

LAVACA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
SEPTEMBER 30, 2016

LAVACA COUNTY, TEXAS  
Annual Financial Report  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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FINANCIAL SECTION

**BEYER & Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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INDEPENDENT AUDITOR'S REPORT

To the County Judge and Commissioners' Court  
Lavaca County, Texas

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lavaca County, Texas, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 3–12, the major comparison information, and the Public Employees Retirement System Information on pages 61–66 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 Lavaca County, Texas' basic financial statements. The combining and individual general, road and bridge, and the nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



BEYER & COMPANY  
Certified Public Accountants  
April 21, 2017

## Management's Discussion and Analysis

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

### Financial Highlights

- . The assets of Lavaca County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$21,234,135 (net position). Of this amount, \$1,788,361 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net position increased by \$717,800. This increase is attributable to capital grants of \$743,281 and careful budget management.
- . As of the close of the current fiscal year, Lavaca County, Texas' governmental funds reported combined ending fund balances of \$7,587,110, an increase of \$805,798 in comparison with the prior year. Approximately 27% of this total amount, \$2,012,985 is available for spending at the government's discretion (unassigned fund balance).
- . At the end of the current fiscal year, the unassigned fund balance for the general fund was \$2,012,985, or 30 percent of total general fund expenditures, the fund balance for the road and bridge fund was \$3,502,105, or 72 percent of total road and bridge fund expenditures.

### Overview of the Financial Statements

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

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

The statement of net position presents information on all of Lavaca County, Texas' 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 Lavaca County, Texas is improving or deteriorating.



The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of Lavaca County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Lavaca County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Lavaca County, Texas include an ambulance fund, workmen's comp fund, and an unemployment insurance fund.

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

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

***Fund financial statements:*** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Lavaca County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds:*

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

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

Lavaca County, Texas maintains forty (40) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge fund, the debt service fund, and the capital improvement fund, all of which are considered to be major funds. Data from the other thirty-six (36) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Lavaca County, Texas adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund, road and bridge fund, the debt service fund, and the capital improvement fund.

The basic governmental fund financial statements can be found on pages 15-22 of this report. The basic proprietary fund financial statements can be found on pages 23-26 of this report.

Lavaca County, Texas also has one agency fund and one trust fund presented in this report. Such funds are not included in the county wide statement but are shown separately on pages 27-28.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-60 of this report.

*Other information:*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Lavaca County, Texas' progress in funding its obligation to provide pension benefits to its employees and for major construction fund budgetary information. Required supplementary information can be found on pages 61-66 of this report.

The combining statements referred to earlier in connection with the general fund, the major road and bridge funds, and the nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 67-76 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Lavaca County, Texas, assets exceeded liabilities by \$21,234,135 at the close of the most recent fiscal year.

A large portion of Lavaca County, Texas' net position (65 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Lavaca County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Lavaca County, Texas' 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.

**LAVACA COUNTY, TEXAS  
NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$8,771,067	\$7,992,973	\$2,002,609	\$1,843,664	\$10,773,676	\$9,836,637
Capital Assets:	14,737,967	15,145,233	749,600	674,321	15,487,567	15,819,554
	<u>23,509,034</u>	<u>23,138,206</u>	<u>2,752,209</u>	<u>2,517,985</u>	<u>26,261,243</u>	<u>25,656,191</u>
Total Deferred Outflows of Resources	2,970,669	977,093	365,287	120,148	3,335,956	1,097,241
Total Assets	<u>\$26,479,703</u>	<u>\$24,115,299</u>	<u>\$3,117,496</u>	<u>\$2,638,133</u>	<u>\$29,597,199</u>	<u>\$26,753,432</u>
Long-Term Liabilities	6,955,579	5,114,945	642,345	390,902	7,597,924	5,505,847
Other Liabilities	327,759	377,834	36,675	32,791	364,434	410,625
Total Liabilities	<u>7,283,338</u>	<u>5,492,779</u>	<u>679,020</u>	<u>423,693</u>	<u>7,962,358</u>	<u>5,916,472</u>
Total Deferred Inflows of Resources	356,829	285,517	43,877	35,108	400,706	320,625
Invested in Capital Assets, Net of Related Debt	13,122,049	13,349,824	749,600	674,321	13,871,649	14,024,145
Restricted	5,574,125	5,017,112			5,574,125	5,017,112
Unrestricted	143,362	(29,933)	1,644,999	1,505,011	1,788,361	1,475,078
Total Net Position	<u>\$18,839,536</u>	<u>\$18,337,003</u>	<u>\$2,394,599</u>	<u>\$2,179,332</u>	<u>\$21,234,135</u>	<u>\$20,516,335</u>

An additional portion of Lavaca County, Texas' net position (26 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,788,361) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Lavaca County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Lavaca County, Texas reported positive balances in net position, both for the government as a whole, as well as for its separate governmental activities. At the end of the prior fiscal year, Lavaca County, Texas reported positive balances in all three categories of net position for its governmental activities and business-type activities except for the governmental funds which reported a negative unrestricted net position of \$29,933.

The government's total net position increased by \$717,800. This increase is attributable to capital grants of \$743,281 and careful budget management.

There was an increase of \$557,013 in restricted net position reported in connection with Lavaca County, Texas' government-type activities. This increase is the result of a reimbursement of \$572,126 from TXDOT for road construction.

*Governmental activities:*

Governmental activities increased Lavaca County, Texas' net position by \$502,533, thereby accounting for 70 percent of the total increase in the net position of Lavaca County, Texas. This increase is attributable to capital grants of \$606,426 and careful budget management.

**LAVACA COUNTY, TEXAS  
CHANGE IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$2,252,281	\$2,511,803	\$1,218,848	\$1,085,715	\$3,471,129	\$3,597,518
Operating Grants and Contributions	307,146	763,603		0	307,146	763,603
Capital Grants and Contributions	606,426	524,443	136,855	0	743,281	524,443
General Revenues:						
Maintenance and Operations Taxes	9,620,683	9,048,219			9,620,683	9,048,219
Other Taxes	9,630	11,894			9,630	11,894
Unrestricted Investment Earnings	48,861	41,547	4,537	4,136	53,398	45,683
Miscellaneous	348,102	773,503			348,102	773,503
Total Revenue	13,193,129	13,675,012	1,360,240	1,089,851	14,553,369	14,764,863
Expenses:						
General Administration	1,889,890	1,825,957			1,889,890	1,825,957
Legal	311,492	247,537			311,492	247,537
Judicial	862,717	861,178			862,717	861,178
Financial Administration	1,038,261	991,147			1,038,261	991,147
Public Facilities	190,151	263,220			190,151	263,220
Public Safety	2,922,478	2,840,151			2,922,478	2,840,151
Public Transportation	5,088,290	4,574,018			5,088,290	4,574,018
Health and Welfare	242,330	806,910			242,330	806,910
Conservation - Agriculture	111,101	108,878			111,101	108,878
Interest and Fiscal Charges	33,886	62,923			33,886	62,923
Ambulance			1,144,973	999,988	1,144,973	999,988
Total Expenses	12,690,596	12,581,919	1,144,973	999,988	13,835,569	13,581,907
Increase in Net Position Before Transfers and Special Items	502,533	1,093,093	215,267	89,863	717,800	1,182,956
Transfers	0	0	0	0	0	0
Increase in Net Position	502,533	1,093,093	215,267	89,863	717,800	1,182,956
Net Position at 09/30/2015	18,337,003	17,243,910	2,179,332	2,089,469	20,516,335	19,333,379
Net Position at 09/30/2016	\$18,839,536	\$18,337,003	\$2,394,599	\$2,179,332	\$21,234,135	\$20,516,335

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Government Activities:				
General Administration	\$1,889,890	\$517,936	\$8,403	\$0
Legal	311,492	15,676	22,743	
Judicial	862,717	265,005	80,833	
Financial Administration	1,038,261	652,614		
Public Facilities	190,151			
Public Safety	2,922,478	46,738	31,997	
Public Transportation	5,088,290	754,312		606,426
Health and Welfare	242,330		163,170	
Conservation - Agriculture	111,101			
Interest and Fiscal Charges	33,886			
Total Government Activities	<u>\$12,690,596</u>	<u>\$2,252,281</u>	<u>\$307,146</u>	<u>\$606,426</u>

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$2,252,281	17%
Operating Grants and Contributions	307,146	2%
Capital Grants and Contributions	606,426	5%
Maintenance and Operations Taxes	9,620,683	73%
Other Taxes	9,630	0%
Unrestricted Investment Earnings	48,861	0%
Miscellaneous	348,102	3%
	<u>\$13,193,129</u>	<u>100%</u>

*Business-Type Activities:*

Business-type activities (ambulance, workmen’s compensation, and unemployment funds) in Lavaca County represented 30 percent of the total increase in the net position of Lavaca County, Texas. A discussion regarding these is below.

Expenses and Program Revenues - Business Activities

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
<b>Primary Government</b>			
Business-Type Activities:			
Water	\$1,144,973	\$1,218,848	\$136,855
Total Business-Type Activities	\$1,144,973	\$1,218,848	\$136,855

Revenues by Source - Business-Type Activities

	REVENUES	%
Charges for Services	\$1,218,848	90%
Capital Grants and Contributions	136,855	10%
Unrestricted Investment Earnings	4,537	0%
	\$1,360,240	100%

Business-type activities:

Business-type activities increased the County’s net position by \$215,267.

- . Demand for services for business-type activities increased by \$133,133.
- . Total expenses increased by \$144,985
- . The business-type activity received a capital grant of \$136,855.

## Financial Analysis of the Government's Funds

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

### *Governmental funds:*

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

As of the end of the current fiscal year, Lavaca County, Texas' governmental funds reported combined ending fund balances of \$7,587,110, an increase of \$805,798 in comparison with the prior year. Approximately 27 percent of this total amount (\$2,012,985) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Lavaca County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,012,985, while total fund balance reached \$2,012,985. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30 percent of total general fund expenditures, while total fund balance represents 30 percent of that same amount.

The fund balance of Lavaca County, Texas' general fund increased by \$248,785 during the current fiscal year. Key factors in this increase are as follows: This increase is attributable to careful budget management.

The road and bridge fund had a total fund balance of \$3,502,105. As a measure of the road and bridge fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 72 percent of that same amount. The fund balance of the road and bridge fund increased by \$487,967 during the current year. This increase is attributable to reimbursements for road damages and careful budget management.

The debt service fund was used to service debt only and the capital improvement fund is strictly for construction so therefore no analysis of these funds is necessary.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase of \$81,316. The major increases were in the court, public welfare, and sheriff departments which increased by \$64,794, \$40,000, and \$39,500, respectively. The budget for the non departmental fund declined by \$60,128. Total general fund actual expenditures of \$6,775,623 were less than the budgeted expenditures of \$7,459,461 by \$683,838.

## Capital Asset and Debt Administration

### *Capital assets:*

Lavaca County, Texas' investment in capital assets for its governmental activities and business-type activities as of September 30, 2016, amounts to \$15,487,567 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total decrease in Lavaca County, Texas' investment in capital assets for the current fiscal year was 2 percent (3 percent decrease for governmental activities and 11 percent increase for business-type activities). The County had major road reconstruction during the year ended September 30, 2016.

