

WILSON COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**BEYER & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

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Annual Financial Report  
For the Fiscal Year Ended September 30, 2016

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Wayne F. Beyer, C.P.A.

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**INDEPENDENT AUDITOR'S REPORT**

To the Commission, Court  
Wilson County, Texas

Report on the Financial Statements

**FINANCIAL SECTION**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund balances of Wilson County, Texas, as of and for the year ended September 30, 2015, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the International Standards on Auditing promulgated by the International Federation of Accountants (IFAC). 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 opinion.

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

Wayne R. Beyer, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners' Court  
Wilson County, Texas

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wilson 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 and the standards applicable to financial audits contained in Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter 1 - Comptroller. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wilson 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 and the Employees Retirement System Information on pages 3-10, and 57-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilson County, Texas' basic financial statements. The combining road and bridge and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state awards is presented for purposes of additional analysis as required by the Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter 1 - Comptroller, and is also not a required part of the basic financial statements.

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2017, on our consideration of Wilson County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilson County, Texas' internal control over financial reporting and compliance.

*Wayne R. Beyer*

BEYER & COMPANY  
Certified Public Accountants  
March 25, 2017



## Management's Discussion and Analysis

### Financial Highlights

The assets of Wilson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$18,612,384 (net position). Of this amount, \$8,755,864 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position decreased by \$798,379. This decrease is attributable to an increase in transportation expenses of \$2,433,696, capital grants of \$932,556, and careful budget management.

As of the close of the current fiscal year, Wilson County, Texas' governmental funds reported combined ending fund balances of \$8,551,351 a decrease of \$3,718,110 in comparison with the prior year. Approximately 66% of this total amount, \$5,646,896, 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 \$6,175,568, or 50 percent of total general fund expenditures and the total fund balance for the road and bridge fund was \$1,006,842, or 21 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 Wilson County, Texas' basic financial statements. Wilson 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 Wilson County, Texas' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Wilson 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 Wilson 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 Wilson 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 Wilson 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 government-wide financial statements include only Wilson County, Texas itself (known as the primary government). The government-wide financial statements can be found on pages 11-12 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. Wilson County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Wilson County, Texas are governmental funds.

**Governmental funds:**

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

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

Wilson County, Texas maintains twenty-seven (27) 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 funds, the courthouse restoration fund, and the recording fees fund all of which are considered to be major funds. Data from the other twenty-three (23) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Wilson County, Texas adopts an annual appropriated budget for its general fund, the road and bridge funds, and the recording fees fund.

The basic governmental fund financial statements can be found on pages 13-23 of this report.

Wilson County, Texas also has fourteen agency funds presented in this report. Such funds are not included in the county wide statement but are shown separately on page 24.

**Proprietary funds:**

Wilson County, Texas maintains no type of proprietary fund.

**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 25-55 of this report.

**Other information:**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Wilson County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 56-60 of this report.



The combining statements referred to earlier in connection with major road and bridge funds, the non-major governmental funds, and the agency funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 61-75 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 Wilson County, Texas, assets exceeded liabilities by \$18,612,384 at the close of the most recent fiscal year.

A significant portion of Wilson County, Texas' net position (39 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 is still outstanding. Wilson County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wilson 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.

#### WILSON COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2016	2015	2016	2015
Current and Other Assets	\$11,982,129	\$15,398,715	\$11,982,129	\$15,398,715
Capital Assets	15,555,282	13,079,641	15,555,282	13,079,641
Total Assets	27,537,411	28,478,356	27,537,411	28,478,356
Total Deferred Outflows of Resources	2,408,803	1,023,973	2,408,803	1,023,973
Long-Term Liabilities	10,000,168	9,122,005	10,000,168	9,122,005
Other Liabilities	850,480	541,960	850,480	541,960
Total Liabilities	10,850,648	9,663,965	10,850,648	9,663,965
Total Deferred Inflows of Resources	483,182	427,601	483,182	427,601
Invested in Capital Assets, Net of Related Debt	7,189,225	8,754,518	7,189,225	8,754,518
Restricted	2,667,295	2,121,810	2,667,295	2,121,810
Unrestricted	8,755,864	8,534,435	8,755,864	8,534,435
Total Net Position	\$18,612,384	\$19,410,763	\$18,612,384	\$19,410,763

