



TOM GREEN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

TOM GREEN COUNTY, TEXAS

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FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Tom Green County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County, Texas, as of September 30, 2014, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the budgetary comparisons on pages 36 through 39, and the schedules of funding progress on pages 40 and 41 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 of Tom Green County, Texas' basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

In our opinion, the combining fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015, on our consideration of Tom Green 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 Tom Green County, Texas' internal control over financial reporting and compliance.

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

Waco, Texas
March 30, 2015

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Tom Green County, Texas, we offer readers of Tom Green County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here with the County's financial statements which follow.

FINANCIAL HIGHLIGHTS

- The assets of Tom Green County exceeded its liabilities as of September 30, 2014, by \$61,777,651. Of this amount, \$16,894,574 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designations and fiscal policies.
- The County's total net position increased by \$2,778,698.
- As of the close of the current fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$20,968,492, an increase of \$568,559 compared to the prior year.
- The unassigned fund balance for the General Fund was \$15,930,708 or 42% of total General Fund expenditures. Unassigned fund balance increased 7% from the prior year's unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Tom Green County maintains 33 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 Texas Juvenile Probation Contracts Fund and the Grants Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County’s financial position. In the case of Tom Green County, assets exceeded liabilities by \$61,777,651 at the close of the fiscal year.

Tom Green County’s investment in capital assets (e.g. land, buildings, furniture and equipment, and roads and bridges), less any related outstanding debt used to acquire those assets, is 66% of net position. Tom Green County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Tom Green County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining net position, \$16,894,574 is unrestricted and may be used to meet the County’s ongoing obligations to citizens and creditors, and 6%, \$4,400,359, of net position is restricted.

TOM GREEN COUNTY’S NET POSITION

	Governmental Activities	
	2014	2013
Current assets	\$ 26,569,776	\$ 25,520,369
Capital assets	45,539,703	45,285,737
Total assets	72,109,479	70,806,106
Current liabilities	3,254,160	2,016,129
Long-term liabilities	7,026,002	9,716,180
Total liabilities	10,280,162	11,732,309
Net position:		
Net investment in capital assets	40,482,718	38,421,754
Restricted	4,400,359	4,254,523
Unrestricted	16,894,574	16,397,520
Total net position	\$ 61,777,651	\$ 59,073,797

As of September 30, 2014, the County has positive balances in all categories of net position.

TOM GREEN COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2014	2013
REVENUES		
Program revenues:		
Charges for services	\$ 6,603,347	\$ 6,466,450
Operating grants and contributions	3,768,466	3,287,547
General revenues:		
Property taxes	26,110,128	24,961,570
Other taxes	9,862,866	8,775,533
Investment earnings	41,944	47,437
Miscellaneous	323,712	169,480
Total revenues	46,710,463	43,708,017
EXPENSES		
General government	15,798,025	14,334,878
Public safety	21,957,541	20,355,678
Highways and streets	2,903,360	3,011,760
Conservation	322,840	139,788
Health and welfare	438,005	516,542
Culture and recreation	2,383,631	2,268,267
Interest on long-term debt	128,363	330,709
Total expenses	43,931,765	40,957,622
CHANGE IN NET POSITION	2,778,698	2,750,395
NET POSITION, BEGINNING	59,073,797	56,323,402
CHANGE IN ACCOUNTING PRINCIPLE	(74,844)	-
NET POSITION, ENDING	\$ 61,777,651	\$ 59,073,797

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

- Property tax revenues increased by \$1,073,540 from fiscal year 2013 to 2014. This was the result of increases in the property tax base in the County. Property taxes levied on new property added to the tax base this year were \$277,930.
- Other tax revenue includes sales tax collections of \$9,463,558. This is an increase of 11.8% over fiscal year 2013 and indicates ongoing strength in the local economy, a trend that continues into fiscal year 2015.
- Total expenses for governmental activities increased by 7.2% across the functions of government. This increase is comprised of an approximate 4.7% increase in employee health insurance premium costs, and the County also provided cost of living wage increases between 3% and 5% for employees. In addition, renovation projects continued on the Edd B. Keyes building with the start of substantial construction on the first floor. These costs are part of the increase in the general government category.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

At the end of the 2014 fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$20,968,492, an increase of \$568,559 compared with the prior year.

The General Fund is the chief operating fund of Tom Green County. At the end of fiscal year 2014, the General Fund had a fund balance of \$16,180,771 with \$9,337 classified as nonspendable. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 42% of total General Fund expenditures. In addition, overall revenue in the General Fund increased \$2,436,482 from 2013, and General Fund expenditures increased \$4,749,346 in the same time.

Descriptions of Functions/Programs:

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

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

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

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

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

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

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

Capital Assets and Debt Administration

The County's investment in capital assets for its governmental activities as of September 30, 2014, amounts to \$45,539,703, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, infrastructure (roads and bridges), equipment, and furnishings. In addition, the County capitalized the following amounts during the year in completing capital projects or purchasing assets:

Land	\$ 13,983
Construction in progress	714,146
Buildings	419,514
Machinery and equipment	2,007,716
Infrastructure	821,460

CAPITAL ASSETS

	Historical Cost	Accumulated Depreciation	Net Investment
Land	\$ 3,789,231	\$ -	\$ 3,789,231
Construction in progress	748,724	-	748,724
Buildings and improvements	61,634,696	27,745,090	33,889,606
Improvements other than buildings	57,870	33,518	24,352
Machinery and equipment	15,594,287	11,569,640	4,024,647
Infrastructure	<u>22,670,780</u>	<u>19,607,637</u>	<u>3,063,143</u>
Total	<u>\$ 104,495,588</u>	<u>\$ 58,955,885</u>	<u>\$ 45,539,703</u>

LONG-TERM DEBT

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

	Original Amount	Interest Rate	Balance 09/30/13
Tax anticipation note, 2009	\$ 8,350,000	2.5%	\$ 5,470,000
Bond premium	80,921	N/A	26,973
Compensated absences	N/A	N/A	1,103,353
Net OPEB obligation	N/A	N/A	<u>425,676</u>
Total			<u>\$ 7,026,002</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

In fiscal year 2014, significant budget items included cost of living wage increases for County employees, health care costs for employees, and new vehicle and equipment purchases as the County maintains its fleet. Renovation of the first floor of the Edd B. Keyes Building began in late 2013, and saw major construction start during fiscal year 2014. The first floor is anticipated to be complete in fiscal year 2015, and will house various County offices that see and serve the public directly. The Commissioners Court also made revisions during the year to the original appropriations approved for the 2014 fiscal year budget. These revisions were mainly transfers within departments necessary to cover the expenditures of office by individual line items. Property tax rates remained the same for the fiscal year, while property values showed increases overall, which equated to additional property tax revenue for the budget. Sales tax collections continue to be strong, reaching more records during the year. The County budgets conservatively for anticipated revenues and expenditures, allowing for an adequate reserve in fund balance as a safety net and savings for future capital outlay.

ECONOMIC FACTORS

The recent growth in the oil field and related industries has slowed due to the market prices of crude. While neighboring Counties have felt a more immediate effect of this slowdown, Tom Green County's diverse local economy has blunted the impact. In fact, early in 2015 sales tax collections were continuing to post double digit gains over the same months in the prior year. Property tax values continue to increase as well, with expected growth for the next few years due to market conditions and some areas of under-valuation in the County from previous years. The County's debt remains very low, with full payoff of current obligations to occur in fiscal year 2016. Equity has been well preserved in the County and has allowed for major projects like the Edd B. Keyes Building renovation to be paid for without incurring additional debt.

FUTURE BUDGET CONCERNS

The County continues to budget and plan for capital improvements to maintain its assets and provide suitable space for public business and County employees. In future budgets, the County will dedicate funds from reserves to complete the first floor renovation of the Edd B. Keyes Building and also start the renovation of the second floor offices. In the longer term, the County will explore options to address expansion needs for the jail and courtroom facilities. The County has contracted for needs assessments to be performed in both cases, and facilities or projects could be included in future budgets as soon as fiscal year 2016 or 2017. The County also must continue to address employee retention and compensation as the local economy grows and attracts away prospects. In addition, a large portion of the County's employees are nearing retirement age. The County will need a compensation plan that will allow it to attract and retain qualified workers. The County has and continues to make efforts at improving cost efficiencies with each budget in various other areas to best utilize taxpayer funds.