#### **LAVACA COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$487,447	\$487,447	\$22,609	\$22,609	\$510,056	\$510,056
Building and Improvements	10,721,871	10,987,892	503,087	538,741	11,224,958	11,526,633
Machinery and Equipment	3,528,649	3,669,894	50,941	69,293	3,579,590	3,739,187
Infrastructure					0	0
Automotive			172,963	43,678	172,963	43,678
Total	<u>\$14,737,967</u>	<u>\$15,145,233</u>	<u>\$749,600</u>	<u>\$674,321</u>	<u>\$15,487,567</u>	<u>\$15,819,554</u>

Additional information on Lavaca County, Texas' capital assets can be found in note IV C on page 41 and 42 of this report.



*Long-term debt:*

At the end of the current fiscal year, Lavaca County, Texas had total bonded debt outstanding of \$1,360,000. Of this amount, \$1,360,000 comprises debt backed by the full faith and credit of Lavaca County, Texas.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<u>Governmental Activities:</u>						
General Obligation Bonds	\$1,565,000	\$0	\$205,000	\$1,360,000	\$215,000	\$1,145,000
	<u>1,565,000</u>	<u>0</u>	<u>205,000</u>	<u>1,360,000</u>	<u>215,000</u>	<u>1,145,000</u>
Grand Total	<u>\$1,565,000</u>	<u>\$0</u>	<u>\$205,000</u>	<u>\$1,360,000</u>	<u>\$215,000</u>	<u>\$1,145,000</u>

Lavaca County, Texas' bonded short-term and long-term debt decreased by \$205,000 (38 percent) during the current fiscal year. The key factor in this decrease was the payment of debt principal on the jail facility bonds of \$205,000. Additional information on Lavaca County, Texas' Long-term debt can be found in note IV F on pages 44 and 45 of this report.

Future Outlook

The County expects its finances to remain approximately the same as in the past. Inflation will play a factor but will affect both revenues and expenditures equally. There are no major events planned in the future.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's business office, at Lavaca County, Texas, 109 N. La Grange Street, Hallettsville, Texas 77964.



BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

LAVACA COUNTY, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$7,932,111	\$1,170,196	\$9,102,307
Receivables (net of allowance for uncollectibles)	838,956	832,413	1,671,369
Capital Assets Not Being Depreciated:			
Land	487,447	22,609	510,056
Construction in Progress			0
Total Capital Assets Being Depreciated, Net			
Building and Improvements	10,721,871	503,087	11,224,958
Machinery and Equipment	3,528,649	223,904	3,752,553
Infrastructure			0
<b>Total Assets</b>	<b>\$23,509,034</b>	<b>\$2,752,209</b>	<b>\$26,261,243</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow of Resources-contributions (after 12/31/15)	685,135	84,247	769,382
Deferred Outflow-net difference between projected and actual earnings	2,015,054	247,780	2,262,834
Deferred Outflow-changes of assumptions	270,480	33,260	303,740
<b>Total Deferred Outflows of Resources</b>	<b>2,970,669</b>	<b>365,287</b>	<b>3,335,956</b>
<b>LIABILITIES:</b>			
Accounts Payable	\$49,808	\$2,888	\$52,696
Accrued Wages Payable	273,701	33,787	307,488
Accrued Interest Payable	4,250		4,250
Noncurrent Liabilities:			
Due Within One Year	603,249	21,078	624,327
Due in More Than One Year	6,352,330	621,267	6,973,597
<b>Total Liabilities</b>	<b>7,283,338</b>	<b>679,020</b>	<b>7,962,358</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow-Actual Experience vs. Assumption	356,829	43,877	400,706
<b>Total Deferred Inflows of Resources</b>	<b>356,829</b>	<b>43,877</b>	<b>400,706</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	13,122,049	749,600	13,871,649
Restricted			
Construction	737,141		737,141
Debt Service	63,326		63,326
General Administration	343,188		343,188
Health	40,306		40,306
Judicial	191,336		191,336
Legal	56,308		56,308
Public Safety	640,415		640,415
Public Transportation	3,502,105		3,502,105
Unrestricted	143,362	1,644,999	1,788,361
<b>Total Net Position</b>	<b>\$18,839,536</b>	<b>\$2,394,599</b>	<b>\$21,234,135</b>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED SEPTEMBER 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-Type Activities
<b>Primary Government</b>							
<b>Government Activities:</b>							
General Administration	\$1,889,890	\$517,936	\$8,403		(\$1,363,551)	(\$1,363,551)	
Legal	311,492	15,676	22,743		(273,073)	(273,073)	
Judicial	862,717	265,005	80,833		(516,879)	(516,879)	
Financial Administration	1,038,261	652,614			(385,647)	(385,647)	
Public Facilities	190,151				(190,151)	(190,151)	
Public Safety	2,922,478	46,738	31,997		(2,843,743)	(2,843,743)	
Public Transportation	5,088,290	754,312		606,426	(3,727,552)	(3,727,552)	
Health and Welfare	242,330		163,170		(79,160)	(79,160)	
Conservation - Agriculture	111,101				(111,101)	(111,101)	
Interest and Fiscal Charges	33,886				(33,886)	(33,886)	
<b>Total Government Activities</b>	<b>12,690,596</b>	<b>2,252,281</b>	<b>307,146</b>	<b>606,426</b>	<b>(9,524,743)</b>	<b>0</b>	
<b>Business-Type Activities:</b>							
Ambulance	1,144,973	1,218,848		136,855		210,730	
<b>Total Business-Type Activities:</b>	<b>1,144,973</b>	<b>1,218,848</b>	<b>0</b>	<b>136,855</b>	<b>0</b>	<b>210,730</b>	
<b>Total Primary Government</b>	<b>\$13,835,569</b>	<b>\$3,471,129</b>	<b>\$307,146</b>	<b>\$743,281</b>	<b>(9,524,743)</b>	<b>210,730</b>	
<b>General Revenues</b>							
Property Taxes, Levies for General Purposes					9,620,683	9,620,683	
Other Taxes					9,630	9,630	
Unrestricted Investment Earnings					48,861	4,537	
Miscellaneous					348,102	348,102	
<b>Total General Revenues</b>					<b>10,027,276</b>	<b>4,537</b>	
Change in Net Position					502,533	215,267	
Net Position - Beginning					18,337,003	2,179,332	
Net Position - Ending					<b>\$18,839,536</b>	<b>\$2,394,599</b>	

The accompanying notes are an integral part of this statement.





FUND FINANCIAL STATEMENTS

LAVACA COUNTY, TEXAS  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2016

	General Fund	Road and Bridge	Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$2,249,757	\$3,587,247	\$63,326	\$229,986	\$1,749,392	\$7,879,708
Receivables (net of allowance for uncollectibles)	215,570	64,779			30,911	311,260
<b>Total Assets</b>	<b>\$2,465,327</b>	<b>\$3,652,026</b>	<b>\$63,326</b>	<b>\$229,986</b>	<b>\$1,780,303</b>	<b>\$8,190,968</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
Accounts Payable	\$38,450	\$10,861			\$497	\$49,808
Accrued Wages Payable	198,322	74,281			1,098	273,701
<b>Total Liabilities</b>	<b>236,772</b>	<b>85,142</b>	<b>0</b>	<b>0</b>	<b>1,595</b>	<b>323,509</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Property Taxes	215,570	64,779				280,349
<b>Fund Balances:</b>						
<b>Restricted</b>						
Construction				229,986	507,155	737,141
Debt Service			63,326			63,326
General Administration					343,188	343,188
Health					40,306	40,306
Judicial					191,336	191,336
Legal					56,308	56,308
Public Safety					640,415	640,415
Public Transportation		3,502,105				3,502,105
Unassigned	2,012,985					2,012,985
<b>Total Fund Balance</b>	<b>2,012,985</b>	<b>3,502,105</b>	<b>63,326</b>	<b>229,986</b>	<b>1,778,708</b>	<b>7,587,110</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$2,465,327</b>	<b>\$3,652,026</b>	<b>\$63,326</b>	<b>\$229,986</b>	<b>\$1,780,303</b>	<b>\$8,190,968</b>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2016

Total Fund Balances - governmental funds balance sheet	\$7,587,110
Amounts reported for governmental activities in the statement of net position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	
Internal service funds are used by management to account for funds for self-insurance. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	52,403
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	14,737,967
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	3,141,536
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	280,349
	(6,959,829)
Net Position of Governmental Activities - statement of net position	<u>\$18,839,536</u>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2016

	General Fund	Road and Bridge	Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>						
Taxes						
Property	\$5,554,896	\$3,771,361	\$259,300			\$9,585,557
Other	9,630					9,630
Intergovernmental	100,890	606,426			206,256	913,572
Licenses and Permits	43,047	753,812				796,859
Charges for Services	1,092,077				175,408	1,267,485
Fines and Forfeitures	132,077				917	132,994
Interest	20,719	18,976	695	991	7,182	48,563
Miscellaneous	158,501	36,416		1,950	151,235	348,102
Total Revenues	<u>7,111,837</u>	<u>5,186,991</u>	<u>259,995</u>	<u>2,941</u>	<u>540,998</u>	<u>13,102,762</u>
<i>EXPENDITURES</i>						
Current:						
General Administration	1,550,515				42,101	1,592,616
Legal	277,389				28,651	306,040
Judicial	820,833				36,435	857,268
Financial Administration	1,012,847					1,012,847
Public Facilities	130,988					130,988
Public Safety	2,660,277				150,698	2,810,975
Public Transportation		4,833,970			138,754	4,972,724
Health and Welfare	181,208				53,239	234,447
Conservation - Agriculture	109,822					109,822
Capital Projects -						
Capital Outlay and Other				49,641		49,641
Debt Service						
Principal Retirement	29,772	46,967	205,000			281,739
Interest Retirement	3,862	4,836	31,408			40,106
Total Expenditures	<u>6,777,513</u>	<u>4,885,773</u>	<u>236,408</u>	<u>49,641</u>	<u>449,878</u>	<u>12,399,213</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	334,324	301,218	23,587	(46,700)	91,120	703,549
<i>OTHER FINANCING SOURCES (USES):</i>						
Other Financing Sources - capital lease		102,249				102,249
Operating Transfers In	4,461	99,434			5,500	109,395
Operating Transfers Out	(90,000)	(14,934)			(4,461)	(109,395)
Total Other Financing Sources (Uses)	<u>(85,539)</u>	<u>186,749</u>	<u>0</u>	<u>0</u>	<u>1,039</u>	<u>102,249</u>
Net Changes in Fund Balances	248,785	487,967	23,587	(46,700)	92,159	805,798
Fund Balances - Beginning	1,764,200	3,014,138	39,739	276,686	1,686,549	6,781,312
Fund Balances - Ending	<u>\$2,012,985</u>	<u>\$3,502,105</u>	<u>\$63,326</u>	<u>\$229,986</u>	<u>\$1,778,708</u>	<u>\$7,587,110</u>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED SEPTEMBER 30, 2016