An additional portion of Wilson County, Texas' net position (14 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$8,755,864) may be used to meet the governments on going obligations to citizens and creditors. At the end of the current fiscal year, Wilson County, Texas reported a positive balance in all three parts of the governmental activities net position. For the prior fiscal year, Wilson County, Texas reported a positive balance in all three parts of the governmental activities net position.

*Governmental activities:*

Governmental activities decreased Wilson County, Texas' net position by \$798,379, thereby accounting for 100 percent of the total decrease in the net position of Wilson County, Texas. This decrease is attributable to an increase in transportation expenses of \$2,433,696, capital grants of \$932,556, and careful budget management.

WILSON COUNTY, TEXAS CHANGE IN NET POSITION	Governmental Activities		Total	
	2016	2015	2016	2015
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for Services	\$4,458,829	\$3,908,477	\$4,458,829	\$3,908,477
Operating Grants and Contributions	170,050	304,211	170,050	304,211
Capital Grants and Contributions	932,556	361,924	932,556	361,924
<b>General Revenues:</b>				
Maintenance and Operations Taxes	13,391,243	13,265,186	13,391,243	13,265,186
Other Taxes	32,214	20,531	32,214	20,531
Grants and Contributions not Restricted to Specific Programs	13,444	13,895	13,444	13,895
Unrestricted Investment Earnings	39,701	18,034	39,701	18,034
Miscellaneous	851,230	749,806	851,230	749,806
<b>Total Revenue</b>	<b>19,889,267</b>	<b>18,642,064</b>	<b>19,889,267</b>	<b>18,642,064</b>
<b>Expenses:</b>				
General Administration	1,703,711	2,063,550	1,703,711	2,063,550
Legal	420,045	389,394	420,045	389,394
Judicial	2,435,825	1,797,046	2,435,825	1,797,046
Financial Administration	997,486	908,196	997,486	908,196
Public Facilities	645,172	161,763	645,172	161,763
Public Safety	6,860,356	6,751,217	6,860,356	6,751,217
Public Transportation	6,498,003	4,064,307	6,498,003	4,064,307
Environmental Protection	82,800	82,800	82,800	82,800
Culture and Recreation	451,998	340,837	451,998	340,837
Health and Welfare	197,615	228,792	197,615	228,792
Conservation - Agriculture	131,174	143,609	131,174	143,609
Interest and Fiscal Charges	263,461	373,372	263,461	373,372
<b>Total Expenses</b>	<b>20,687,646</b>	<b>17,304,883</b>	<b>20,687,646</b>	<b>17,304,883</b>
Increase in Net Position	(798,379)	1,337,181	(798,379)	1,337,181
Net Position at 09/30/2015 - Restated	19,410,763	18,073,582	19,410,763	18,073,582
Net Position at 09/30/2016	<u>\$18,612,384</u>	<u>\$19,410,763</u>	<u>\$18,612,384</u>	<u>\$19,410,763</u>

Overall, revenues increased by \$1,247,203 (7 percent) during the year while expenses increased by \$3,382,763 (20 percent) during the year. Most of the revenue increase was from an increase in charges for services (14 percent or \$550,352) and an increase in capital grants (158 percent or \$570,632). Most of the expense increase was from an increase in public transportation (60 percent or \$2,433,696) and judicial of (36 percent or \$638,779).



Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	Program		
		Revenues	Operating	Capital
		Charges for	Grants and	Grants and
		Services	Contributions	Contributions
Primary Government				
Government Activities:				
General Administration	\$1,703,711	\$541,692	\$0	\$0
Legal	420,045	470	23,333	
Judicial	2,435,825	305,382	49,666	
Financial Administration	997,486	895,596		
Public Facilities	645,172			
Public Safety	6,860,356	966,549	15,352	
Public Transportation	6,498,003	1,725,835	79,241	932,556
Environmental Protection	82,800			
Culture and Recreation	451,998	23,305	2,458	
Health and Welfare	197,615			
Conservation - Agriculture	131,174			
Interest and Fiscal Charges	263,461			
<b>Total Government Activities</b>	<b>\$20,687,646</b>	<b>\$4,458,829</b>	<b>\$170,050</b>	<b>\$932,556</b>

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$4,458,829	22.42%
Operating Grants and Contributions	170,050	0.85%
Capital Grants and Contributions	932,556	4.69%
Maintenance and Operations Taxes	13,391,243	67.33%
Other Taxes	32,214	0.16%
Grants and Contributions not Restricted to		
Specific Programs	13,444	0.07%
Unrestricted Investment Earnings	39,701	0.20%
Miscellaneous	851,230	4.28%
	<b>\$19,889,267</b>	<b>100.00%</b>



## Financial Analysis of the Government's Funds

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

### *Governmental funds:*

The focus of Wilson County, Texas' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Wilson 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, Wilson County, Texas' governmental funds reported combined ending fund balances of \$8,551,351, a decrease of \$3,718,110 in comparison with the prior year. Approximately 66 percent of this total amount, \$5,646,896, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining amount is either restricted or committed.

The general fund is the chief operating fund of Wilson County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,175,568, while total fund balance reached \$6,175,568. 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 50 percent of total general fund expenditures, while total fund balance represents 50 percent of that same amount. The fund balance of Wilson County, Texas' general fund increased by \$687,234 during the current fiscal year. This increase is attributable to an increase in property taxes of \$156,612, an increase in charges for services of \$440,350, and careful budget management.

At the end of the current fiscal year, restricted fund balance of the road and bridge was \$1,006,842, while total fund balance reached \$1,006,842. As a measure of the road and bridge's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 21 percent of total road and bridge expenditures, while total fund balance represents 21 percent of that same amount. The fund balance of Wilson County, Texas' road and bridge decreased by \$453,111 during the current fiscal year. This decrease is attributable to an increase in expenditures of \$557,468.

There is no analysis of the courthouse restoration fund because it is a construction fund. There is no analysis of the recording fees fund because it is custodial in nature and the activity is immaterial.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were an increase of \$320,549 for the general fund. The largest increase was in general administration of \$122,490, juvenile probation of \$108,744, and district and county court of \$87,000. These increases were financed by the beginning reserve of the fund.

Capital Asset and Debt Administration

Capital assets:

Wilson County, Texas' investment in capital assets for its governmental activities as of September 30, 2016, amounts to \$15,555,282 (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 increase in Wilson County, Texas' investment in capital assets for the current fiscal year was 18.93 percent.

The County is currently restoring the County Courthouse.

WILSON COUNTY, TEXAS  
CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Total	
	2016	2015	2016	2015
Land	\$486,080	\$486,080	\$486,080	\$486,080
Construction in Progress	0	4,777,126	0	4,777,126
Building and Improvements	13,420,065	6,077,751	13,420,065	6,077,751
Machinery and Equipment	548,357	718,414	548,357	718,414
Vehicles	1,100,780	1,020,270	1,100,780	1,020,270
Intangible	0	0	0	0
Infrastructure	0	0	0	0
<b>Total</b>	<b>\$15,555,282</b>	<b>\$13,079,641</b>	<b>\$15,555,282</b>	<b>\$13,079,641</b>

Additional information on Wilson County, Texas' capital assets can be found in note IV C on pages 36-37 of this report.



