EXPENDITURES				
Current				
Capital Projects -				
Capital Outlay and Other	52,000	52,000	0	52,000
Total Expenditures	<u>52,000</u>	<u>52,000</u>	<u>0</u>	<u>52,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(35,500)</u>	<u>(35,500)</u>	<u>10,053</u>	<u>45,553</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	100,000	100,000
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Net Changes in Fund Balances	(35,500)	(35,500)	110,053	145,553
Fund Balances - Beginning	38,619	38,619	38,619	
Fund Balances - Ending	<u>\$3,119</u>	<u>\$3,119</u>	<u>\$148,672</u>	<u>\$145,553</u>



AGENCY



REFUGIO COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Juvenile Fee Funds	State Fees	Cash Bond Fund	TDRA Grant Fund	County Officer Accounts	Total
ASSETS						
Cash and Cash Equivalents	\$15,340	\$115,606	\$62,600	\$0	\$1,411,019	\$1,604,565
Accounts Receivable	0	50,113	0			50,113
Total Assets	<u>\$15,340</u>	<u>\$165,719</u>	<u>\$62,600</u>	<u>\$0</u>	<u>\$1,411,019</u>	<u>\$1,654,678</u>
LIABILITIES:						
Accounts Payable	\$0	\$148,282	\$0	\$0	\$0	\$148,282
Due to Others	15,340	17,437	62,600	0	1,411,019	1,506,396
Total Liabilities	<u>\$15,340</u>	<u>\$165,719</u>	<u>\$62,600</u>	<u>\$0</u>	<u>\$1,411,019</u>	<u>\$1,654,678</u>

REFUGIO COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

<u>JUVENILE FEE FUND</u>	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2015
ASSETS				
Cash and Cash Equivalents	\$17,871	\$641	\$3,172	\$15,340
Accounts Receivable	0			0
Total Assets	<u>\$17,871</u>	<u>\$641</u>	<u>\$3,172</u>	<u>\$15,340</u>

LIABILITIES:				
Accounts Payable				\$0
Due to Others	17,871	641	3,172	15,340
Total Liabilities	<u>\$17,871</u>	<u>\$641</u>	<u>\$3,172</u>	<u>\$15,340</u>

<u>STATE FEES</u>	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2015
ASSETS				
Cash and Cash Equivalents	\$134,563	\$713,539	\$732,496	\$115,606
Accounts Receivable	67,875	50,113	67,875	50,113
Total Assets	<u>\$202,438</u>	<u>\$763,652</u>	<u>\$800,371</u>	<u>\$165,719</u>

LIABILITIES:				
Accounts Payable	185,923	148,282	185,923	148,282
Due to Others	16,515	615,370	614,448	17,437
Total Liabilities	<u>\$202,438</u>	<u>\$763,652</u>	<u>\$800,371</u>	<u>\$165,719</u>

<u>CASH BOND FUND</u>	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2015
ASSETS				
Cash and Cash Equivalents	\$62,294	\$306	\$0	\$62,600
Accounts Receivable	0			0
Total Assets	<u>\$62,294</u>	<u>\$306</u>	<u>\$0</u>	<u>\$62,600</u>

LIABILITIES:				
Accounts Payable				\$0
Due to Others	62,294	306	0	62,600
Total Liabilities	<u>\$62,294</u>	<u>\$306</u>	<u>\$0</u>	<u>\$62,600</u>

	<u>TDRA FUND</u>			
	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2015
ASSETS				
Cash and Cash Equivalents	\$0	\$457,436	\$457,436	\$0
Accounts Receivable				0
Total Assets	\$0	\$457,436	\$457,436	\$0

LIABILITIES:				
Accounts Payable				
Due to Others	0	457,436	457,436	0
Total Liabilities	\$0	\$457,436	\$457,436	\$0

	<u>COUNTY OFFICER ACCOUNTS</u>			
	10/1/2014	ADDITIONS	DEDUCTIONS	9/30/2015
ASSETS				
Cash and Cash Equivalents	\$664,412	\$746,607		\$1,411,019
Accounts Receivable				0
Total Assets	\$664,412	\$746,607	\$0	\$1,411,019

LIABILITIES:				
Accounts Payable				\$0
Due to Others	664,412	746,607	0	1,411,019
Total Liabilities	\$664,412	\$746,607	\$0	\$1,411,019

	<u>TOTAL</u>			
	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2015
ASSETS				
Cash and Cash Equivalents	\$879,140	\$1,918,529	\$1,193,104	\$1,604,565
Accounts Receivable	67,875	50,113	67,875	50,113
Total Assets	\$947,015	\$1,968,642	\$1,260,979	\$1,654,678

LIABILITIES:				
Accounts Payable	180,970	\$148,282	\$185,923	\$148,282
Due to Others	766,045	1,820,360	1,260,979	1,506,396
Total Liabilities	\$947,015	\$1,968,642	\$1,446,902	\$1,654,678