Net Changes in Fund Balances - total governmental funds \$805,798

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(407,266)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	(26,123)
Deferred Outflow of Resources-contribution. This is the change in these amounts this year.	(11,316)
Deferred Outflow-net difference between projected and actual earnings. This is the change in these amounts this year.	1,734,412
Deferred Outflow-changes of assumptions. This is the change in these amounts this year.	270,480
Deferred Inflow-actual experience vs. assumption. This is the change in these amounts this year.	(71,312)
(Increase) decrease in compensated absences from beginning of period to end of period.	(23,498)
(Increase) decrease in accrued interest payable from beginning of period to end of period.	6,219
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	35,126
Internal service funds are used by management to account for funds for self-insurance. The net revenue of certain activities of Internal service funds is reported with governmental activities.	7,149
(Increase) decrease in capital lease payable from beginning of period to end of period.	(102,249)
(Increase) decrease in net pension liability from beginning of period to end of period.	(1,996,627)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	281,740
Change in Net Position of Governmental Activities - statement of activities	<u><u>\$502,533</u></u>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<i>REVENUES</i>				
Taxes				
Property	\$5,577,625	\$5,577,625	\$5,554,896	(\$22,729)
Other	8,000	8,448	9,630	1,182
Intergovernmental	182,300	182,400	100,890	(81,510)
Licenses and Permits	42,000	42,000	43,047	1,047
Charges for Services	470,500	470,500	1,091,760	621,260
Fines and Forfeitures	223,500	223,500	132,077	(91,423)
Interest	17,500	17,500	20,688	3,188
Miscellaneous	47,350	93,585	158,395	64,810
Total Revenues	6,568,775	6,615,558	7,111,383	495,825

*EXPENDITURES*

Current:

General Administration				
County Clerk	507,671	507,671	478,614	29,057
County Judge	366,393	366,393	340,679	25,714
Elections	297,021	297,021	227,571	69,450
Non-Departmental	521,126	460,998	441,309	19,689
Records Management	116,892	117,042	62,338	54,704
Legal				
County Attorney	317,250	317,250	277,389	39,861
Judicial				
Court	260,729	325,523	284,806	40,717
District Clerk	218,325	218,325	195,505	22,820
Justices of the Peace	349,392	349,392	340,522	8,870
Financial Administration				
County Auditor	311,383	311,383	311,242	141
County Treasurer	133,318	133,318	129,056	4,262
Tax Assessor-Collector	619,157	619,157	572,549	46,608
Public Facilities				
Annex	76,600	76,600	58,645	17,955
Courthouse	78,500	78,500	65,061	13,439
Office Buildings	12,850	12,850	7,282	5,568
Public Safety				
Constables	190,320	190,320	168,546	21,774
Jail	405,250	405,250	311,593	93,657
Sheriff	2,279,411	2,318,911	2,178,252	140,659

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Health and Welfare				
Public Welfare	\$167,390	\$207,390	\$181,208	\$26,182
Conservation - Agriculture				
Agriculture Extension Service	112,533	112,533	109,822	2,711
Capital Projects -				
Capital Outlay and Other	3,000	0	0	0
Debt Service				
Principal Retirement	29,772	29,772	29,772	0
Interest and Fiscal Charges	3,862	3,862	3,862	0
Total Expenditures	<u>7,378,145</u>	<u>7,459,461</u>	<u>6,775,623</u>	<u>683,838</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(809,370)</u>	<u>(843,903)</u>	<u>335,760</u>	<u>1,179,663</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In			4,461	4,461
Operating Transfers Out	(90,000)	(90,000)	(90,000)	0
Total Other Financing Sources (Uses)	<u>(90,000)</u>	<u>(90,000)</u>	<u>(85,539)</u>	<u>4,461</u>
Net Changes in Fund Balances	<u>(899,370)</u>	<u>(933,903)</u>	<u>250,221</u>	<u>1,184,124</u>
Fund Balances - Beginning	1,749,610	1,749,610	1,749,610	
Fund Balances - Ending	<u>\$850,240</u>	<u>\$815,707</u>	<u>\$1,999,831</u>	<u>\$1,184,124</u>

The above budget includes only the General Fund and not the Jail Commissary Fund, the Unclaimed Credits Fund, and the Election Service Fund.

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS  
ROAD AND BRIDGE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes				
Property	\$3,769,800	\$3,769,800	\$3,771,361	\$1,561
Intergovernmental	152,728	296,064	606,426	310,362
Licenses and Permits	620,000	620,000	753,812	133,812
Interest	20,000	20,000	18,976	(1,024)
Miscellaneous	32,579	53,160	36,416	(16,744)
Total Revenues	<u>4,595,107</u>	<u>4,759,024</u>	<u>5,186,991</u>	<u>427,967</u>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	7,110,398	7,274,315	4,833,970	2,440,345
Debt Service				
Principal Retirement	46,967	46,967	46,967	0
Interest and Fiscal Charges	4,836	4,836	4,836	0
Total Expenditures	<u>7,162,201</u>	<u>7,326,118</u>	<u>4,885,773</u>	<u>2,440,345</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,567,094)</u>	<u>(2,567,094)</u>	<u>301,218</u>	<u>2,868,312</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Other Financing Sources - Capital Lease	100,000	100,000	102,249	2,249
Operating Transfers In	99,434	99,434	99,434	0
Operating Transfers Out	(14,934)	(14,934)	(14,934)	0
Total Other Financing Sources (Uses)	<u>184,500</u>	<u>184,500</u>	<u>186,749</u>	<u>2,249</u>
Net Changes in Fund Balances	<u>(2,382,594)</u>	<u>(2,382,594)</u>	<u>487,967</u>	<u>2,870,561</u>
Fund Balances - Beginning	<u>3,014,138</u>	<u>3,014,138</u>	<u>3,014,138</u>	
Fund Balances - Ending	<u>\$631,544</u>	<u>\$631,544</u>	<u>\$3,502,105</u>	<u>\$2,870,561</u>

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



LAVACA COUNTY, TEXAS  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property	\$233,659	\$233,659	\$259,300	\$25,641
Interest	0	0	695	695
Total Revenues	<u>233,659</u>	<u>233,659</u>	<u>259,995</u>	<u>26,336</u>
<b>EXPENDITURES</b>				
Current:				
Debt Service				
Principal Retirement	205,000	205,000	205,000	0
Interest Retirement	31,408	31,408	31,408	0
Total Expenditures	<u>236,408</u>	<u>236,408</u>	<u>236,408</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,749)	(2,749)	23,587	26,336
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(2,749)	(2,749)	23,587	26,336
Fund Balances - Beginning	39,739	39,739	39,739	
Fund Balances - Ending	<u>\$36,990</u>	<u>\$36,990</u>	<u>\$63,326</u>	<u>\$26,336</u>

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

LAVACA COUNTY, TEXAS  
 COMBINING STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total Proprietary Funds
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	\$1,170,196	\$1,155,403	\$32,355	\$26,358	\$20,048	\$18,896	\$1,222,599
Receivables (net of allowance for uncollectibles)	832,413	688,261		8			832,413
<b>Total Current Assets</b>	<b>2,002,609</b>	<b>1,843,664</b>	<b>32,355</b>	<b>26,366</b>	<b>20,048</b>	<b>18,896</b>	<b>2,055,012</b>
<b>Noncurrent Assets</b>							
<b>Capital Assets</b>							
Land	22,609	22,609					22,609
Automotive	701,961	612,921					701,961
Buildings and Improvements	675,942	628,127					675,942
Machinery and Equipment	294,618	294,618					294,618
<b>Total Capital Assets</b>	<b>1,695,130</b>	<b>1,558,275</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,695,130</b>
Less Accumulated Depreciation							
<b>Total Capital Assets (net of accumulated depreciation)</b>	<b>(945,530)</b>	<b>(883,954)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(945,530)</b>
<b>Total Noncurrent Assets</b>	<b>749,600</b>	<b>674,321</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>749,600</b>
<b>TOTAL ASSETS</b>	<b>\$2,752,209</b>	<b>\$2,517,985</b>	<b>\$32,355</b>	<b>\$26,366</b>	<b>\$20,048</b>	<b>\$18,896</b>	<b>\$2,804,612</b>
<b>DEFERRED OUTFLOWS OF RESOURCES - GASB 68</b>							
Def. Outflow of Res.-Contributions (after 12/31/14)		85,639					0
Def. Outflow of Res.-Contributions (after 12/31/15)	84,247						84,247
Net Difference Between Projected and Actual Earnings	247,780	34,509					247,780
Changes of Assumptions	33,260						33,260
<b>Total Deferred Outflow of Resources</b>	<b>365,287</b>	<b>120,148</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>365,287</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>							
<b>Liabilities</b>							
<b>Current Liabilities (Payable from Current Assets)</b>							
Accounts Payable	\$2,888	\$3,803					\$2,888
Accrued Wages Payable	33,787	28,988					33,787
Compensated Absences	21,078	15,149					21,078
<b>Total Current Liabilities</b>	<b>57,753</b>	<b>47,940</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,753</b>
<b>Noncurrent Liabilities</b>							
Net Pension Liability	621,267	375,753					621,267
<b>Total Noncurrent Liabilities</b>	<b>621,267</b>	<b>375,753</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>621,267</b>
<b>TOTAL LIABILITIES</b>	<b>679,020</b>	<b>423,693</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>679,020</b>
<b>DEFERRED INFLOWS OF RESOURCES - GASB 68</b>							
Differences Between Expected and Actual Experience	43,877	35,108					43,877
<b>Total Deferred Inflow of Resources</b>	<b>43,877</b>	<b>35,108</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,877</b>
Invested in Capital Assets, Net of Related Debt	749,600	674,321					749,600
Unrestricted	1,644,999	1,505,011	32,355	26,358	20,048	18,896	1,697,402
<b>TOTAL NET POSITION</b>	<b>\$2,394,599</b>	<b>\$2,179,332</b>	<b>\$32,355</b>	<b>\$26,358</b>	<b>\$20,048</b>	<b>\$18,896</b>	<b>\$2,447,002</b>

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

LAVACA COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total Proprietary Funds
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	
<b>OPERATING REVENUES:</b>							
Charges for Services	\$1,218,848	\$1,073,937	\$79,995	\$78,805	\$1,071	\$8,751	\$1,299,914
Miscellaneous	0	11,778					0
<b>TOTAL OPERATING REVENUES</b>	<b>1,218,848</b>	<b>1,085,715</b>	<b>79,995</b>	<b>78,805</b>	<b>1,071</b>	<b>8,751</b>	<b>1,299,914</b>
<b>OPERATING EXPENSES</b>							
Personal Services	862,388	750,160					862,388
Supplies	48,922	45,434					48,922
Other Services and Charges	172,087	132,630	74,215	78,945			246,302
Depreciation	61,576	71,764					61,576
<b>TOTAL OPERATING EXPENSES</b>	<b>1,144,973</b>	<b>999,988</b>	<b>74,215</b>	<b>78,945</b>	<b>0</b>	<b>0</b>	<b>1,219,188</b>
<b>OPERATING INCOME (LOSS)</b>	<b>73,875</b>	<b>85,727</b>	<b>5,780</b>	<b>(140)</b>	<b>1,071</b>	<b>8,751</b>	<b>80,726</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>							
Interest Income	4,537	4,136	217	179	81	68	4,835
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>4,537</b>	<b>4,136</b>	<b>217</b>	<b>179</b>	<b>81</b>	<b>68</b>	<b>4,835</b>
Income Before Transfers	78,412	89,863	5,997	39	1,152	8,819	85,561
Contributions	136,855						136,855
Transfers In							
<b>Change in Net Position</b>	<b>215,267</b>	<b>89,863</b>	<b>5,997</b>	<b>39</b>	<b>1,152</b>	<b>8,819</b>	<b>222,416</b>
<b>Total Net Position - Beginning</b>	<b>2,179,332</b>	<b>2,089,469</b>	<b>26,358</b>	<b>26,319</b>	<b>18,896</b>	<b>10,077</b>	<b>2,224,586</b>
<b>Total Net Position - Ending</b>	<b>\$2,394,599</b>	<b>\$2,179,332</b>	<b>\$32,355</b>	<b>\$26,358</b>	<b>\$20,048</b>	<b>\$18,896</b>	<b>\$2,447,002</b>