REQUESTS FOR INFORMATION

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

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

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**BASIC
FINANCIAL STATEMENTS**

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TOM GREEN COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 3,234,163
Investments	18,441,480
Receivables (net of allowances for uncollectibles)	4,336,152
Due from other governments	543,644
Prepaid expenses	6,299
Inventory	8,038
Capital assets:	
Land	3,789,231
Construction in progress	748,724
Buildings	61,634,696
Improvements other than buildings	57,870
Furniture and equipment	15,594,287
Infrastructure	22,670,780
Less: accumulated depreciation	<u>(58,955,885)</u>
Total capital assets	<u>45,539,703</u>
Total assets	<u>72,109,479</u>
LIABILITIES	
Accounts payable	2,359,946
Accrued liabilities	869,106
Accrued interest	25,108
Unearned revenue	51,666
Noncurrent liabilities:	
Due within one year	2,910,671
Due in more than one year	<u>4,115,331</u>
Total liabilities	<u>10,331,828</u>
NET POSITION	
Net investment in capital assets	40,482,718
Restricted for:	
Debt service	131,523
Juvenile Probation	1,434,324
Road and bridge	723,127
Grants	115,609
Other	1,995,776
Unrestricted	<u>16,894,574</u>
Total net position	<u>\$ 61,777,651</u>

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

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TOM GREEN COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
General government	\$ 15,798,025	\$ 4,117,847	\$ 1,329,572	\$(10,350,606)
Public safety	21,957,541	434,432	2,001,239	(19,521,870)
Highways and streets	2,903,360	1,872,906	-	(1,030,454)
Conservation	322,840	81,550	189,300	(51,990)
Health and welfare	438,005	9,119	67,853	(361,033)
Culture and recreation	2,383,631	87,493	180,502	(2,115,636)
Interest on long-term debt	<u>128,363</u>	<u>-</u>	<u>-</u>	<u>(128,363)</u>
Total governmental activities	<u>\$ 43,931,765</u>	<u>\$ 6,603,347</u>	<u>\$ 3,768,466</u>	<u>(33,559,952)</u>
General revenues:				
Taxes:				
Property, levied for general purposes				23,340,190
Property, levied for debt service				2,769,938
Sales				9,463,558
Other				399,308
Unrestricted investment earnings				41,944
Miscellaneous				<u>323,712</u>
Total general revenues				<u>36,338,650</u>
Change in net position				2,778,698
Net position - beginning				<u>59,073,797</u>
Change in accounting principle				<u>(74,844)</u>
Net position - beginning - restated				<u>58,998,953</u>
Net position - ending				<u>\$ 61,777,651</u>

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

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TOM GREEN COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	<u>General</u>	<u>Texas Juvenile Probation Contracts</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 436,345	\$ 1,343,041	\$ 9,327	\$ 1,445,450	\$ 3,234,163
Investments	16,216,013	-	-	2,225,467	18,441,480
Receivables (net of allowances for uncollectibles):					
Accounts	1,699,046	-	37	13,457	1,712,540
Taxes:					
Property	748,352	-	-	89,691	838,043
Sales	1,693,374	-	-	-	1,693,374
Mixed beverage	92,195	-	-	-	92,195
Due from other funds	66,760	-	120,537	2,049	189,346
Due from other governments	168,131	167,653	65,760	142,100	543,644
Inventory	8,038	-	-	-	8,038
Prepaid items	1,299	-	5,000	-	6,299
	<u>21,129,553</u>	<u>1,510,694</u>	<u>200,661</u>	<u>3,918,214</u>	<u>26,759,122</u>
Total assets	\$ <u>21,129,553</u>	\$ <u>1,510,694</u>	\$ <u>200,661</u>	\$ <u>3,918,214</u>	\$ <u>26,759,122</u>
LIABILITIES					
Accounts payable	\$ 1,746,733	\$ 58,965	\$ 9,338	\$ 544,910	\$ 2,359,946
Accrued liabilities	785,565	17,405	16,673	49,463	869,106
Due to other funds	121,985	-	59,041	8,320	189,346
Unearned revenue	51,666	-	-	-	51,666
Total liabilities	<u>2,705,949</u>	<u>76,370</u>	<u>85,052</u>	<u>602,693</u>	<u>3,470,064</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	652,687	-	-	77,733	730,420
Unavailable revenue - fines and fees	1,590,146	-	-	-	1,590,146
Total deferred inflows of resources	<u>2,242,833</u>	<u>-</u>	<u>-</u>	<u>77,733</u>	<u>2,320,566</u>
FUND BALANCES					
Nonspendable	9,337	-	-	-	9,337
Restricted	-	1,434,324	115,609	3,237,788	4,787,721
Assigned	240,726	-	-	-	240,726
Unassigned	15,930,708	-	-	-	15,930,708
Total fund balances	<u>16,180,771</u>	<u>1,434,324</u>	<u>115,609</u>	<u>3,237,788</u>	<u>20,968,492</u>
	<u>21,129,553</u>	<u>1,510,694</u>	<u>200,661</u>	<u>3,918,214</u>	<u>26,759,122</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>21,129,553</u>	\$ <u>1,510,694</u>	\$ <u>200,661</u>	\$ <u>3,918,214</u>	\$ <u>26,759,122</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 45,539,703
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not included in fund balance.	2,320,566
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.	(7,051,110)
Net position of governmental activities	\$ <u>61,777,651</u>

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

TOM GREEN COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General	Texas Juvenile Probation Contracts	Grants	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES					
Taxes	\$ 33,221,027	\$ -	\$ -	\$ 2,796,287	\$ 36,017,314
Fees of office	2,442,239	-	-	1,984,983	4,427,222
Intergovernmental	1,547,854	1,073,317	873,802	266,000	3,760,973
Fines and forfeitures	1,022,568	-	-	154,076	1,176,644
Licenses and permits	42,502	-	-	464,786	507,288
Donations	293	-	-	5,500	5,793
Investment income	38,408	681	-	2,855	41,944
Miscellaneous	<u>647,232</u>	<u>-</u>	<u>-</u>	<u>193,112</u>	<u>840,344</u>
Total revenues	<u>38,962,123</u>	<u>1,073,998</u>	<u>873,802</u>	<u>5,867,599</u>	<u>46,777,522</u>
EXPENDITURES					
Current:					
General government	14,382,787	-	35,266	488,237	14,906,290
Public safety	18,667,713	1,063,977	727,716	197,547	20,656,953
Highways and streets	-	-	-	2,148,350	2,148,350
Culture and recreation	2,208,320	-	31,452	105,455	2,345,227
Health and welfare	436,402	-	-	-	436,402
Conservation	133,051	-	-	189,300	322,351
Debt service:					
Principal	290,400	-	-	2,555,000	2,845,400
Interest and other charges	106	-	-	183,021	183,127
Capital outlay	<u>1,616,500</u>	<u>49,654</u>	<u>29,967</u>	<u>1,419,587</u>	<u>3,115,708</u>
Total expenditures	<u>37,735,279</u>	<u>1,113,631</u>	<u>824,401</u>	<u>7,286,497</u>	<u>46,959,808</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,226,844</u>	<u>(39,633)</u>	<u>49,401</u>	<u>(1,418,898)</u>	<u>(182,286)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	750,845	-	-	-	750,845
Transfers in	173,134	-	66,208	943,074	1,182,416
Transfers out	<u>(1,009,282)</u>	<u>-</u>	<u>-</u>	<u>(173,134)</u>	<u>(1,182,416)</u>
Total other financing sources (uses)	<u>(85,303)</u>	<u>-</u>	<u>66,208</u>	<u>769,940</u>	<u>750,845</u>
NET CHANGE IN FUND BALANCES	1,141,541	(39,633)	115,609	(648,958)	568,559
FUND BALANCES, BEGINNING	<u>15,039,230</u>	<u>1,473,957</u>	<u>-</u>	<u>3,886,746</u>	<u>20,399,933</u>
FUND BALANCES, ENDING	<u>\$ 16,180,771</u>	<u>\$ 1,434,324</u>	<u>\$ 115,609</u>	<u>\$ 3,237,788</u>	<u>\$ 20,968,492</u>

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

TOM GREEN COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Net change in fund balances - total governmental funds:	\$ 568,559
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	317,336
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(790,446)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(794,135)
Governmental funds report repayment of long-term debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.	2,845,400
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.	<u>(95,092)</u>
Change in net position of governmental activities	<u>\$ 2,051,622</u>

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

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TOM GREEN COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 3,534,934
Investments	1,408,448
Accounts receivable	31,695
Due from other governments	<u>19,000</u>
Total assets	<u>\$ 4,994,077</u>
LIABILITIES	
Accounts payable	\$ 3,483,155
Due to other governments	<u>1,510,922</u>
Total liabilities	<u>\$ 4,994,077</u>

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

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TOM GREEN COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

The County has the following major governmental funds:

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

The ***Texas Juvenile Probation Contracts Fund*** is used to account for the accumulation of state funding for the Tom Green County Juvenile Probation and Detention departments. It accounts separately for each revenue stream from the Texas Juvenile Probation Commission for the operation of offender supervision and rehabilitation.