SINGLE AUDIT SECTION

REFUGIO COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

SOURCE AND TITLE OF GRANT	FEDERAL CFDA NUMBER	GRANTOR'S/ PASS-THROUGH GRANTOR'S NUMBER	AWARD AMOUNT	PROGRAM EXPENDI- TURES
FEDERAL ASSISTANCE				
NON-STIMULUS PROGRAMS				
U.S. Department of Health and Human Services				
Passed Through				
Office of the Attorney General				
Child Support Enforcement-Title IV-D (NM)	93.563	NONE		<u>\$5,362</u>
Passed Through				
Coastal Bend Area Agency on Aging				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers TITLE III-B (NM)	93.044	AAA-1048-11B		10,633
Special Programs for the Aging - Title III, Part C - Nutrition Services TITLE III-C (NM)	93.045	AAA-1048-11		26,400
Total U.S. Department of Health and Human Services				<u>42,395</u>
U.S. Department of the Interior				
Fish and Wildlife Service				
Direct				
Coastal Impact Assistance Program (NM)	15.668			253,805
Total U.S. Department of the Interior				<u>253,805</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grants/States Program (M)				
Passed Through				
Texas Department of Agriculture				
Water and Sewer Improvements		713401	300,000	150,444
Water and Sewer Improvements		713095	500,000	266,848
Total U.S. Department of Housing and Urban Development				<u>417,292</u>
U.S. Department of Homeland Security				
Passed Through				
Texas Division of Emergency Management				
Operation Stonegarden Grant Program (M)	97.067			
Year 2012		EMW-2012-SS-00018-501	450,000	100,099
Year 2013				351,537
Year 2014				196,551
Total U.S. Department of Homeland Security				<u>648,187</u>
TOTAL NON-STIMULUS PROGRAMS				<u>1,361,679</u>
Total Federal Assistance				<u>\$1,361,679</u>

CFDA=CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE NUMBER

M=MAJOR PROGRAM

NM=NONMAJOR PROGRAM

See Accompanying Notes to Schedule of Federal Financial Assistance

REFUGIO COUNTY, TEXAS
 BUDGET COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

Federal Grantor: U.S. Department of Housing and Urban Development
 Pass Through Grantor: Texas Department of Agriculture
 CFDA Number: 14.228
 Project Number: 713401
 Contract Period: 11/12/2013 to 11/11/2015

	FEDERAL		LOCAL MATCH		VARIANCE
	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	
REVENUE					
Federal	\$300,000	\$43,820	\$150,444		\$105,736
Local					0
TOTAL REVENUE:	300,000	43,820	150,444	0	105,736
EXPENSES					
Federal					
Water Improvements - Construction	155,335		72,954		82,381
Water Improvements - Engineering	27,720	14,414	9,425		3,881
Sewer Improvements - Construction	73,665		58,519		15,146
Sewer Improvements - Engineering	13,280	6,906	5,046		1,328
General Administration	30,000	22,500	4,500		3,000
TOTAL EXPENSES	300,000	43,820	150,444	0	105,736
Excess Revenue over Expenditures	\$0	\$0	\$0	\$0	\$0

Federal Grantor: U.S. Department of Housing and Urban Development
 Pass Through Grantor: Texas Department of Agriculture
 CFDA Number: 14.228
 Project Number: 713095
 Contract Period: 01/23/2014 to 01/22/2016

	FEDERAL		LOCAL MATCH		VARIANCE
	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	
REVENUE					
Federal	\$500,000	\$28,625	\$266,848		\$204,527
Local					0
TOTAL REVENUE:	500,000	28,625	266,848	0	204,527
EXPENSES					
Federal					
Water Improvements - Construction	399,500		231,948		167,552
Water Improvements - Engineering	50,000	14,625	16,900		18,475
Rehab Single - Unit - Water	10,500				10,500
General Administration	40,000	14,000	18,000		8,000
TOTAL EXPENSES	500,000	28,625	266,848	0	204,527
Excess Revenue over Expenditures	\$0	\$0	\$0	\$0	\$0

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Commissioner's Court
Refugio County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Refugio County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Refugio County, Texas' basic financial statements and have issued our report thereon dated April 22, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wayne R. Beyer

BEYER & COMPANY
Certified Public Accountants
April 22, 2016

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Commissioner's Court
Refugio County, Texas

Report on Compliance for Each Major Federal Program

We have audited Refugio County, Texas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Refugio County, Texas' major federal programs for the year ended September 30, 2015. Refugio County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Refugio County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Refugio County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Refugio County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance.

Report on Internal Control over Compliance

Management of Refugio County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Refugio County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Refugio County, Texas' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Wayne R. Beyer

BEYER & COMPANY
Certified Public Accountants
April 22, 2016

REFUGIO COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

General

The accompanying Schedule of Expenditure of Federal Awards presents the activity of all Refugio County, Texas's Federal grants for the year ended September 30, 2015. This report is intended for the information of Refugio County, Texas, and Federal awarding agencies, and is not intended to be used and should not be used by anyone other than these specified parties.

Basis of Accounting

The Schedule of Expenditure of Federal Awards is presented using the modified accrual basis of accounting.

Non Cash Grants

Refugio County received no non-cash grants for the year ended September 30, 2015.

REFUGIO COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Federal

There were no prior audit findings for Federal Awards.

REFUGIO COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Refugio County, Texas.
2. There were no significant deficiencies disclosed during the audit. There were no material weaknesses disclosed during the audit.
3. There were no instances of noncompliance material to the financial statements of the Refugio County, Texas, which would be required to be reported in accordance with Government Auditing Standards.
4. There were no significant deficiencies over major Federal award programs disclosed during the audit. There were no material weaknesses over major Federal award programs disclosed during the audit.
5. The auditor's report on compliance for the major Federal award programs for Refugio County, Texas expresses an unqualified opinion on all major Federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs: Operation Stonegarden Grant Program – CFDA 97.067 and Community Development Block Grants/States Program – CFDA 14.228.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Refugio County did not qualify as a low-risk auditee.
10. Material Weaknesses
 - a. There was no material weakness disclosed during the audit.

Findings relating to the Financial Statements

There were no significant deficiencies, material weaknesses, questioned costs, or noncompliances with respect to the Financial Statements.

Findings and Questioned Costs for Federal Awards

There were no significant deficiencies, material weaknesses, questioned costs, or noncompliances with respect to federal awards.