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

LAVACA COUNTY, TEXAS  
 COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	Proprietary Funds
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Cash Flows from Operating Activities							
Receipts from Customers and Users	\$1,074,696	\$1,018,361	\$79,995	\$78,813	\$1,071	\$8,751	\$1,155,762
Payments to Suppliers	(221,924)	(176,287)	(74,215)	(78,945)	0	0	(296,139)
Payments to Employees	(842,516)	(745,868)	0	0	0	0	(842,516)
Net Cash Provided(Used) By Operating Activities:	10,256	96,206	5,780	(132)	1,071	8,751	17,107
Cash Flows from Non-Capital and Related Financing Activities							
Transfers In	0	0	0	0	0	0	0
Net Cash Provided (Used) By Non-Capital and Related Financing Activities	0	0	0	0	0	0	0
Cash Flows from Capital and Related Financing Activities							
State Grant	136,855	0	0	0	0	0	136,855
Net Cash Provided (Used) By Capital and Related Financing Activities	136,855	0	0	0	0	0	136,855
Cash Flows from Capital and Related Financing Activities							
Purchases of Capital Assets	(136,855)	(10,608)	0	0	0	0	(136,855)
Net Cash Provided (Used) by Capital and Related Financing Activities	(136,855)	(10,608)	0	0	0	0	(136,855)
Cash Flows from Investing Activities							
Interest Received	4,537	4,136	217	179	81	68	4,835
Net Cash Provided(Used) by Investing Activities	4,537	4,136	217	179	81	68	4,835
Net Increase (Decrease) in Cash Equivalents	14,793	89,734	5,997	47	1,152	8,819	21,942
Cash and Cash Equivalents at Beginning of Year	1,155,403	1,065,669	26,358	26,311	18,896	10,077	1,200,657
Cash and Cash Equivalents at End of Year	\$1,170,196	\$1,155,403	\$32,355	\$26,358	\$20,048	\$18,896	\$1,222,599

(continued)

(continued)

	Proprietary Fund		Internal Service	Internal Service	Internal Service	Internal Service	Total
	Ambulance Fund	Ambulance Fund	Workmen's Compensation	Workmen's Compensation	Unemployment Insurance	Unemployment Insurance	Proprietary Funds
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities							
Operating Income (Loss)	\$73,875	\$85,727	\$5,780	(\$140)	\$1,071	\$8,751	\$80,726
Adjustments to Reconcile to Net Cash Flow							
Non-Cash Items Included in Net Income							
Depreciation	61,576	71,764	0	0	0	0	61,576
Changes in Current Items							
Decrease(Increase) in Accounts Receivable	(144,152)	(67,354)	0	8	0	0	(144,152)
Decr(Incr) Deferred Outflow of Resources-Contr.	1,392	(1,424)					1,392
Decr(Incr)-net dif. between projected and actual earnings	(213,271)	(34,509)					(213,271)
Decr(Incr)-changes of assumptions	(33,260)						(33,260)
Decr(Incr)-dif. between expected and actual experience	8,769	35,108					8,769
Increase(Decrease) in Accounts Payable	(915)	1,777	0	0	0	0	(915)
Increase(Decrease) in Accrued Wages Payable	4,799	9,269	0	0	0	0	4,799
Increase (Decrease) in Net pension Liability	245,514	(4,172)					245,514
Increase(Decrease) in Compensated Absences	5,929	20	0	0	0	0	5,929
Net Cash Provided (Used) by Operating Activities	\$10,256	\$96,206	\$5,780	(\$132)	\$1,071	\$8,751	\$17,107
Noncash Investing, Capital and Financing Activities:							
Contributions							\$136,855

Note: The above funds are all Enterprise Funds

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

LAVACA COUNTY, TEXAS  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Agency Funds	Private Purpose Trust Funds	Historical Commission	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$458,890		\$56,571	\$56,571
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$458,890</b>		<b>\$56,571</b>	<b>\$56,571</b>
<b>LIABILITIES</b>				
Accounts Payable	\$0		\$22	\$22
Due to Others	458,890		0	0
<b>Total Liabilities</b>	<b>458,890</b>		<b>22</b>	<b>22</b>
<b>NET POSITION</b>				
Held in Trust-Historical Purposes			56,549	56,549
<b>Total Net Position</b>	<b>\$0</b>		<b>\$56,549</b>	<b>\$56,549</b>

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

LAVACA COUNTY, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Private Purpose Trust Funds	
	Historical Commission	Total
ADDITIONS		
Contributions:		
Private Donations	\$12,000	\$12,000
Books	1,751	1,751
Total Contributions	<u>13,751</u>	<u>13,751</u>
Investment Earnings:		
Interest Received	222	222
Total Investment Earnings	<u>222</u>	<u>222</u>
Less Investment Expense	0	0
Net Investment Earnings	<u>222</u>	<u>222</u>
TOTAL ADDITIONS	<u>13,973</u>	<u>13,973</u>
DEDUCTIONS		
Culture and Recreation-History	9,269	9,269
Total Deductions	<u>9,269</u>	<u>9,269</u>
Change in Net Position	4,704	4,704
Net Position-Beginning	51,845	51,845
Net Position-Ending	<u>\$56,549</u>	<u>\$56,549</u>

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

LAVACA COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

I. Summary of Significant Accounting Policies

A. Reporting entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities, which are presented as internal balances and eliminated in the total primary government column. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.



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

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

The government reports the following major governmental funds:

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

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

The debt service fund accounts for ad valorem monies used to service the bonded debt.

The capital improvement fund accounts for monies used for construction.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Ambulance fund is ambulance run fees. The principal operating revenues of the Internal Service Fund are charges to the various funds for workmen's compensation premiums and unemployment tax charges. Operating expenses for enterprise funds include workmen's compensation premiums, unemployment taxes, and ambulance expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The government reports the following major proprietary funds:

The ambulance fund is used for emergency medical transportation. The workmen's compensation fund and the unemployment insurance are used to facilitate the process of providing workmen's compensation insurance and discharging the unemployment obligation.

C. Fiduciary Funds

*Fiduciary Funds* account for assets held by the County in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide statements. The County's fiduciary funds include the following: The County Officer Accounts and Clerk Draw fund are both used to account for the fines and fees collected and remitted by the County Officers in the course of their operations. The Historical Commission fund is used as to administer monies for Lavaca County's history.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value. For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

2. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 40 percent of the current and delinquent outstanding property taxes at September 30, 2016. Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for in the Balance Sheet. In the General Fund, disbursements for supplies and materials are considered to be expenditures at the time of purchase. There were no inventory items at September 30, 2016. Certain payments to vendors reflect costs applicable to future accounting periods. There were no prepaid items at September 30, 2016. There were no costs recorded as prepaid items at September 30, 2016.

4. Restricted Assets - There were no restricted assets at September 30, 2016.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost as follows 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. Infrastructure items such as roads, highways, and bridges are not included. Property and Equipment with a dollar value greater or equal to \$500 but less than \$1,000 are considered inventoried assets. These assets are inventoried for security purposes in the Fixed Asset System but not capitalized for depreciation purposes.

Buildings/Building improvements	\$5,000
Improvements Other Than Buildings	\$5,000
Infrastructure	\$50,000
Machinery, Equipment, and Other Assets	\$1,000
Leasehold Improvements	\$5,000

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County had major road reconstruction during the year ended September 30, 2016.

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

<i>Assets</i>	<i>Years</i>
Buildings	30-40
Building Improvements	20-40
System Infrastructure	15-45
Vehicles	5-10
Office Equipment	5-10
Computer Equipment	5

6. Compensated Absences

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

7. Long-Term Obligations

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

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

8. Fund Balances – Governmental Funds

As of September 30, 2016, fund balances of the governmental funds are classified as follows:

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

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

***Unassigned*** — all other spendable amounts.

As of September 30, 2016, fund balances are composed of the following:

Fund Balances:	
Restricted	
Construction	\$737,141
Debt Service	63,326
General Administration	343,188
Health	40,306
Judicial	191,336
Legal	56,308
Public Safety	640,415
Public Transportation	3,502,105
Unassigned	<u>2,012,985</u>
Total Fund Balance	<u>\$7,587,110</u>

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

In fiscal year 2011, the Commissioners' Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year end to be at least equal to 18 to 25 percent of the subsequent year's budgeted General Fund expenditures.

9. Comparative data/reclassifications

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

10. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is deferred under GASB 68.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government only has one item that qualifies for reporting in this category. It is deferred under GASB 68.

The County reports unearned revenue on its fund financial statements. Unearned revenues arise when potential revenue does not meet both the “measureable” and “available” criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the County and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized. Pursuant to GASB 65 we have included deferred ad valorem taxes as deferred inflows in the fund financial statements.

11. Net position flow assumption

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

## II. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$6,959,829 difference are as follows:

Bonds Payable	\$1,360,000
Capital Lease	255,918
Accrued Interest Payable	4,250
Compensated Absences	287,257
Net Pension Liability	<u>5,052,404</u>
	<u>\$6,959,829</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$14,737,967 difference are as follows:

Capital assets not being depreciated	\$487,447
Capital assets being depreciated	25,156,006
Depreciation expense	(10,905,486)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in Net Position of governmental activities	<u>\$14,737,967</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectible.\*)" The details of this \$280,349 difference are as follows:

Property Taxes Receivable	\$467,251
Allowance for Doubtful Accounts	<u>(186,902)</u>
Net	<u><u>\$280,349</u></u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$3,141,536 difference are as follows:

Fines Receivable	\$1,055,392
Allowance for Doubtful Accounts	(527,696)
Deferred Outflow of Resources-Contributions (after 12/31/15)	685,135
Deferred Outflow-Net difference between projected and actual earnings	2,015,054
Deferred Outflow-Changes of assumptions	270,480
Deferred Inflow-Actual Experience vs. Assumption	<u>(356,829)</u>
Net	<u><u>\$3,141,536</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this (\$407,266) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$0
Capital Outlay - Additions - Being Depreciated (Net)	406,659
Capital Outlay - Deletions	(556)
Depreciation Expense	(813,369)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u><u>(\$407,266)</u></u>



### III. Stewardship, Compliance, and Accountability

#### A. Budgetary Information

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

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court. The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash. When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the line item. Budgets for the 2016 fiscal year were adopted for the General Fund, the Road and Bridge Funds, the Debt Service fund, and the Capital Improvement fund.

#### B. Excess of Expenditures over Appropriations

For the year ended September 30, 2016, expenditures did not exceed appropriations in any funds.

#### C. Deficit fund equity

The county had no deficit fund balances at September 30, 2016.

#### IV. Detailed Notes on All Funds

##### A. Deposits and Investments

###### Legal and Contractual Provisions Governing Deposits and Investments:

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

###### Policies Governing Deposits and Investments:

The County has adopted a deposit and investment policy and the county addresses the following risks:

*Custodial credit risk - deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2016, the government's bank balance of \$9,941,767 was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$20,729,801 and the FDIC coverage is \$250,000.

The County had no investments at September 30, 2016.