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

Additionally, the County reports the following fund types:

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

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

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

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

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

Deposits and Investments

The County's cash and investments consist of cash on hand, demand deposits, and investment pools.

Investments for the County are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations. The reported values of the pools are the same as the fair value of the pool shares.

Receivables and Payables

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

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

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

Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that qualify for reporting in this category as of September 30, 2014.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item, which arises only under the 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.

Compensated Absences

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

Long-term Obligations

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

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

Fund Balance Classification

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

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

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

Net Position

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

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(7,051,110) difference are as follows:

Bonds and notes payable	\$(5,470,000)
Accrued interest payable	(25,108)
Compensated absences	(1,103,353)
Net OPEB obligation	(425,676)
Bond premium	<u>(26,973)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$(7,051,110)</u></u>

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

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$317,336 difference are as follows:

Capital outlay	\$ 3,976,819
Depreciation expense	<u>(3,659,483)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 317,336</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$(794,135) difference are as follows:

Property tax revenue	\$(44,320)
Fines and fees	<u>(749,815)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$(794,135)</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(95,092) difference are as follows:

Compensated absences	\$(86,501)
Accrued interest	60,130
Increase in Net OPEB Obligation	(63,355)
Amortized loss on refunding	(18,853)
Amortized bond premium	<u>13,487</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$(95,092)</u>

3. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2014, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Texas CLASS	\$ 6,285,753	43
TexPool	3,606,627	48
TexPool Prime	3,011,402	46
Certificates of deposit	<u>5,537,698</u>	
Total fair value	<u>\$ 18,441,480</u>	
Portfolio weighted average maturity (days)		46

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, and (9) 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, and (10) common trust funds.

The County's investment pools are 2a7-like pools. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Regulatory oversight for the operations of the external investment pools are found in the Public Funds Investment Act of the State of Texas. Required oversight for pools includes compliance with investment guidelines, annual independent audits, and the establishment of oversight boards.

Interest Rate Risk

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

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2014, the County's deposit balance was entirely collateralized with securities held by the pledging financial institution or covered by FDIC insurance.

Credit Risk

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

Texas CLASS	AAAm
TexPool	AAAm
TexPool Prime	AAAm

Receivables

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

	<u>General</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 2,658,852	\$ -	\$ 113,868	\$ 2,772,720
Accounts	<u>5,409,387</u>	<u>37</u>	<u>13,457</u>	<u>5,422,881</u>
Gross receivables	8,068,239	37	127,325	8,195,601
Less: allowance for uncollectibles	<u>3,835,272</u>	<u>-</u>	<u>24,177</u>	<u>3,859,449</u>
Net total receivables	<u>\$ 4,232,967</u>	<u>\$ 37</u>	<u>\$ 103,148</u>	<u>\$ 4,336,152</u>

Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,775,853	\$ 13,983	\$(605)	\$ 3,789,231
Construction in progress	45,078	714,146	(10,500)	748,724
Total capital assets being depreciated	<u>3,820,931</u>	<u>728,129</u>	<u>(11,105)</u>	<u>4,537,955</u>
Capital assets, being depreciated:				
Buildings	61,585,981	419,514	(370,799)	61,634,696
Improvements other than buildings	57,870	-	-	57,870
Infrastructure	21,857,668	821,460	(8,348)	22,670,780
Machinery and equipment	15,003,498	2,007,716	(1,416,927)	15,594,287
Total capital assets being depreciated	<u>98,505,017</u>	<u>3,248,690</u>	<u>(1,796,074)</u>	<u>99,957,633</u>
Less accumulated depreciation:				
Buildings	(26,216,194)	(1,897,495)	368,599	(27,745,090)
Improvements other than buildings	(30,624)	(2,894)	-	(33,518)
Infrastructure	(19,273,888)	(342,096)	8,347	(19,607,637)
Machinery and equipment	(11,519,505)	(1,416,998)	1,366,863	(11,569,640)
Total accumulated depreciation	<u>(57,040,211)</u>	<u>(3,659,483)</u>	<u>1,743,809</u>	<u>(58,955,885)</u>
Total capital assets being depreciated, net	<u>41,464,806</u>	<u>(410,793)</u>	<u>(52,265)</u>	<u>41,001,748</u>
Governmental activities capital assets, net	<u>\$ 45,285,737</u>	<u>\$ 317,336</u>	<u>\$(63,370)</u>	<u>\$ 45,539,703</u>

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

Governmental activities:	
General government	\$ 1,657,839
Public safety	1,224,737
Highways and streets	747,118
Culture and recreation	<u>29,789</u>
	<u>\$ 3,659,483</u>

Interfund Receivables, Payables and Transfers

Due to/from other funds:

	Due to:			
	General	Grants	Nonmajor Funds	Total
Due from:				
General	\$ -	\$ 58,440	\$ 8,320	\$ 66,760
Grants	120,537	-	-	120,537
Nonmajor	<u>1,448</u>	<u>601</u>	<u>-</u>	<u>2,049</u>
 Total	 <u>\$ 121,985</u>	 <u>\$ 59,041</u>	 <u>\$ 8,320</u>	 <u>\$ 189,346</u>

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

Interfund transfers:

	Transfers out		
	General	Nonmajor Funds	Total
Transfers in:			
General	\$ -	\$ 173,134	\$ 173,134
Grants	66,208	-	66,208
Nonmajor funds	<u>943,074</u>	<u>-</u>	<u>943,074</u>
 Total transfers	 <u>\$ 1,009,282</u>	 <u>\$ 173,134</u>	 <u>\$ 1,182,416</u>

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

Fund Balance:

As of September 30, 2014, governmental fund balance is composed of the following:

Fund Balance Classification	General	Texas Juvenile Probation Contracts	Grants	Other Governmental	Total
Nonspendable:					
Inventories	\$ 8,038	\$ -	\$ -	\$ -	\$ 8,038
Prepaid items	<u>1,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,299</u>
Total Nonspendable	<u>9,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,337</u>
Restricted:					
Retirement of long-term debt	-	-	-	78,897	78,897
Road and bridge	-	-	-	743,578	743,578
Library services	-	-	-	577,966	577,966
Federal and state programs	-	1,434,324	115,609	34,102	1,584,035
Judicial services	-	-	-	13,057	13,057
County Clerk	-	-	-	435,542	435,542
District Clerk	-	-	-	197,615	197,615
Justice Court technology	-	-	-	122,256	122,256
Courthouse security	-	-	-	91,247	91,247
District Attorney	-	-	-	22,136	22,136
County Attorney	-	-	-	410,724	410,724
Veterans' services	-	-	-	4,893	4,893
Election services	-	-	-	65,787	65,787
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>439,988</u>	<u>439,988</u>
Total Restricted	<u>-</u>	<u>1,434,324</u>	<u>115,609</u>	<u>3,237,788</u>	<u>4,787,721</u>
Assigned:					
Juvenile services	23,539	-	-	-	23,539
Judicial services	<u>217,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,187</u>
Total Assigned	<u>240,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,726</u>
Unassigned	<u>15,930,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,930,708</u>
Total governmental fund balance	<u>\$ 16,180,771</u>	<u>\$ 1,434,324</u>	<u>\$ 115,609</u>	<u>\$ 3,237,788</u>	<u>\$ 20,968,492</u>

Long-term Debt:

Refunding Bonds, Sales Tax Payable and Notes Payable

The County had the following outstanding debt issues as of September 30, 2014:

\$8,350,000 Tax Anticipation Note issued in 2009; interest at 2% - 3%.	\$ <u>5,470,000</u>
Total	\$ <u>5,470,000</u>

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2015	\$ 2,690,000	\$ 117,025
2016	<u>2,780,000</u>	<u>41,700</u>
Total	<u>\$ 5,470,000</u>	<u>\$ 158,725</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government activities					
Refunding bonds	\$ 180,000	\$ -	\$ 180,000	\$ -	\$ -
Tax anticipation note	7,845,000	-	2,375,000	5,470,000	2,690,000
Sales tax payable	290,400	-	290,400	-	-
Compensated absences	1,016,852	1,160,542	1,074,041	1,103,353	220,671
Unamortized bond premium	40,460	-	13,487	26,973	-
Net OPEB obligation	<u>362,321</u>	<u>85,314</u>	<u>21,959</u>	<u>425,676</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 9,735,033</u>	<u>\$ 1,245,856</u>	<u>\$ 3,954,887</u>	<u>\$ 7,026,002</u>	<u>\$ 2,910,671</u>

Conduit Debt Obligations

In 2014, the County created the Tom Green County Cultural Education Facilities Finance Corporation, which issued Education Revenue Bonds, the proceeds thereof were loaned to an open enrollment public charter school in San Angelo, Texas. The proceeds will be used to finance the construction and repair of public school facilities and the acquisition of land deemed to be in the public interest. The bonds are secured by the property financed and are payable solely by the public charter school. Tom Green County, the State, or any other political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2014, there are three series of Education Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$17.17 million.