B. Receivables

Receivables as of September 30, 2016 for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Road and Bridge	Other Governmental Funds	Ambulance	Total
<u>Receivables</u>					
Taxes	\$359,284	\$107,967			\$467,251
Accounts			30,911	2,394,129	2,425,040
Fines	1,055,392				1,055,392
Gross Receivables	<u>1,414,676</u>	<u>107,967</u>	<u>30,911</u>	<u>2,394,129</u>	<u>3,947,683</u>
Less: Allowance for Uncollectibles	<u>671,410</u>	<u>43,188</u>		<u>1,561,716</u>	<u>2,276,314</u>
Net Total Receivables	<u>\$743,266</u>	<u>\$64,779</u>	<u>\$30,911</u>	<u>\$832,413</u>	<u>\$1,671,369</u>

## C. Capital Assets

Capital asset activity for the year ended September 30, 2016 was as follows:

Governmental Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$487,447	\$0		\$487,447
Total capital assets not being depreciated:	487,447	0	0	487,447
Capital assets being depreciated:				
Infrastructure	2,980,510	0	0	2,980,510
Building and Improvements	13,429,952	66,543	0	13,496,495
Machinery, Equipment and Vehicles	8,405,183	340,116	66,298	8,679,001
Total capital assets being depreciated:	24,815,645	406,659	66,298	25,156,006
Less: Accumulated Depreciation for:				
Infrastructure	2,980,510	0	0	2,980,510
Building and Improvements	2,442,060	332,564	0	2,774,624
Machinery, Equipment and Vehicles	4,735,289	480,805	65,742	5,150,352
Total Accumulated Depreciation	10,157,859	813,369	65,742	10,905,486
Total Capital Assets Depreciated, Net	14,657,786	(406,710)	556	14,250,520
Governmental Activities capital assets, Net	\$15,145,233	(\$406,710)	\$556	\$14,737,967
Business-Type Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$22,609			\$22,609
Total capital assets not being depreciated:	22,609	0	0	22,609
Capital assets being depreciated:				
Automotive	565,106	136,855		701,961
Building and Improvements	675,942			675,942
Machinery and Equipment	294,618			294,618
Total capital assets being depreciated:	1,535,666	136,855	0	1,672,521
Less: Accumulated Depreciation for:				
Automotive	521,428	24,884	17,314	528,998
Building and Improvements	137,201	35,654		172,855
Machinery and Equipment	225,325	18,352		243,677
Total Accumulated Depreciation	883,954	78,890	17,314	945,530
Total Capital Assets Depreciated, Net	651,712	57,965	(17,314)	726,991
Business-Type Activities capital assets, Net	\$674,321	\$57,965	(\$17,314)	\$749,600

## Construction commitments

The County had major road reconstruction during the year ended September 30, 2016.

Capital asset depreciation for the year ended September 30, 2016 was as follows:

Governmental Activities	
General Administration	\$205,466
Legal	1,833
Financial Administration	13,425
Public Facilities	76,065
Public Safety	175,679
Public Transportation	332,159
Health and Welfare	7,661
Conservation - Agriculture	1,081
Total Depreciation Expense - Governmental Activities	<u>\$813,369</u>
Business-Type Activities	
Ambulance	<u>\$78,890</u>
Total Depreciation Expense - Business-Type Activities	<u>\$78,890</u>

D. Interfund Receivables, Payables, and Transfers

Due to/from other funds:

There were no due to/from other funds at September 30, 2016.

There were no advances at September 30, 2016.

The following are transfers for the year ended September 30, 2016.

INTRAFUND	TRANSFER IN			TOTAL
	GENERAL FUND	ROAD AND BRIDGE FUND	NONMAJOR GOVERNMENTAL FUNDS	
TRANSFER OUT				
GENERAL FUND		\$90,000		\$90,000
ROAD AND BRIDGE FUND		9,434	5,500	14,934
NONMAJOR GOVERNMENTAL FUND	4,461			4,461
TOTALS	\$4,461	\$99,434	\$5,500	\$109,395

The transfer from the general to the road and bridge fund is for road and bridge operations. The transfer from the road and bridge funds to the road and bridge funds is for road and bridge operations.

The above transfers are non recurring transfers.

E. Leases

Operating Leases:

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$19,383 for the year ended September 30, 2016. Rent expenditures were \$0 for the year ended September 30, 2016. Sublease rental income was \$0 for the year ended September 30, 2016. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2017	\$ 6,966
2018	6,524
2019	2,106
2020	<u>1,644</u>
Total	<u>\$17,240</u>

F. Long-Term Debt

Certificates of Obligation

The government issued Refunding Certificates of Obligation, Series 2012 in the Amount of \$1,965,000. The Certificates of Obligation are serviced by the debt service fund.

PURPOSE	RATE	ORIGINAL AMOUNTS	CURRENT AMOUNTS	SERIES	MATURITY DATE	COVENANTS	SECURITY
Governmental activities	.75-2.50%	\$1,965,000	\$1,360,000	2012	2022	Sinking Fund	Ad Valorem Tax
Total		<u>\$1,965,000</u>	<u>\$1,360,000</u>				

Annual debt service requirements to maturity for the Certificates of Obligation are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2017	\$215,000	\$29,050
2018	220,000	25,502
2019	225,000	21,433
2020	225,000	16,820
2021	235,000	11,757
2022	240,000	6,000
TOTALS	<u>\$1,360,000</u>	<u>\$110,562</u>

Capital Leases

The Capital Leases consists of the following: The County entered into a capital lease to purchase County Clerk equipment and equipment for Road and Bridge Precincts No. 1, 2, and 4. The total amount of debt is \$255,918. The security pledged for the capital leases is the equipment financed. The debt will be serviced by both the general fund and the road and bridge funds.

The following for the above debt is a schedule of the future minimum lease payments and the present value of net minimum lease payments at September 30, 2016.

The accumulated depreciation of the above equipment is as follows:

ASSET	Governmental Activities				Total Amount
	COUNTY CLERK EQUIPMENT	PCT. 1 2017 INT. DUMP TRUCK	PCT. 2 JD BACKHOE LOADER	PCT. 4 JD BACKHOE LOADER	
COST	\$93,085	\$102,249	\$136,709	\$100,732	\$432,775
ACCUMULATED DEPRECIATION	37,234	20,450	54,684	40,293	152,660
NET ASSET	<u>\$55,851</u>	<u>\$81,799</u>	<u>\$82,025</u>	<u>\$60,439</u>	<u>\$280,115</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2016, were as follows:

YEAR	Governmental Activities				Total Amount
	COUNTY CLERK EQUIPMENT	PCT. 1 2017 INT. DUMP TRUCK	PCT. 2 JD BACKHOE LOADER	PCT. 4 JD BACKHOE LOADER	
2017	\$21,346	\$36,639	\$30,062	\$21,741	\$109,788
2018	21,346	36,639	30,062	21,741	109,788
2019		36,640	30,062		66,702
Total Minimum Lease Payments	42,692	109,918	90,186	43,482	286,278
Less: Amount Representing Interest	2,357	7,669	18,847	1,487	30,360
Present Value of Net Minimum Lease Payments	\$40,335	\$102,249	\$71,339	\$41,995	\$255,918

Changes in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
General Obligation Bonds	\$1,565,000	\$0	\$205,000	\$1,360,000	\$215,000	\$1,145,000
Total Bonds Payable	1,565,000	0	205,000	1,360,000	215,000	1,145,000
Capital Leases	230,409	102,249	76,740	255,918	100,992	154,926
Net Pension Liability	3,055,777	1,996,627		5,052,404		5,052,404
Compensated Absences	263,759	287,257	263,759	287,257	287,257	0
Total Governmental Activities	5,114,945	2,386,133	545,499	6,955,579	603,249	6,352,330
<u>Business-Type Activities:</u>						
Net Pension Liability	375,753	245,514		621,267		621,267
Compensated Absences	28,988	21,078	28,988	21,078	21,078	0
Total Business-Type Activities	404,741	266,592	28,988	642,345	21,078	621,267
Grand Total	\$5,519,686	\$2,652,725	\$574,487	\$7,597,924	\$624,327	\$6,973,597

The general fund, the road and bridge fund, and the ambulance funds are used to service the compensated absences. The estimated amount due in the 2016-17 year is \$308,335.

The government-wide statement of activities includes \$624,327 as "noncurrent liabilities, due within one year".

The general fund, the road and bridge fund, and the ambulance funds are used to service the net pension liability. The net pension liability is discussed in note E below. For a discussion of other post employee benefits please see part V E in these notes.



V. Other Information

A. 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.

Claim liabilities are estimated considering the effects of inflation, recent claim settlement trends (including frequency and amounts of payouts) and other economic and social factors (including the effects of specific, incremental claim adjustment expense, salvage and subrogation).

Changes in accrued liabilities for these claims follow:

	Year ended <u>09/30/16</u>	Year ended <u>09/30/15</u>
Unpaid claims, beginning of fiscal year	\$ -0-	\$ -0-
Incurred claims (including IBNRs)		
Claim payments	<u>-0-</u>	<u>-0-</u>
Unpaid claims, end of fiscal year	<u>\$ -0-</u>	<u>\$ -0-</u>

1. General Liability Insurance

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

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

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

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

2. Property and Casualty Insurance

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

3. Workers' Compensation Insurance

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

4. Group Health and Life Insurance

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

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Workforce Commission (TWC).

B. Related Party Transaction

There were no related party transactions requiring disclosure.

C. Subsequent Events

None

D. Contingent Liabilities

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

The County was not a defendant in any lawsuit at September 30, 2016.

E. Summary of TCDRS Funding Policy

**Net Pension Liability / (Asset)**

<b>Net Pension Liability / (Asset)</b>	<u>December 31, 2014</u>	<u>December 31, 2015</u>
Total pension liability	\$35,687,552	\$37,799,972
Fiduciary net position	32,256,021	32,126,300
Net pension liability / (asset)	3,431,530	5,673,672
Fiduciary net position as a % of total pension liability	90.38%	84.99%
Pensionable covered payroll <sup>(1)</sup>	\$6,207,264	\$6,657,948
Net pension liability as a % of covered payroll	55.28%	85.22%

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

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

<sup>(1)</sup> Payroll is calculated based on contributions as reported to TCDRS.

**Discount Rate**

Discount rate <sup>(2)</sup>	8.10%	8.10%
Long-term expected rate of return, net of investment expense <sup>(2)</sup>	8.10%	8.10%
Municipal bond rate <sup>(3)</sup>	Does not apply	Does not apply

<sup>(2)</sup> This rate reflects the long-term rate of return funding valuation assumption of 8.00%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68.

<sup>(3)</sup> The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply. See page 6 of this report for further details.

**Other Key Actuarial Assumptions**

Updated mortality assumptions were adopted in 2015. All other actuarial assumptions that determined the total pension liability as of December 31, 2015 were based on the results of an actuarial experience study for the period January 1, 2009 - December 31, 2012, except where required to be different by GASB 68.

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

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

	Beginning Date	Ending Date
Valuation date	Dec.31,2014	Dec.31,2015
Measurement date	Dec.31,2014	Dec.31, 2015
Employer's fiscal year	October 1, 2015	September 30, 2016

## Depletion of Plan Assets / GASB Discount Rate

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

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

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

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

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

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

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASS 68 purposes. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

As additional documentation for auditing purposes, we have shown the projection of the Fiduciary Net Position in the following exhibit ("Projection of Fiduciary Net Position").

### Projection of Fiduciary Net Position\*

Calendar Year Ending**	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses*** (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
2016	\$32,126,300	\$1,549,271	\$2,326,808	\$32,126	\$2,570,077	\$33,886,714
2017	33,886,714	1,538,522	2,178,643	33,887	2,718,058	35,930,764
2018	35,930,764	1,531,807	2,298,476	35,931	2,878,519	38,006,684
2019	38,006,684	1,522,012	2,432,157	38,007	3,040,889	40,099,422
2020	40,099,422	1,533,259	2,604,763	40,099	3,203,910	42,191,728
2021	42,191,728	1,549,423	2,784,829	42,192	3,366,795	44,280,926
2022	44,280,926	1,537,975	2,978,334	44,281	3,527,798	46,324,083
2023	46,324,083	1,525,552	3,199,606	46,324	3,683,932	48,287,636
2024	48,287,636	1,517,080	3,378,273	48,288	3,835,470	50,213,626
2025	50,213,626	1,506,848	3,573,312	50,214	3,983,247	52,080,196
2035	65,983,452	1,444,354	5,249,003	65,983	5,190,951	67,303,771
2045	83,211,524	1,742,993	5,462,441	83,212	6,589,124	85,997,988
2055	132,996,593	2,354,288	4,194,608	132,997	10,694,361	141,717,637
2065	274,706,090	3,294,953	2,416,493	274,706	22,275,169	297,585,014
2075	621,993,089	4,645,162	1,072,521	621,993	50,498,615	675,442,353
2085	1,411,321,469	6,552,460	349,401	1,411,321	114,507,326	1,530,620,533
2095	3,155,936,412	9,242,893	59,017	3,155,936	255,870,228	3,417,834,578

\* Projection values include no assumption for future cost-of-living adjustments.

\*\* Note that only select years have been shown for formatting purposes.

\*\*\* Administrative expenses are assumed to be 0.10% of Fiduciary Net Position.

## Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances as of December 31, 2014	\$35,687,552	\$32,256,021	\$3,431,530
Changes for the year:			
Service cost	915,697		915,697
Interest on total pension liability <sup>(1)</sup>	2,869,126		2,869,126
Effect of plan changes <sup>(2)</sup>	(145,397)		(145,397)
Effect of economic/demographic gains or losses	(213,650)		(213,650)
Effect of assumptions changes or inputs	404,986		404,986
Refund of contributions	(45,341)	(45,341)	0
Benefit payments	(1,673,002)	(1,673,002)	0
Administrative expenses		(23,176)	23,176
Member contributions		466,056	(466,056)
Net investment income		93,944	(93,944)
Employer contributions		1,073,260	(1,073,260)
Other <sup>(3)</sup>	0	(21,463)	21,463
Balances as of December 31, 2015	\$37,799,972	\$32,126,300	\$5,673,672

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

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

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

### Sensitivity Analysis

The following presents the net pension liability of the county/district, calculated using the discount rate of 8.10%, as well as what the Lavaca County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$42,378,870	\$37,799,972	\$33,951,369
Fiduciary net position	32,126,300	32,126,300	32,126,300
Net pension liability/ (asset)	\$10,252,570	\$5,673,672	\$1,825,069

## Pension Expense / (Income)

<b>Pension Expense / (Income)</b>	<b>January 1, 2015 to December 31, 2015</b>
Service cost	\$915,697
Interest on total pension liability <sup>(1)</sup>	2,869,126
Effect of plan changes	(145,397)
Administrative expenses	23,176
Member contributions	(466,056)
Expected investment return net of investment expenses	(2,627,031)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(133,569)
Recognition of assumption changes or inputs	101,247
Recognition of investment gains or losses	585,405
Other <sup>(2)</sup>	21,463
Pension expense/ (income)	\$1,144,061

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

<sup>(2)</sup> Relates to allocation of system-wide items.

As of December 31, 2015, the deferred inflows and outflows of resources are as follows:

<b>Deferred Inflows / Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$400,706	\$0
Changes of assumptions	0	303,740
Net difference between projected and actual earnings	0	2,262,834
Contributions made subsequent to measurement date <sup>(3)</sup>	N/A	Employer determined

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

Year ended December 31:	
2016	\$553,083
2017	553,083
2018	553,083
2019	506,618
2020	0
Thereafter <sup>(4)</sup>	0

<sup>(3)</sup> Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as outlined in Appendix D of this report.

<sup>(4)</sup> Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.



## Schedule of Deferred Inflows and Outflows of Resources

Original Amount	Date Established	Original Recognition Period <sup>(1)</sup>	Amount Recognized in 12/31/2015 Expense <sup>(1)</sup>	Balance of Deferred Inflows 12/31/2015	Balance of Deferred Outflows 12/31/2015
<i>Investment (gains) or losses</i>					
\$2,533,088	12/31/2015	5.0	\$506,618	\$0	\$2,026,470
393,939	12/31/2014	5.0	78,788	0	236,364
<i>Economic/ demographic (gains) or losses</i>					
(213,650)	12/31/2015	4.0	(53,413)	160,238	0
(400,781)	12/31/2014	5.0	(80,156)	240,469	0
<i>Assumption changes or inputs</i>					
404,986	12/31/2015	4.0	101,247	0	303,740
0	12/31/2014	5.0	0	0	0
<i>Employer contributions made subsequent to measurement date <sup>(2)</sup></i>					
_____ Employer Determined _____					

<sup>(1)</sup> Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active, inactive, and retired members.

<sup>(2)</sup> Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as outlined in Appendix D of this report.

## Appendix A-GASB 68 Plan Description for Lavaca County

A description of the pension plan pursuant to Paragraph 40 of GASB Statement No. 68 is as follows:

- a. Lavaca County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
  - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
  - 2) The plan provides retirement, disability and survivor benefits.
  - 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to an annuity.
  - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
  - 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Lavaca County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2015 are shown in the chart on the prior page.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, [www.tcdrs.org](http://www.tcdrs.org).

### Membership Information

Members	Dec.31,2014	Dec.31, 2015
Number of inactive employees entitled to but not yet receiving benefits:	92	95
Number of active employees:	179	182
Average monthly salary*:	\$2,854	\$3,011
Average age*:	49.11	49.21
Average length of service in years*:	10.36	10.70
<b>Inactive Employees (or their Beneficiaries) Receiving Benefits</b>		
Number of benefit recipients:	104	109
Average monthly benefit:	\$1,311	\$1,391

*\*Averages reported for all active and inactive employees. Average service includes all proportionate service.*

## Appendix D-Contributions Made Subsequent to Measurement Date

GASB Statement No. 71 ("GASB 71"), *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, requires employer contributions made between the measurement date, which is the date used to determine an employer's net pension liability ("NPL"), and the employer's fiscal year end be reported as a deferred outflow of resources ("DOoR"). The statement "requires a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability."

For GASB valuation purposes, TCDRS' consulting actuary will compute each participating employer's NPL as of Dec. 31 of each year. Employers that have a fiscal year end other than Dec. 31 will need to account for pension contributions (employer; not employee contributions and group term life premiums) made between Dec. 31 and the employer's fiscal year end as a DOoR. These contributions will not be reported to you as part of this GASB report; employers can access their monthly employer activity statements, which display contributions made by the employer, along with any group term life premium offsets, via the TCDRS Employer Portal.

An example may help. An employer, with a March 31 fiscal year end, will implement GASB 68 requirements for its fiscal year end March 31, 2016. To transition to the new GASB requirements, the employer will record:

- a beginning NPL determined as of the Dec. 31, 2014 measurement date, and
- a beginning DOoR for pension contributions made after Dec. 31, 2014 through the beginning of the employer's fiscal year, which equates to March 31, 2015.

The employer's Dec. 31, 2014 NPL is computed to be \$1,000,000. The employer's pension contributions made after Dec. 31, 2014 to March 31, 2015 total \$200,000. The initial implementation entry would be:

	Debit	Credit
Net position	\$800,000	
DOoR - Contributions after the measurement date	\$200,000	
Initial NPL		\$1,000,000

## **Appendix E-Summary of TCDRS Funding Policy**

### **Texas County & District Retirement System Funding Policy**

**Effective as of the Dec. 31, 2014 valuation**

#### **Introduction**

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

This policy documents the current funding policies in effect for the Dec. 31, 2015 actuarial valuation as established by state law, administrative rule and action by the TCDRS Board of Trustees (the board). The policy serves as a comprehensive funding overview and complies with the GASB reporting requirements for an agent multiple-employer plan.

#### **TCDRS funding overview**

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

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

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

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

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

### **Methodology for determining employer contribution rates**

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

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

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

#### ***Actuarial cost method***

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

#### ***Amortization policy***

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

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

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

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

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

### ***Asset valuation method***

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

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

### ***Actuarial assumptions***

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

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

### **Oversight**

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

### ***Review of actuarial assumptions***

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

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

#### ***Review of employer contribution rates***

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

#### ***Review and modification of funding policy***

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





REQUIRED SUPPLEMENTARY INFORMATION

## Schedule of Changes in Net Pension liability and Related Ratios

	Year Ended December 31									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total Pension Liability</b>										
Service cost	\$915,697	\$890,868	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	2,869,126	2,733,063	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	(145,397)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	404,986	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(213,650)	(400,781)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(1,718,343)</u>	<u>(1,648,618)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in total pension liability	2,112,420	1,574,532	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>35,687,552</u>	<u>34,113,019</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$37,799,972</u>	<u>\$35,687,552</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Fiduciary Net Position</b>										
Employer contributions	\$1,073,260	\$1,000,610	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	466,056	434,509	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	93,944	2,093,326	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,718,343)	(1,648,618)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(23,176)	(24,240)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(21,463)</u>	<u>(242,953)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in fiduciary net position	(129,721)	1,612,634	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>32,256,021</u>	<u>30,643,387</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$32,126,300</u>	<u>\$32,256,021</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability/ (asset), ending= (a) - (b)	<u>\$5,673,672</u>	<u>\$3,341,530</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	84.99%	90.38%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$6,657,948	\$6,207,264	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	85.22%	55.28%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.*

## Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution <sup>(1)</sup>	Actual Employer Contribution <sup>(1)</sup>	Contribution Deficiency (Excess)	Pensionable Covered Payroll <sup>(2)</sup>	Actual Contribution as a % of Covered Payroll
2006	\$385,943	\$385,943	\$0	\$4,723,900	8.2%
2007	410,864	410,864	0	4,956,135	8.3%
2008	770,991	770,991	0	5,280,759	14.6%
2009	808,292	835,588	(27,296)	5,570,586	15.0%
2010	780,971	836,755	(55,784)	5,578,367	15.0%
2011	795,123	854,968	(59,845)	5,699,807	15.0%
2012	850,274	874,765	(24,492)	5,831,783	15.0%
2013	905,468	931,304	(25,835)	6,008,416	15.5%
2014	1,000,610	1,000,610	0	6,207,264	16.1%
2015	1,059,945	1,073,260	(13,315)	6,657,948	16.1%

<sup>(1)</sup> TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

<sup>(2)</sup> Payroll is calculated based on contributions as reported to TCDRS.

## Notes to Schedule

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

### Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	12.0 years (based on contribution rate calculated in 12/31/2015 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule*	No changes in plan provisions are reflected in the Schedule of Employer Contributions.

## Appendix B-Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASS analysis were the same as those used in the December 31, 2015 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Lavaca County December 31, 2015 Summary Valuation Report for further details.