Retirement Benefits

Plan Description

Tom Green County provides retirement, disability, and death benefits for all of its fulltime employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the Commissioners' Court of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 years or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any County-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Funding Policy

The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 7.90% for the months of the accounting year in 2013, and 8.20% for the months of the accounting year in 2014. The deposit rate payable by the employee members for calendar year 2014 is the rate of 7.00% as adopted by the Commissioners Court. The employee deposit rate and the employer deposit rate may be changed by the Commissioners Court within the options available in the TCDRS Act. The December 31, 2013, actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial Valuation Date	12/31/11	12/31/12	12/31/13
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10-yr smoothed value ESF: fund value	SAF: 10-yr smoothed value ESF: fund value	SAF: 5-yr smoothed value ESF: fund value
Assumptions:			
Investment return ¹	8.00%	8.00%	8.00%
Projected salary increases ¹	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.0%
Cost-of-living adjustments	0.0%	0.0%	0.0%

¹Includes inflation at the stated rate

Annual Pension Cost

The required contribution was determined as part of the December 31, 2013 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2013 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2013 was 20 years.

For the employer's accounting year ended September 30, 2014, the annual pension cost for the TCDRS plan for its employees was \$1,678,017 and the actual contributions were \$1,678,017. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2013 and December 31, 2012, the basis for determining the contribution rates for calendar years 2014 and 2013.

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 87 percent funded. The actuarial accrued liability for benefits was \$63,717,387, and the actuarial value of assets was \$55,497,249, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,220,138. The covered payroll (annual payroll of active employees covered by the plan) was \$23,264,282, and the ratio of the UAAL to the covered payroll was 38 percent. The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Trend Information for the
Retirement Plan for the Employees of Tom Green County**

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
09/30/12	\$ 1,578,134	100%	\$ -
09/30/13	1,596,056	100%	-
09/30/14	1,678,017	100%	-

Risk Management

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

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

Commitments and Contingencies

Litigation

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

Federal and State Grants

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

Post-Employment Benefits Other Than Pension Benefits

Plan Participants

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

Normal Retirement Benefits

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

Health Care Benefit Eligibility Conditions

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

Health Care Benefits Provided by Plan

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

Summary of Benefits

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

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

Funding Policy and Annual OPEB Cost

The County's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The annual OPEB cost for the fiscal year ended September 30, 2014, is as follows:

Annual required contribution	\$ 84,116
Interest on OPEB obligation	16,304
Adjustment to ARC	<u>(15,106)</u>
Annual OPEB expense, end of year	85,314
Net estimated employer contributions	<u>(21,959)</u>
Increase in net OPEB obligation	63,355
Net OPEB obligation, beginning of year	<u>362,321</u>
Net OPEB obligation, end of year	<u>\$ 425,676</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2014, and the preceding two fiscal years, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
September 30, 2012	\$ 95,297	\$ 28,977	30.4%	\$ 301,348
September 30, 2013	82,663	21,690	26.2%	362,321
September 30, 2014	85,314	21,959	25.7%	425,676

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$609,889 at December 31, 2012, the date of the most recent valuation.

Actuarial Methods and Assumptions

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

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

Actuarial Methods and Assumptions

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit cost method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Salary Growth	3.0% per annum
Healthcare cost trend rate	Initial rate of 7.5% declining to an ultimate rate of 4.50% after 8 years

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

Change in Accounting Principles

As a result of implementing GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County's beginning net position for the governmental activities decreased by \$74,844. This decrease is a result from no longer deferring and amortizing bond issuance costs.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

TOM GREEN COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 32,166,293	\$ 32,166,293	\$ 33,221,027	\$ 1,054,734
Fees of office	2,254,380	2,254,380	2,442,239	187,859
Intergovernmental	1,429,767	1,429,767	1,547,854	118,087
Fines and forfeitures	985,500	985,500	1,022,568	37,068
Licenses and permits	47,000	47,000	42,502	(4,498)
Donations	500	700	293	(407)
Investment income	30,545	30,545	38,408	7,863
Miscellaneous	336,332	542,497	647,232	104,735
Total revenues	<u>37,250,317</u>	<u>37,456,682</u>	<u>38,962,123</u>	<u>1,505,441</u>
EXPENDITURES				
Current:				
General government:				
Salaries and wages	4,677,422	4,692,984	4,585,891	107,093
Benefits	2,136,892	2,134,375	1,873,300	261,075
Operations	9,197,703	8,944,815	7,923,596	1,021,219
Capital outlay	2,898,554	3,306,582	1,122,710	2,183,872
Total general government	<u>18,910,571</u>	<u>19,078,756</u>	<u>15,505,497</u>	<u>3,573,259</u>
Public safety:				
Salaries and wages	11,237,973	11,219,846	10,824,691	395,155
Benefits	4,352,596	4,323,355	3,745,412	577,943
Operations	4,167,608	4,296,936	4,097,610	199,326
Capital outlay	472,748	497,547	493,790	3,757
Total public safety	<u>20,230,925</u>	<u>20,337,684</u>	<u>19,161,503</u>	<u>1,176,181</u>
Conservation:				
Salaries and wages	88,424	88,424	81,667	6,757
Benefits	32,022	32,022	27,605	4,417
Operations	25,500	25,500	23,779	1,721
Total conservation	<u>145,946</u>	<u>145,946</u>	<u>133,051</u>	<u>12,895</u>

TOM GREEN COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (Continued)				
Health and welfare:				
Salaries and wages	\$ 97,116	\$ 97,116	\$ 97,554	\$(438)
Benefits	51,238	51,238	48,705	2,533
Operations	<u>455,653</u>	<u>453,153</u>	<u>290,143</u>	<u>163,010</u>
Total health and welfare	<u>604,007</u>	<u>601,507</u>	<u>436,402</u>	<u>165,105</u>
Culture and recreation:				
Salaries and wages	1,277,589	1,277,589	1,241,334	36,255
Benefits	447,812	447,812	391,322	56,490
Operations	<u>614,520</u>	<u>624,520</u>	<u>575,664</u>	<u>48,856</u>
Total culture and recreation	<u>2,339,921</u>	<u>2,349,921</u>	<u>2,208,320</u>	<u>141,601</u>
Debt service:				
Principal	290,400	290,400	290,400	-
Interest and other charges	-	150	106	44
Total debt service	<u>290,400</u>	<u>290,550</u>	<u>290,506</u>	<u>44</u>
Total expenditures	<u>42,521,770</u>	<u>42,804,364</u>	<u>37,735,279</u>	<u>5,069,085</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,271,453)</u>	<u>(5,347,682)</u>	<u>1,226,844</u>	<u>6,574,526</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	15,000	95,000	750,845	655,845
Transfers in	186,481	186,581	173,134	(13,447)
Transfers out	<u>(1,069,332)</u>	<u>(1,037,714)</u>	<u>(1,009,282)</u>	<u>28,432</u>
Total other financing sources (uses)	<u>(867,851)</u>	<u>(756,133)</u>	<u>(85,303)</u>	<u>670,830</u>
NET CHANGE IN FUND BALANCE	<u>(6,139,304)</u>	<u>(6,103,815)</u>	1,141,541	7,245,356
FUND BALANCE, BEGINNING			<u>15,039,230</u>	
FUND BALANCE, ENDING			<u>\$ 16,180,771</u>	

TOM GREEN COUNTY, TEXAS

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

TEXAS JUVENILE PROBATION CONTRACTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,011,762	\$ 1,017,595	\$ 1,073,317	\$ 55,722
Investment earnings	<u>-</u>	<u>-</u>	<u>681</u>	<u>681</u>
Total revenues	<u>1,011,762</u>	<u>1,017,595</u>	<u>1,073,998</u>	<u>56,403</u>
EXPENDITURES				
Current:				
Public safety	2,252,090	2,208,169	1,063,977	1,144,192
Capital outlay	<u>62,595</u>	<u>112,349</u>	<u>49,654</u>	<u>62,695</u>
Total expenditures	<u>2,314,685</u>	<u>2,320,518</u>	<u>1,113,631</u>	<u>1,206,887</u>
NET CHANGE IN FUND BALANCE	(1,302,923)	(1,302,923)	(39,633)	1,263,290
FUND BALANCE, BEGINNING			<u>1,473,957</u>	
FUND BALANCE, ENDING			<u>\$ 1,434,324</u>	