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

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Entry Age Normal <sup>(1)</sup>
<b>Amortization Method</b>	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
<b>Inflation</b>	Same as funding valuation: See Appendix C
<b>Salary Increases</b>	Same as funding valuation: See Appendix C
<b>Investment Rate of Return</b>	8.10%
<b>Cost-of-Living Adjustments</b>	Cost-of-Living Adjustments for Lavaca County are not considered to be substantively automatic under GASS 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASS calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
<b>Retirement Age</b>	Same as funding valuation: See Appendix C
<b>Turnover</b>	Same as funding valuation: See Appendix C
<b>Mortality</b>	Same as funding valuation: See Appendix C

(1) *Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.*

## **Appendix C-Actuarial Methods and Assumptions Used for Funding Valuation**

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2015 financial reporting metrics are the same as those used in the December 31, 2015 actuarial valuation analysis for Lavaca County.

Following is a description of the assumptions used in the December 31, 2015 actuarial valuation analysis for Lavaca County. This information may also be found in the Lavaca County December 31, 2015 Summary Valuation Report.

### **Economic Assumptions**

#### **TCDRS system-wide economic assumptions:**

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

The assumed long-term investment return of 8% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 8% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

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

#### **Employer-specific economic assumptions:**

Growth in membership	0.0%
Payroll growth for funding calculations	3.5%

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

LAVACA COUNTY, TEXAS  
 CAPITAL IMPROVEMENT  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$400	\$400	\$991	\$591
Miscellaneous	1,000	1,000	1,950	950
Total Revenues	1,400	1,400	2,941	1,541
<b>EXPENDITURES</b>				
Capital Projects -				
Capital Outlay and Other	50,000	50,000	49,641	359
Total Expenditures	50,000	50,000	49,641	359
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,600)	(48,600)	(46,700)	1,900
<b>OTHER FINANCING SOURCES (USES):</b>				
Other Financing Sources -				
Operating Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(48,600)	(48,600)	(46,700)	1,900
Fund Balances - Beginning	276,686	276,686	276,686	
Fund Balances - Ending	\$228,086	\$228,086	\$229,986	\$1,900

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





COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

LAVACA COUNTY, TEXAS  
 COMBINING BALANCE SHEET - GENERAL FUND  
 SEPTEMBER 30, 2016

	General Fund	Jail Commissary Account	Unclaimed Credits	Election Service Fund	Total
<b>ASSETS</b>					
Cash and Cash Equivalents	\$2,235,909	\$6,079	\$3,186	\$4,583	\$2,249,757
Receivables (net of allowance for uncollectibles)	215,570				215,570
Prepaid Insurance					0
<b>Total Assets</b>	<b>\$2,451,479</b>	<b>\$6,079</b>	<b>\$3,186</b>	<b>\$4,583</b>	<b>\$2,465,327</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable	\$37,756		\$694		\$38,450
Bank Overdraft					0
Due to Other Funds					0
Accrued Wages Payable	198,322				198,322
<b>Total Liabilities</b>	<b>236,078</b>	<b>0</b>	<b>694</b>	<b>0</b>	<b>236,772</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned Revenues - Ad Valorem Taxes	215,570				215,570
Fund Balances:					
Unassigned	1,999,831	6,079	2,492	4,583	2,012,985
<b>Total Fund Balance</b>	<b>1,999,831</b>	<b>6,079</b>	<b>2,492</b>	<b>4,583</b>	<b>2,012,985</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$2,451,479</b>	<b>\$6,079</b>	<b>\$3,186</b>	<b>\$4,583</b>	<b>\$2,465,327</b>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - GENERAL FUND  
 YEAR ENDED SEPTEMBER 30, 2016

	General Fund	Jail Commissary Account	Unclaimed Credits	Election Service Fund	Total
<b>REVENUES</b>					
Taxes					
Property	\$5,554,896				\$5,554,896
Other	9,630				9,630
Intergovernmental	100,890				100,890
Licenses and Permits	43,047				43,047
Charges for Services	1,091,760			317	1,092,077
Fines and Forfeitures	132,077				132,077
Interest	20,688		14	17	20,719
Miscellaneous	158,395		106		158,501
Total Revenues	<u>7,111,383</u>	<u>0</u>	<u>120</u>	<u>334</u>	<u>7,111,837</u>
<b>EXPENDITURES</b>					
Current:					
General Administration	1,550,511		4		1,550,515
Legal	277,389				277,389
Judicial	820,833				820,833
Financial Administration	1,012,847				1,012,847
Public Facilities	130,988				130,988
Public Safety	2,658,391	1,886			2,660,277
Health and Welfare	181,208				181,208
Conservation - Agriculture	109,822				109,822
Debt Service					
Principal Retirement	29,772				29,772
Interest and Fiscal Charges	3,862				3,862
Total Expenditures	<u>6,775,623</u>	<u>1,886</u>	<u>4</u>	<u>0</u>	<u>6,777,513</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>335,760</u>	<u>(1,886)</u>	<u>116</u>	<u>334</u>	<u>334,324</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Sale of Capital Assets					0
Operating Transfers In	4,461				4,461
Operating Transfers Out	(90,000)				(90,000)
Total Other Financing Sources (Uses)	<u>(85,539)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(85,539)</u>
Net Changes in Fund Balances	250,221	(1,886)	116	334	248,785
Fund Balances - Beginning	1,749,610	7,965	2,376	4,249	1,764,200
Fund Balances - Ending	<u>\$1,999,831</u>	<u>\$6,079</u>	<u>\$2,492</u>	<u>\$4,583</u>	<u>\$2,012,985</u>

The accompanying notes are an integral part of this statement.

LAVACA COUNTY, TEXAS  
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND  
 SEPTEMBER 30, 2016

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Road and Bridge Equipment No. 1	Road and Bridge Equipment No. 2	Road and Bridge Equipment No. 3	Road and Bridge Equipment No. 4	Road and Bridge Property No. 2	Road and Bridge Property No. 4	Road and Bridge FMR No. 1
<b>ASSETS</b>											
Cash and Cash Equivalents	\$300,943	\$279,382	\$101,016	\$235,905	\$65,127	\$29,738	\$22,576	\$2,630	\$41,268	\$20,671	\$832,627
Receivables (net of allowance for uncollectibles)											18,786
<b>Total Assets</b>	<b>\$300,943</b>	<b>\$279,382</b>	<b>\$101,016</b>	<b>\$235,905</b>	<b>\$65,127</b>	<b>\$29,738</b>	<b>\$22,576</b>	<b>\$2,630</b>	<b>\$41,268</b>	<b>\$20,671</b>	<b>\$851,413</b>
<b>LIABILITIES AND FUND BALANCES:</b>											
<b>Liabilities:</b>											
Accounts Payable	\$78	\$988	\$498	\$407							\$3,549
Accrued Wages Payable	21,104	20,408	16,246	16,523							
<b>Total Liabilities</b>	<b>21,182</b>	<b>21,396</b>	<b>16,744</b>	<b>16,930</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,549</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unearned Revenues - Ad Valorem Taxes											18,786
<b>Fund Balances:</b>											
<b>Restricted</b>											
Public Transportation	279,761	257,986	84,272	218,975	65,127	29,738	22,576	2,630	41,268	20,671	829,078
<b>Total Fund Balance</b>	<b>279,761</b>	<b>257,986</b>	<b>84,272</b>	<b>218,975</b>	<b>65,127</b>	<b>29,738</b>	<b>22,576</b>	<b>2,630</b>	<b>41,268</b>	<b>20,671</b>	<b>829,078</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$300,943</b>	<b>\$279,382</b>	<b>\$101,016</b>	<b>\$235,905</b>	<b>\$65,127</b>	<b>\$29,738</b>	<b>\$22,576</b>	<b>\$2,630</b>	<b>\$41,268</b>	<b>\$20,671</b>	<b>\$851,413</b>

The accompanying notes are an integral part of this statement.

Road and Bridge FMR No. 2	Road and Bridge FMR No. 3	Road and Bridge FMR No. 4	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Right of Way	Total Road and Bridge
\$545,403	\$411,164	\$516,419	\$26,234	\$9,099	\$37,828	\$23,490	\$85,727	\$3,587,247
18,786	14,899	12,308						64,779
<u>\$564,189</u>	<u>\$426,063</u>	<u>\$528,727</u>	<u>\$26,234</u>	<u>\$9,099</u>	<u>\$37,828</u>	<u>\$23,490</u>	<u>\$85,727</u>	<u>\$3,652,026</u>
\$3,006	\$964	\$1,371						\$10,861
								74,281
<u>3,006</u>	<u>964</u>	<u>1,371</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>85,142</u>
<u>18,786</u>	<u>14,899</u>	<u>12,308</u>						<u>64,779</u>
542,397	410,200	515,048	26,234	9,099	37,828	23,490	85,727	3,502,105
<u>542,397</u>	<u>410,200</u>	<u>515,048</u>	<u>26,234</u>	<u>9,099</u>	<u>37,828</u>	<u>23,490</u>	<u>85,727</u>	<u>3,502,105</u>
<u>\$564,189</u>	<u>\$426,063</u>	<u>\$528,727</u>	<u>\$26,234</u>	<u>\$9,099</u>	<u>\$37,828</u>	<u>\$23,490</u>	<u>\$85,727</u>	<u>\$3,652,026</u>

LAVACA COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS  
 YEAR ENDED SEPTEMBER 30, 2016

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Road and Bridge Equipment No. 1	Road and Bridge Equipment No. 2	Road and Bridge Equipment No. 3	Road and Bridge Equipment No. 4	Road and Bridge Property No. 2	Road and Bridge Property No. 4	Road and Bridge FMR No. 1
<i>REVENUES</i>											
Taxes											
Property	\$449,555	\$449,555	\$356,543	\$294,536							\$644,140
Intergovernmental		215,940	28,407								94,093
Licenses and Permits	188,453	188,453	188,453	188,453							
Interest	4,594	4,594	4,594	4,594					163	82	
Miscellaneous			2,000				6,422	912			1,088
Total Revenues	642,602	858,542	579,997	487,583	0	0	6,422	912	163	82	739,321
<i>EXPENDITURES</i>											
Current:											
Public Transportation											
Road and Bridge	526,848	818,977	627,922	429,060		30,841	51,776		636		555,374
Debt Service											
Principal Retirement								20,132			
Interest and Fiscal Charges								1,609			
Total Expenditures	526,848	818,977	627,922	429,060	0	30,841	51,776	21,741	636	0	555,374
Excess (Deficiency) of Revenues Over (Under)											
Expenditures	115,754	39,565	(47,925)	58,523	0	(30,841)	(45,354)	(20,829)	(473)	82	183,947
<i>OTHER FINANCING SOURCES (USES):</i>											
Other Financing Sources - Capital Lease											102,249
Operating Transfers In					22,500	22,500	22,500	22,500	1,000		
Operating Transfers Out		(1,000)									(1,500)
Total Other Financing Sources (Uses)	0	(1,000)	0	0	22,500	22,500	22,500	22,500	1,000	0	100,749
Net Changes in Fund Balances	115,754	38,565	(47,925)	58,523	22,500	(8,341)	(22,854)	1,671	527	82	284,696
Fund Balances - Beginning	164,007	219,421	132,197	160,452	42,627	38,079	45,430	959	40,741	20,589	544,382
Fund Balances - Ending	\$279,761	\$257,986	\$84,272	\$218,975	\$65,127	\$29,738	\$22,576	\$2,630	\$41,268	\$20,671	\$829,078

The accompanying notes are an integral part of this statement.