TOM GREEN COUNTY, TEXAS

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

GRANTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 540,905	\$ 876,942	\$ 873,802	\$(3,140)
Total revenues	<u>540,905</u>	<u>876,942</u>	<u>873,802</u>	<u>(3,140)</u>
EXPENDITURES				
Current:				
General government	-	87,500	35,266	52,234
Public safety	398,478	607,397	727,716	(120,319)
Culture and recreation	222,941	230,941	31,452	199,489
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>29,967</u>	<u>33</u>
Total expenditures	<u>651,419</u>	<u>955,838</u>	<u>824,401</u>	<u>131,437</u>
OTHER FINANCING SOURCES				
Transfers in	<u>140,514</u>	<u>108,896</u>	<u>66,208</u>	<u>(42,688)</u>
Total other financing sources	<u>140,514</u>	<u>108,896</u>	<u>66,208</u>	<u>(42,688)</u>
NET CHANGE IN FUND BALANCE	30,000	30,000	115,609	85,609
FUND BALANCE, BEGINNING			<u>-</u>	
FUND BALANCE, ENDING			<u>\$ 115,609</u>	

TOM GREEN COUNTY, TEXAS

**SCHEDULE OF FUNDING PROGRESS FOR PARTICIPATION
IN TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
12/31/2011	\$ 48,618,357	\$ 56,717,395	86%	\$ 8,099,038	\$ 22,702,822	36%
12/31/2012	\$ 51,576,956	\$ 60,269,940	86%	\$ 8,692,984	\$ 22,745,350	38%
12/31/2013	\$ 55,497,249	\$ 63,717,387	87%	\$ 8,220,138	\$ 23,264,282	35%

TOM GREEN COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Funded Ratio (a/b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>
12/31/2008	\$ -	\$ 642,858	0%	\$ 642,858
12/31/2010	\$ -	\$ 673,440	0%	\$ 673,440
12/31/2012	\$ -	\$ 609,889	0%	\$ 609,889

TOM GREEN COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2014

Budgetary Information

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

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

Only the governing body, composed of the Commissioners' Court, may amend the budget after its adoption so long as the amendment continues to meet the requirements of Section 111 of the Local Government Code. During the year, several supplementary amendments to the original budget were required. All amendments were legally made. The final budget amounts shown in the financial statements represent the budget as amended at September 30, 2014. Under state statute, actual expenditures cannot exceed budgetary appropriations at any level for which the budget is formally approved. The County's legally adopted budget is at the department level in those funds with multiple departments and at the fund level in single department funds. Management can, with the exception of personnel items, make adjustments to their budget within the departmental level with Commissioners' Court approval. All budgets are fixed in nature. All governmental funds have legally adopted budgets. For internal management purposes, the budgets are detailed by line item and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget appropriations lapse at year-end. All encumbrances lapse at year-end.

**COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

TOM GREEN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
ASSETS				
Cash	\$ 10,552	\$ 25,893	\$ 1,988	\$ 340,932
Investments	454,023	333,842	17,979	163,631
Receivables (net of allowance for uncollectibles):				
Accounts	100	-	880	4,734
Property taxes	-	1	-	-
Due from other funds	-	-	177	-
Due from other governments	<u>4,785</u>	<u>4,785</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 469,460</u>	<u>\$ 364,521</u>	<u>\$ 21,024</u>	<u>\$ 509,297</u>
LIABILITIES				
Accounts payable	\$ 25,145	\$ 48,262	\$ 5,888	\$ 54,017
Accrued liabilities	21,258	16,189	415	-
Due to other funds	<u>-</u>	<u>-</u>	<u>35</u>	<u>73</u>
Total liabilities	<u>46,403</u>	<u>64,451</u>	<u>6,338</u>	<u>54,090</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	<u>423,057</u>	<u>300,070</u>	<u>14,686</u>	<u>455,207</u>
Total fund balances	<u>423,057</u>	<u>300,070</u>	<u>14,686</u>	<u>455,207</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 469,460</u>	<u>\$ 364,521</u>	<u>\$ 21,024</u>	<u>\$ 509,297</u>

Special Revenue

<u>Beacon to the Future</u>	<u>County Clerk Preservation and Archive</u>	<u>Justice Court Technology</u>	<u>Records Management District Clerk</u>	<u>Courthouse and Justice Security</u>	<u>County Attorney Fee Account</u>
\$ 108,073	\$ 10,866	\$ 5,229	\$ 3,901	\$ 6,182	\$ 283
-	425,667	110,069	169,639	85,520	38,946
-	3,133	99	508	445	1,123
-	-	-	-	-	-
-	-	-	168	28	-
-	-	-	-	-	-
<u>\$ 108,073</u>	<u>\$ 439,666</u>	<u>\$ 115,397</u>	<u>\$ 174,216</u>	<u>\$ 92,175</u>	<u>\$ 40,352</u>
\$ -	\$ 579	\$ 1,971	\$ 938	\$ 801	\$ 149
-	3,545	-	275	123	1,020
-	-	-	28	4	-
-	<u>4,124</u>	<u>1,971</u>	<u>1,241</u>	<u>928</u>	<u>1,169</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>108,073</u>	<u>435,542</u>	<u>113,426</u>	<u>172,975</u>	<u>91,247</u>	<u>39,183</u>
<u>108,073</u>	<u>435,542</u>	<u>113,426</u>	<u>172,975</u>	<u>91,247</u>	<u>39,183</u>
<u>\$ 108,073</u>	<u>\$ 439,666</u>	<u>\$ 115,397</u>	<u>\$ 174,216</u>	<u>\$ 92,175</u>	<u>\$ 40,352</u>

TOM GREEN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2014

	Special Revenue			
	District Attorney Fee Accounts	Records Management County Courts	Veterans' Services	Judicial Efficiency
ASSETS				
Cash	\$ 6,342	\$ 1,247	\$ 4,893	\$ 10,974
Investments	-	249,026	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	381	-	-
Property taxes	-	-	-	-
Due from other funds	-	-	-	1,593
Due from other governments	-	-	-	-
	-	-	-	-
Total assets	\$ 6,342	\$ 250,654	\$ 4,893	\$ 12,567
LIABILITIES				
Accounts payable	\$ -	\$ 268	\$ -	\$ 100
Accrued liabilities	811	1,254	-	-
Due to other funds	-	-	-	-
	-	-	-	-
Total liabilities	811	1,522	-	100
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted	5,531	249,132	4,893	12,467
Total fund balances	5,531	249,132	4,893	12,467
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,342	\$ 250,654	\$ 4,893	\$ 12,567

Special Revenue

<u>Court-at-Law Excess State Supplement</u>	<u>LEOSE Training</u>	<u>Judicial Education County Judge</u>	<u>Lateral Road</u>	<u>TCDP Christoval Water Project</u>	<u>Graffiti Eradication</u>
\$ 1,908	\$ 19,789	\$ 11,050	\$ 20,451	\$ -	\$ 575
-	-	-	-	-	-
250	-	15	-	-	15
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,090</u>	<u>-</u>	<u>131,275</u>	<u>-</u>
<u>\$ 2,158</u>	<u>\$ 19,789</u>	<u>\$ 12,155</u>	<u>\$ 20,451</u>	<u>\$ 131,275</u>	<u>\$ 590</u>
\$ -	\$ -	\$ -	\$ -	\$ 131,275	\$ -
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,275</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,158</u>	<u>19,789</u>	<u>12,155</u>	<u>20,451</u>	<u>-</u>	<u>590</u>
<u>2,158</u>	<u>19,789</u>	<u>12,155</u>	<u>20,451</u>	<u>-</u>	<u>590</u>
<u>\$ 2,158</u>	<u>\$ 19,789</u>	<u>\$ 12,155</u>	<u>\$ 20,451</u>	<u>\$ 131,275</u>	<u>\$ 590</u>

TOM GREEN COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2014

	Special Revenue			
	Election Contract Service	Guardianship	Child Abuse Prevention	County Attorney Pretrial Diversion Program
ASSETS				
Cash	\$ 65,633	\$ -	\$ 1,850	\$ 1,451
Investments	-	5,017	-	123,641
Receivables (net of allowance for uncollectibles):				
Accounts	-	60	-	-
Property taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	<u>165</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 65,798</u>	<u>\$ 5,077</u>	<u>\$ 1,850</u>	<u>\$ 125,092</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	11	-	-	2,683
Due to other funds	<u>-</u>	<u>4,818</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>11</u>	<u>4,818</u>	<u>-</u>	<u>2,683</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	<u>65,787</u>	<u>259</u>	<u>1,850</u>	<u>122,409</u>
Total fund balances	<u>65,787</u>	<u>259</u>	<u>1,850</u>	<u>122,409</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 65,798</u>	<u>\$ 5,077</u>	<u>\$ 1,850</u>	<u>\$ 125,092</u>

District Attorney Pretrial Diversion Program	Special Revenue		Debt Service		Capital Projects	Total Governmental Funds
	District Clerk Technology	District/ County Court Technology	2008 Refunding I&S	2009 TAN I&S	2009 TAN	
\$ 1,404	\$ 1,806	\$ -	\$ 47,319	\$ 21,349	\$ 713,510	\$ 1,445,450
15,847	22,620	10,000	-	-	-	2,225,467
1,500	145	69	-	-	-	13,457
-	-	-	23,815	65,875	-	89,691
-	83	-	-	-	-	2,049
-	-	-	-	-	-	142,100
<u>\$ 18,751</u>	<u>\$ 24,654</u>	<u>\$ 10,069</u>	<u>\$ 71,134</u>	<u>\$ 87,224</u>	<u>\$ 713,510</u>	<u>\$ 3,918,214</u>
\$ 267	\$ -	\$ -	\$ 1,728	\$ -	\$ 273,522	\$ 544,910
1,879	-	-	-	-	-	49,463
-	14	3,348	-	-	-	8,320
<u>2,146</u>	<u>14</u>	<u>3,348</u>	<u>1,728</u>	<u>-</u>	<u>273,522</u>	<u>602,693</u>
-	-	-	20,582	57,151	-	77,733
-	-	-	20,582	57,151	-	77,733
16,605	24,640	6,721	48,824	30,073	439,988	3,237,788
<u>16,605</u>	<u>24,640</u>	<u>6,721</u>	<u>48,824</u>	<u>30,073</u>	<u>439,988</u>	<u>3,237,788</u>
<u>\$ 18,751</u>	<u>\$ 24,654</u>	<u>\$ 10,069</u>	<u>\$ 71,134</u>	<u>\$ 87,224</u>	<u>\$ 713,510</u>	<u>\$ 3,918,214</u>

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
REVENUES				
Taxes	\$ 75	\$ 75	\$ -	\$ -
Fees of office	571,515	571,515	70,160	57,948
Intergovernmental	-	-	-	-
Fines and forfeitures	57,423	96,653	-	-
Licenses and permits	232,393	232,393	-	-
Donations	-	-	-	5,500
Investment income	231	402	14	344
Miscellaneous	19,725	56,666	-	65,425
Total revenues	<u>881,362</u>	<u>957,704</u>	<u>70,174</u>	<u>129,217</u>
EXPENDITURES				
Current:				
General government	-	-	73,721	-
Public safety	-	-	-	-
Highways and streets	1,024,051	1,105,799	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	105,455
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	21,827	520,306	-	126,614
Total expenditures	<u>1,045,878</u>	<u>1,626,105</u>	<u>73,721</u>	<u>232,069</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(164,516)</u>	<u>(668,401)</u>	<u>(3,547)</u>	<u>(102,852)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	471,537	471,537	-	-
Transfers out	<u>(39,861)</u>	<u>(29,943)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>431,676</u>	<u>441,594</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	267,160	(226,807)	(3,547)	(102,852)
FUND BALANCES, BEGINNING	<u>155,897</u>	<u>526,877</u>	<u>18,233</u>	<u>558,059</u>
FUND BALANCES, ENDING	<u>\$ 423,057</u>	<u>\$ 300,070</u>	<u>\$ 14,686</u>	<u>\$ 455,207</u>

Special Revenue

Beacon to the Future	County Clerk Preservation and Archive	Justice Court Technology	Records Management District Clerk	Courthouse and Justice Security	County Attorney Fee Account
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	398,170	31,193	44,007	66,467	13,773
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
58	274	87	142	82	39
-	-	-	-	-	52
<u>58</u>	<u>398,444</u>	<u>31,280</u>	<u>44,149</u>	<u>66,549</u>	<u>13,864</u>
-	250,114	-	23,206	-	-
-	-	11,938	-	16,441	27,523
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	9,982	-	-
-	<u>250,114</u>	<u>11,938</u>	<u>33,188</u>	<u>16,441</u>	<u>27,523</u>
<u>58</u>	<u>148,330</u>	<u>19,342</u>	<u>10,961</u>	<u>50,108</u>	<u>(13,659)</u>
-	-	-	-	-	-
-	-	-	-	(50,000)	-
-	-	-	-	(50,000)	-
58	148,330	19,342	10,961	108	(13,659)
<u>108,015</u>	<u>287,212</u>	<u>94,084</u>	<u>162,014</u>	<u>91,139</u>	<u>52,842</u>
<u>\$ 108,073</u>	<u>\$ 435,542</u>	<u>\$ 113,426</u>	<u>\$ 172,975</u>	<u>\$ 91,247</u>	<u>\$ 39,183</u>

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue			
	District Attorney Fee Accounts	Records Management County Courts	Veterans' Services	Judicial Efficiency
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	33,002	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Donations	-	-	-	-
Investment income	3	211	4	9
Miscellaneous	11,874	-	-	5,638
Total revenues	<u>11,877</u>	<u>33,213</u>	<u>4</u>	<u>5,647</u>
EXPENDITURES				
Current:				
General government	-	34,736	-	4,140
Public safety	11,421	-	-	-
Highways and streets	-	-	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>11,421</u>	<u>34,736</u>	<u>-</u>	<u>4,140</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>456</u>	<u>(1,523)</u>	<u>4</u>	<u>1,507</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	456	(1,523)	4	1,507
FUND BALANCES, BEGINNING	<u>5,075</u>	<u>250,655</u>	<u>4,889</u>	<u>10,960</u>
FUND BALANCES, ENDING	<u>\$ 5,531</u>	<u>\$ 249,132</u>	<u>\$ 4,893</u>	<u>\$ 12,467</u>

Special Revenue

Court-at-Law Excess State Supplement	LEOSE Training	Judicial Education County Judge	Lateral Road	TCDP Christoval Water Project	Graffiti Eradication
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	3,351	-	-	15
-	13,037	-	35,039	189,300	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2	8	4	14	-	-
-	-	-	-	-	-
<u>2</u>	<u>13,045</u>	<u>3,355</u>	<u>35,053</u>	<u>189,300</u>	<u>15</u>
663	-	1,186	-	-	-
-	4,019	-	-	-	-
-	-	-	18,500	-	-
-	-	-	-	189,300	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>663</u>	<u>4,019</u>	<u>1,186</u>	<u>18,500</u>	<u>189,300</u>	<u>-</u>
(661)	9,026	2,169	16,553	-	15
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(661)	9,026	2,169	16,553	-	15
<u>2,819</u>	<u>10,763</u>	<u>9,986</u>	<u>3,898</u>	<u>-</u>	<u>575</u>
<u>\$ 2,158</u>	<u>\$ 19,789</u>	<u>\$ 12,155</u>	<u>\$ 20,451</u>	<u>\$ -</u>	<u>\$ 590</u>

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue			
	Election Contract Service	Guardianship	Child Abuse Prevention	County Attorney Pretrial Diversion Program
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	9,043	76	53,750
Intergovernmental	28,624	-	-	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Donations	-	-	-	-
Investment income	33	8	1	115
Miscellaneous	33,732	-	-	-
Total revenues	<u>62,389</u>	<u>9,051</u>	<u>77</u>	<u>53,865</u>
EXPENDITURES				
Current:				
General government	79,678	-	-	-
Public safety	-	-	-	68,457
Highways and streets	-	-	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>79,678</u>	<u>-</u>	<u>-</u>	<u>68,457</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,289)</u>	<u>9,051</u>	<u>77</u>	<u>(14,592)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(28,330)	-	(25,000)
Total other financing sources (uses)	<u>-</u>	<u>(28,330)</u>	<u>-</u>	<u>(25,000)</u>
NET CHANGE IN FUND BALANCES	<u>(17,289)</u>	<u>(19,279)</u>	<u>77</u>	<u>(39,592)</u>
FUND BALANCES, BEGINNING	<u>83,076</u>	<u>19,538</u>	<u>1,773</u>	<u>162,001</u>
FUND BALANCES, ENDING	<u>\$ 65,787</u>	<u>\$ 259</u>	<u>\$ 1,850</u>	<u>\$ 122,409</u>