Road and Bridge FMR No. 2	Road and Bridge FMR No. 3	Road and Bridge FMR No. 4	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Right of Way	Total Road and Bridge
\$644,140	\$510,869	\$422,023						\$3,771,361
	145,835	87,851	8,575	8,575	8,575	8,575		606,426
								753,812
							355	18,976
21,135	2,259	2,600						36,416
665,275	658,963	512,474	8,575	8,575	8,575	8,575	355	5,186,991
799,435	668,127	305,895				4,205	14,874	4,833,970
26,835								46,967
3,227								4,836
829,497	668,127	305,895	0	0	0	4,205	14,874	4,885,773
(164,222)	(9,164)	206,579	8,575	8,575	8,575	4,370	(14,519)	301,218
								102,249
		8,434						99,434
(1,500)	(10,934)							(14,934)
(1,500)	(10,934)	8,434	0	0	0	0	0	186,749
(165,722)	(20,098)	215,013	8,575	8,575	8,575	4,370	(14,519)	487,967
708,119	430,298	300,035	17,659	524	29,253	19,120	100,246	3,014,138
\$542,397	\$410,200	\$515,048	\$26,234	\$9,099	\$37,828	\$23,490	\$85,727	\$3,502,105

LAVACA COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2016

	SPECIAL REVENUE																
	Records Management County Clerk	Records Management Courthouse	Sheriff's Contraband	Courthouse Security	Emergency Appropriation	Tobacco Settlement	Law Library	Senior Citizens	Law Enforcement Training	Special Reserve	Child Abuse Prevention	Appellate Judicial System Fee	Task Force Indigent Defence	Attorney Hot Check Collection	Records Management District Clerk	Records Archive	Justice Court Technology No. 1
<b>ASSETS</b>																	
Cash and Cash Equivalents	\$143,136	\$14,308	\$2,366	\$99,343	\$118,830	\$9,395	\$78,084	\$0	\$18,523	\$507,155	\$472	\$1,555	\$20,042	\$15,452	\$9,394	\$192,212	\$1,232
Receivables (net of allowance for uncollectibles)								30,911									
<b>Total Assets</b>	<b>\$143,136</b>	<b>\$14,308</b>	<b>\$2,366</b>	<b>\$99,343</b>	<b>\$118,830</b>	<b>\$9,395</b>	<b>\$78,084</b>	<b>\$30,911</b>	<b>\$18,523</b>	<b>\$507,155</b>	<b>\$472</b>	<b>\$1,555</b>	<b>\$20,042</b>	<b>\$15,452</b>	<b>\$9,394</b>	<b>\$192,212</b>	<b>\$1,232</b>
<b>LIABILITIES AND FUND BALANCES</b>																	
<b>Liabilities</b>																	
Accounts Payable			\$49				\$200		\$150					\$98			
Accrued Wages Payable	524															574	
<b>Total Liabilities</b>	<b>524</b>	<b>0</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>98</b>	<b>0</b>	<b>574</b>	<b>0</b>
<b>Fund Balances</b>																	
Restricted																	
Construction										507,155							
General Administration	142,612															191,638	
Health							9,395	30,911									
Judicial							77,884				472	1,555	20,042		9,394		1,232
Legal														15,354			
Public Safety		14,308	2,317	99,343	118,830				18,373								
Unassigned																	
<b>Total Fund Balances</b>	<b>142,612</b>	<b>14,308</b>	<b>2,317</b>	<b>99,343</b>	<b>118,830</b>	<b>9,395</b>	<b>77,884</b>	<b>30,911</b>	<b>18,373</b>	<b>507,155</b>	<b>472</b>	<b>1,555</b>	<b>20,042</b>	<b>15,354</b>	<b>9,394</b>	<b>191,638</b>	<b>1,232</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$143,136</b>	<b>\$14,308</b>	<b>\$2,366</b>	<b>\$99,343</b>	<b>\$118,830</b>	<b>\$9,395</b>	<b>\$78,084</b>	<b>\$30,911</b>	<b>\$18,523</b>	<b>\$507,155</b>	<b>\$472</b>	<b>\$1,555</b>	<b>\$20,042</b>	<b>\$15,452</b>	<b>\$9,394</b>	<b>\$192,212</b>	<b>\$1,232</b>

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



SPECIAL REVENUE

Justice Court Technology No. 2	Justice Court Technology No. 3	Justice Court Technology No. 4	Ambulance Service Grant	Jury Service	Family Protection	Border Service	Justice Court Building Security No. 1	Justice Court Building Security No. 2	Justice Court Building Security No. 3	Justice Court Building Security No. 4	Abandoned Motor Vehicle	County Clerk Technology	District Clerk Technology	District Clerk Archive	County Attorney Pretrial Fee	County Clerk Digital Preserve	District Clerk Digital Preserve	County Attorney Judicial Appt. Fee	TOTAL NON-MAJOR GOVERNMENTAL
\$1,307	\$651	\$18,040	\$331,200	\$8,815	\$11,710	\$0	\$3,986	\$983	\$821	\$8,445	\$56,044	\$875	\$1,484	\$10,112	\$40,808	\$8,063	\$14,403	\$146	\$1,749,392
																			30,911
\$1,307	\$651	\$18,040	\$331,200	\$8,815	\$11,710	\$0	\$3,986	\$983	\$821	\$8,445	\$56,044	\$875	\$1,484	\$10,112	\$40,808	\$8,063	\$14,403	\$146	\$1,780,303
																			\$497
																			1,098
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,595
																			507,155
												875				8,063			343,188
1,307	651	18,040		8,815	11,710		3,986	983	821	8,445			1,484	10,112			14,403	146	40,306
			331,200			0					56,044				40,808				191,336
																			56,308
																			640,415
																			0
1,307	651	18,040	331,200	8,815	11,710	0	3,986	983	821	8,445	56,044	875	1,484	10,112	40,808	8,063	14,403	146	1,778,708
\$1,307	\$651	\$18,040	\$331,200	\$8,815	\$11,710	\$0	\$3,986	\$983	\$821	\$8,445	\$56,044	\$875	\$1,484	\$10,112	\$40,808	\$8,063	\$14,403	\$146	\$1,780,303

LAVACA COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	SPECIAL REVENUE																
	Records Management County Clerk	Records Management Courthouse	Sheriff's Contraband	Courthouse Security	Emergency Appropriation	Tobacco Settlement	Law Library	Senior Citizens	Law Enforcement Training	Special Reserve	Child Abuse Prevention	Appellate Judicial System Fee	Task Force Indigent Defence	Attorney Hot Check Collection	Records Management District Clerk	Records Archive	Justice Court Technology No. 1
	<i>REVENUES</i>																
Intergovernmental						\$2,635		\$160,535				\$1,555	\$17,413				
Charges for Services	57,765	4,363		10,616			9,870		4,794		138			4,730	1,902	57,750	1,246
Fines and Forfeitures																	
Interest	495	55	12	385	463	38	292	14	89	2,145	2		97	1	51	691	6
Miscellaneous																	
Total Revenues	58,260	4,418	12	11,001	463	2,673	10,162	160,549	4,883	2,145	140	1,555	17,510	4,731	1,953	58,441	1,252
<i>EXPENDITURES</i>																	
Current:																	
General Administration																	
County Clerk	20,284																
Records Management																19,461	
Legal																	
Check Collection														1,151			
County Attorney																	
Judicial																	
Indigent Defense													17,325				
Judicial												1,920			3,908		2,549
Jury							3,212										
Public Safety																	
Emergency Operations																	
Sheriff		698	1,012	2,028					5,397								
Health and Welfare																	
Senior Citizens								138,754									
Capital Projects -																	
Capital Outlay and Other										53,239							
Total Expenditures	20,284	698	1,012	2,028	0	0	3,212	138,754	5,397	53,239	0	1,920	17,325	1,151	3,908	19,461	2,549
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,976	3,720	(1,000)	8,973	463	2,673	6,950	21,795	(514)	(51,094)	140	(365)	185	3,580	(1,955)	38,980	(1,297)
<i>OTHER FINANCING SOURCES (USES):</i>																	
Transfers In					5,500												
Transfers Out																	
Total Other Financing Sources (Uses)	0	0	0	0	5,500	0	0	0	0	0	0	0	0	0	0	0	0
Net Changes in Fund Balances	37,976	3,720	(1,000)	8,973	5,963	2,673	6,950	21,795	(514)	(51,094)	140	(365)	185	3,580	(1,955)	38,980	(1,297)
Fund Balances - Beginning	104,636	10,588	3,317	90,370	112,867	6,722	70,934	9,116	18,887	558,249	332	1,920	19,857	11,774	11,349	152,658	2,529
Fund Balances - Ending	\$142,612	\$14,308	\$2,317	\$99,343	\$118,830	\$9,395	\$77,884	\$30,911	\$18,373	\$507,155	\$472	\$1,555	\$20,042	\$15,354	\$9,394	\$191,638	\$1,232

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE

Justice Court Technology No. 2	Justice Court Technology No. 3	Justice Court Technology No. 4	Ambulance Service Grant	Jury Service	Family Protection	Border Service	Justice Court Building Security No. 1	Justice Court Building Security No. 2	Justice Court Building Security No. 3	Justice Court Building Security No. 4	Abandoned Motor Vehicle	County Clerk Technology	District Clerk Technology	District Clerk Archive	County Attorney Pretrial Fee	County Clerk Digital Preserve	District Clerk Digital Preserve	County Attorney Judicial Appt. Fee	TOTAL NON-MAJOR GOVERNMENTAL	
						\$5,785												\$18,333	\$206,256	
311	456	1,664		4,236	1,305							334	273	1,675	8,850	1,160	1,970		175,408	
							309	78	114	416									917	
5	2	72	1,585		45		25	3	4	37	224	6	8	37	149	37	55	52	7,182	
			147,836								3,399								151,235	
316	458	1,736	149,421	4,236	1,350	5,785	334	81	118	453	3,623	340	281	1,712	8,999	1,197	2,025	18,385	540,998	
													476				1,880			20,284
																				21,817
																		27,500		1,151
																				27,500
		2,710								955										17,325
				3,856																12,042
			136,855																	7,068
						1,324	2,000				1,384									136,855
																				13,843
																				138,754
																				53,239
0	0	2,710	136,855	3,856	0	1,324	2,000	0	0	955	1,384	476	0	0	0	1,880	0	27,500	449,878	
316	458	(974)	12,566	380	1,350	4,461	(1,666)	81	118	(502)	2,239	(136)	281	1,712	8,999	(683)	2,025	(9,115)	91,120	
							(4,461)													5,500
						(4,461)	0	0	0	0	0	0	0	0	0	0	0	0	0	(4,461)
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,039
316	458	(974)	12,566	380	1,350	0	(1,666)	81	118	(502)	2,239	(136)	281	1,712	8,999	(683)	2,025	(9,115)	92,159	
991	193	19,014	318,634	8,435	10,360	0	5,652	902	703	8,947	53,805	1,011	1,203	8,400	31,809	8,746	12,378	9,261	1,686,549	
\$1,307	\$651	\$18,040	\$331,200	\$8,815	\$11,710	\$0	\$3,986	\$983	\$821	\$8,445	\$56,044	\$875	\$1,484	\$10,112	\$40,808	\$8,063	\$14,403	\$146	\$1,778,708	