Special Revenue			Debt Service		Capital Projects	Total Governmental Funds
District Attorney Pretrial Diversion Program	District Clerk Technology	District/ County Court Technology	2008 Refunding I&S	2009 TAN I&S	2009 TAN	
\$ -	\$ -	\$ -	\$ 194,111	\$ 2,602,026	\$ -	\$ 2,796,287
41,920	15,509	3,569	-	-	-	1,984,983
-	-	-	-	-	-	266,000
-	-	-	-	-	-	154,076
-	-	-	-	-	-	464,786
-	-	-	-	-	-	5,500
17	12	5	142	-	594	2,855
-	-	-	-	-	-	193,112
<u>41,937</u>	<u>15,521</u>	<u>3,574</u>	<u>194,253</u>	<u>2,602,026</u>	<u>594</u>	<u>5,867,599</u>
-	-	-	20,793	-	-	488,237
52,275	-	5,473	-	-	-	197,547
-	-	-	-	-	-	2,148,350
-	-	-	-	-	-	189,300
-	-	-	-	-	-	105,455
-	-	-	180,000	2,375,000	-	2,555,000
-	-	-	2,385	180,636	-	183,021
-	-	-	-	-	740,858	1,419,587
<u>52,275</u>	<u>-</u>	<u>5,473</u>	<u>203,178</u>	<u>2,555,636</u>	<u>740,858</u>	<u>7,286,497</u>
(10,338)	15,521	(1,899)	(8,925)	46,390	(740,264)	(1,418,898)
-	-	-	-	-	-	943,074
-	-	-	-	-	-	(173,134)
-	-	-	-	-	-	769,940
(10,338)	15,521	(1,899)	(8,925)	46,390	(740,264)	(648,958)
<u>26,943</u>	<u>9,119</u>	<u>8,620</u>	<u>57,749</u>	<u>(16,317)</u>	<u>1,180,252</u>	<u>3,886,746</u>
<u>\$ 16,605</u>	<u>\$ 24,640</u>	<u>\$ 6,721</u>	<u>\$ 48,824</u>	<u>\$ 30,073</u>	<u>\$ 439,988</u>	<u>\$ 3,237,788</u>

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AGENCY FUNDS

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TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
<u>COUNTY SHERIFF</u>				
ASSETS				
Cash	\$ -	\$ 27,347	\$ 27,347	\$ -
TOTAL ASSETS	\$ -	\$ 27,347	\$ 27,347	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 27,347	\$ 27,347	\$ -
TOTAL LIABILITIES	\$ -	\$ 27,347	\$ 27,347	\$ -
<u>COUNTY CLERK</u>				
ASSETS				
Cash	\$ 129,396	\$ 276,349	\$ 283,206	\$ 122,539
Investments	394,342	25,728	70,468	349,602
TOTAL ASSETS	\$ 523,738	\$ 302,077	\$ 353,674	\$ 472,141
LIABILITIES				
Accounts payable	\$ 523,738	\$ 302,077	\$ 353,674	\$ 472,141
TOTAL LIABILITIES	\$ 523,738	\$ 302,077	\$ 353,674	\$ 472,141
<u>DISTRICT CLERK</u>				
ASSETS				
Cash	\$ 215,673	\$ 381,820	\$ 464,686	\$ 132,807
Investments	669,737	131,887	91,092	710,532
TOTAL ASSETS	\$ 885,410	\$ 513,707	\$ 555,778	\$ 843,339
LIABILITIES				
Accounts payable	\$ 885,410	\$ 513,707	\$ 555,778	\$ 843,339
TOTAL LIABILITIES	\$ 885,410	\$ 513,707	\$ 555,778	\$ 843,339

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
<u>TAX ASSESSOR-COLLECTOR</u>				
ASSETS				
Cash	\$ 1,397,295	\$ 55,602,506	\$ 55,509,020	\$ 1,490,781
Accounts receivable	<u>68,831</u>	<u>2,257,473</u>	<u>2,305,472</u>	<u>20,832</u>
TOTAL ASSETS	<u>\$ 1,466,126</u>	<u>\$ 57,859,979</u>	<u>\$ 57,814,492</u>	<u>\$ 1,511,613</u>
LIABILITIES				
Accounts payable	\$ 583	\$ 20,683	\$ 20,575	\$ 691
Due to other governments	<u>1,465,543</u>	<u>57,839,296</u>	<u>57,793,917</u>	<u>1,510,922</u>
TOTAL LIABILITIES	<u>\$ 1,466,126</u>	<u>\$ 57,859,979</u>	<u>\$ 57,814,492</u>	<u>\$ 1,511,613</u>
<u>WATER WASTE TREATMENT FEES</u>				
ASSETS				
Cash	\$ 730	\$ 3,710	\$ 3,610	\$ 830
Investments	1,820	-	-	1,820
Accounts receivable	<u>70</u>	<u>-</u>	<u>70</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2,620</u>	<u>\$ 3,710</u>	<u>\$ 3,680</u>	<u>\$ 2,650</u>
LIABILITIES				
Accounts payable	<u>\$ 2,620</u>	<u>\$ 3,700</u>	<u>\$ 3,670</u>	<u>\$ 2,650</u>
TOTAL LIABILITIES	<u>\$ 2,620</u>	<u>\$ 3,700</u>	<u>\$ 3,670</u>	<u>\$ 2,650</u>
<u>JUROR DONATIONS</u>				
ASSETS				
Cash	\$ -	\$ 739	\$ 529	\$ 210
Accounts receivable	<u>250</u>	<u>345</u>	<u>250</u>	<u>345</u>
TOTAL ASSETS	<u>\$ 250</u>	<u>\$ 1,084</u>	<u>\$ 779</u>	<u>\$ 555</u>
LIABILITIES				
Accounts payable	<u>\$ 250</u>	<u>\$ 834</u>	<u>\$ 529</u>	<u>\$ 555</u>
TOTAL LIABILITIES	<u>\$ 250</u>	<u>\$ 834</u>	<u>\$ 529</u>	<u>\$ 555</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
<u>CAFETERIA PLAN TRUST</u>				
ASSETS				
Cash	\$ 24,228	\$ 81,847	\$ 78,634	\$ 27,441
TOTAL ASSETS	\$ 24,228	\$ 81,847	\$ 78,634	\$ 27,441
LIABILITIES				
Accounts payable	\$ 24,228	\$ 3,213	\$ -	\$ 27,441
TOTAL LIABILITIES	\$ 24,228	\$ 3,213	\$ -	\$ 27,441
<u>119TH DISTRICT ATTORNEY</u>				
<u>DPS FORFEITURE</u>				
ASSETS				
Cash	\$ 98	\$ -	\$ -	\$ 98
TOTAL ASSETS	\$ 98	\$ -	\$ -	\$ 98
LIABILITIES				
Accounts payable	\$ 98	\$ -	\$ -	\$ 98
TOTAL LIABILITIES	\$ 98	\$ -	\$ -	\$ 98
<u>51ST DISTRICT ATTORNEY SPECIAL</u>				
<u>FORFEITURE</u>				
ASSETS				
Cash	\$ 42,313	\$ 29,470	\$ 49,366	\$ 22,417
Accounts receivable	1,315	632	1,315	632
Due from other governments	-	19,000	-	19,000
TOTAL ASSETS	\$ 43,628	\$ 49,102	\$ 50,681	\$ 42,049
LIABILITIES				
Accounts payable	\$ 43,628	\$ 48,048	\$ 49,627	\$ 42,049
TOTAL LIABILITIES	\$ 43,628	\$ 48,048	\$ 49,627	\$ 42,049

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
<u>119TH DISTRICT ATTORNEY</u>				
<u>SPECIAL FORFEITURE</u>				
ASSETS				
Cash	\$ 41,525	\$ 19,417	\$ 26,126	\$ 34,816
Accounts receivable	<u>532</u>	<u>742</u>	<u>532</u>	<u>742</u>
TOTAL ASSETS	<u>\$ 42,057</u>	<u>\$ 20,159</u>	<u>\$ 26,658</u>	<u>\$ 35,558</u>
LIABILITIES				
Accounts payable	\$ <u>42,057</u>	\$ <u>18,213</u>	\$ <u>24,712</u>	\$ <u>35,558</u>
TOTAL LIABILITIES	<u>\$ 42,057</u>	<u>\$ 18,213</u>	<u>\$ 24,712</u>	<u>\$ 35,558</u>
<u>PASS-THROUGH GRANTS</u>				
ASSETS				
Cash	\$ <u>169</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>169</u>
TOTAL ASSETS	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169</u>
LIABILITIES				
Accounts payable	\$ <u>169</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>169</u>
TOTAL LIABILITIES	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169</u>
<u>STATE MUNICIPAL FEES</u>				
ASSETS				
Cash	\$ 17,271	\$ 123,486	\$ 133,909	\$ 6,848
Accounts receivable	<u>284</u>	<u>129</u>	<u>284</u>	<u>129</u>
TOTAL ASSETS	<u>\$ 17,555</u>	<u>\$ 123,615</u>	<u>\$ 134,193</u>	<u>\$ 6,977</u>
LIABILITIES				
Accounts payable	\$ <u>17,555</u>	\$ <u>120,960</u>	\$ <u>131,538</u>	\$ <u>6,977</u>
TOTAL LIABILITIES	<u>\$ 17,555</u>	<u>\$ 120,960</u>	<u>\$ 131,538</u>	<u>\$ 6,977</u>

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
<u>STATE FEES - CRIMINAL</u>				
ASSETS				
Cash	\$ 23,442	\$ 1,746,937	\$ 1,720,155	\$ 50,224
Investments	166,666	801,600	749,100	219,166
Accounts receivable	10,654	5,744	10,654	5,744
TOTAL ASSETS	\$ 200,762	\$ 2,554,281	\$ 2,479,909	\$ 275,134
LIABILITIES				
Accounts payable	\$ 200,762	\$ 849,911	\$ 775,539	\$ 275,134
TOTAL LIABILITIES	\$ 200,762	\$ 849,911	\$ 775,539	\$ 275,134
<u>STATE FEES - CIVIL</u>				
ASSETS				
Cash	\$ 11,657	\$ 817,130	\$ 816,976	\$ 11,811
Investments	89,840	376,100	348,800	117,140
Accounts receivable	5,455	3,145	5,455	3,145
TOTAL ASSETS	\$ 106,952	\$ 1,196,375	\$ 1,171,231	\$ 132,096
LIABILITIES				
Accounts payable	\$ 106,952	\$ 463,976	\$ 438,832	\$ 132,096
TOTAL LIABILITIES	\$ 106,952	\$ 463,976	\$ 438,832	\$ 132,096
<u>CHILD SAFETY FEE</u>				
ASSETS				
Cash	\$ 27,231	\$ 25,648	\$ 24,199	\$ 28,680
Accounts receivable	416	-	416	-
TOTAL ASSETS	\$ 27,647	\$ 25,648	\$ 24,615	\$ 28,680
LIABILITIES				
Accounts payable	\$ 27,647	\$ 25,232	\$ 24,199	\$ 28,680
TOTAL LIABILITIES	\$ 27,647	\$ 25,232	\$ 24,199	\$ 28,680

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
<u>DISTRICT ATTORNEY</u>				
ASSETS				
Cash	\$ 239,406	\$ 785,851	\$ 314,024	\$ 711,233
TOTAL ASSETS	\$ 239,406	\$ 785,851	\$ 314,024	\$ 711,233
LIABILITIES				
Accounts payable	\$ 239,406	\$ 785,851	\$ 314,024	\$ 711,233
TOTAL LIABILITIES	\$ 239,406	\$ 785,851	\$ 314,024	\$ 711,233
<u>COUNTY ATTORNEY</u>				
ASSETS				
Cash	\$ 21,142	\$ 92,508	\$ 85,501	\$ 28,149
TOTAL ASSETS	\$ 21,142	\$ 92,508	\$ 85,501	\$ 28,149
LIABILITIES				
Accounts payable	\$ 21,142	\$ 92,508	\$ 85,501	\$ 28,149
TOTAL LIABILITIES	\$ 21,142	\$ 92,508	\$ 85,501	\$ 28,149
<u>CHILD RESTRAINT STATE FEE</u>				
ASSETS				
Cash	\$ 1,864	\$ 3,667	\$ 1,887	\$ 3,644
Accounts receivable	23	-	23	-
TOTAL ASSETS	\$ 1,887	\$ 3,667	\$ 1,910	\$ 3,644
LIABILITIES				
Accounts payable	\$ 1,887	\$ 3,644	\$ 1,887	\$ 3,644
TOTAL LIABILITIES	\$ 1,887	\$ 3,644	\$ 1,887	\$ 3,644

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
<u>SHERIFF FORFEITURE</u>				
ASSETS				
Cash	\$ 65,746	\$ 110,308	\$ 101,389	\$ 74,665
TOTAL ASSETS	\$ 65,746	\$ 110,308	\$ 101,389	\$ 74,665
LIABILITIES				
Accounts payable	\$ 65,746	\$ 14,090	\$ 5,171	\$ 74,665
TOTAL LIABILITIES	\$ 65,746	\$ 14,090	\$ 5,171	\$ 74,665
<u>THIRD COURT OF APPEALS</u>				
ASSETS				
Cash	\$ 804	\$ 9,990	\$ 9,848	\$ 946
Accounts receivable	75	126	75	126
TOTAL ASSETS	\$ 879	\$ 10,116	\$ 9,923	\$ 1,072
LIABILITIES				
Accounts payable	\$ 879	\$ 10,027	\$ 9,834	\$ 1,072
TOTAL LIABILITIES	\$ 879	\$ 10,027	\$ 9,834	\$ 1,072
<u>CAFETERIA/ZP</u>				
ASSETS				
Cash	\$ -	\$ 78,633	\$ 78,633	\$ -
TOTAL ASSETS	\$ -	\$ 78,633	\$ 78,633	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 78,633	\$ 78,633	\$ -
TOTAL LIABILITIES	\$ -	\$ 78,633	\$ 78,633	\$ -

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
<u>UNCLAIMED PROPERTY</u>				
ASSETS				
Cash	\$ 1,407	\$ 7,218	\$ 8,522	\$ 103
Investments	12,678	1,410	3,900	10,188
TOTAL ASSETS	\$ 14,085	\$ 8,628	\$ 12,422	\$ 10,291
LIABILITIES				
Accounts payable	\$ 14,085	\$ 5,237	\$ 9,031	\$ 10,291
TOTAL LIABILITIES	\$ 14,085	\$ 5,237	\$ 9,031	\$ 10,291
<u>BAILBONDSMEN COLLATERAL</u>				
ASSETS				
Cash	\$ 602,200	\$ 275,000	\$ 100,000	\$ 777,200
TOTAL ASSETS	\$ 602,200	\$ 275,000	\$ 100,000	\$ 777,200
LIABILITIES				
Accounts payable	\$ 602,200	\$ 250,000	\$ 75,000	\$ 777,200
TOTAL LIABILITIES	\$ 602,200	\$ 250,000	\$ 75,000	\$ 777,200
<u>JUVENILE PROBATION</u>				
ASSETS				
Cash	\$ 10,821	\$ 3,644	\$ 5,142	\$ 9,323
TOTAL ASSETS	\$ 10,821	\$ 3,644	\$ 5,142	\$ 9,323
LIABILITIES				
Accounts payable	\$ 10,821	\$ 3,644	\$ 5,142	\$ 9,323
TOTAL LIABILITIES	\$ 10,821	\$ 3,644	\$ 5,142	\$ 9,323

TOM GREEN COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2014

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2014</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 2,874,418	\$ 60,503,225	\$ 59,842,709	\$ 3,534,934
Investments	1,335,083	1,336,725	1,263,360	1,408,448
Accounts receivable	87,882	2,268,336	2,324,523	31,695
Due from other governments	-	19,000	-	19,000
Due from other funds	<u>23</u>	<u>-</u>	<u>23</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 4,297,406</u>	<u>\$ 64,127,286</u>	<u>\$ 63,430,615</u>	<u>\$ 4,994,077</u>
LIABILITIES				
Accounts payable	\$ 2,831,863	\$ 3,641,535	\$ 2,990,243	\$ 3,483,155
Due to other governments	<u>1,465,543</u>	<u>57,839,296</u>	<u>57,793,917</u>	<u>1,510,922</u>
TOTAL LIABILITIES	<u>\$ 4,297,406</u>	<u>\$ 61,480,831</u>	<u>\$ 60,784,160</u>	<u>\$ 4,994,077</u>

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**INTERNAL CONTROL
AND COMPLIANCE**

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

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

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

We have audited, in accordance with 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 Tom Green County, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Tom Green County, Texas' basic financial statements, and have issued our report thereon dated March 30, 2015.

Internal Control over Financial Reporting

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

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

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

Purpose of this Report

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

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

Waco, Texas
March 30, 2015