*Long-term debt:*

At the end of the current fiscal year, Wilson County, Texas has the following bonded debt outstanding.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
General Obligation Bonds	\$8,050,000	\$0	\$320,000	\$7,730,000	\$325,000	\$7,405,000
	<u>8,050,000</u>	<u>0</u>	<u>320,000</u>	<u>7,730,000</u>	<u>325,000</u>	<u>7,405,000</u>
Grand Total	<u>\$8,050,000</u>	<u>\$0</u>	<u>\$320,000</u>	<u>\$7,730,000</u>	<u>\$325,000</u>	<u>\$7,405,000</u>

Wilson County, Texas' total bonded debt decreased by \$320,000 during the current fiscal year. The key factor in this decrease was the bond payment of \$320,000.

Additional information on Wilson County, Texas' long term debt can be found in note IV F on pages 38-39 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 25 percent of its total assessed valuation. The current debt limitation for Wilson County, Texas is \$725,665,641, which is significantly in excess of Wilson County, Texas' outstanding general obligation debt.

*Economic Factors*

The Eagle Ford Oil and Gas Shale have brought in new businesses which have increased the sales taxes significantly; however, the sales taxes have fallen recently because of a downturn in the oil and gas industry.

Requests for Information

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 demonstrate the county's accountability for the funds it receives. If questions are encountered regarding this report, contact the Wilson County Auditor's Office, 1420 3<sup>rd</sup> Street, Floresville, TX 78114, or (830) 393-7304.





BASIC FINANCIAL STATEMENTS





WILSON COUNTY, TEXAS  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2018

Assets	2018	2017
Total Assets	\$21,527,411	\$21,527,411
Investments	0	0
Vehicle	1,100,180	1,100,180
Inventory and equipment	948,207	948,207
Building and improvements	17,410,024	17,410,024
Total Capital assets being depreciated, net	0	0
Construction in Progress	0	0
Land	408,000	408,000
Capital assets not being depreciated	408,000	408,000
Accounts receivable (net of allowance for uncollectibles)	2,347,281	2,347,281
Due to other governments	0	0
Total Assets	\$21,527,411	\$21,527,411

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Liabilities	2018	2017
Total Liabilities	\$10,260,818	\$10,260,818
Due to other governments	0	0
Due within one year	558,872	558,872
Accounts payable	44,742	44,742
Accounts receivable	880,738	880,738
Total Liabilities	\$10,260,818	\$10,260,818
Deferred Inflows of Resources	\$11,266,593	\$11,266,593
Unexpended revenue - (Fund Balance - Restricted)	453,182	453,182
Total Liabilities and Deferred Inflows of Resources	\$21,527,411	\$21,527,411

The accompanying notes are an integral part of this statement.



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

	Primary Government	
	Governmental Activities	Total
<b>ASSETS</b>		
Cash and Cash Equivalents	\$9,634,838	\$9,634,838
Receivables (net of allowance for uncollectibles)	2,347,291	2,347,291
Capital assets not being depreciated:		
Land	486,080	486,080
Construction in Progress	0	0
Total Capital assets being depreciated, net		
Building and Improvements	13,420,065	13,420,065
Machinery and Equipment	548,357	548,357
Vehicles	1,100,780	1,100,780
Intangible	0	0
Total Assets	<u>\$27,537,411</u>	<u>\$27,537,411</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflow of Resources-Contributions (after 12/31/15)	836,149	836,149
Deferred Outflow-Investment Experience	1,399,220	1,399,220
Deferred Outflow-Actual Experience vs. Assumption	173,434	173,434
Total Deferred Outflows of Resources	<u>2,408,803</u>	<u>2,408,803</u>
<b>LIABILITIES:</b>		
Accounts Payable	\$805,738	\$805,738
Accrued Interest Payable	44,742	44,742
Noncurrent Liabilities:		
Due within one year	655,822	655,822
Due in more than one year	9,344,346	9,344,346
Total Liabilities	<u>10,850,648</u>	<u>10,850,648</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - Future Book Restoration	<u>483,182</u>	<u>483,182</u>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	7,189,225	7,189,225
Restricted		
Construction	811,025	811,025
General Administration	115,735	115,735
Debt Service	114,107	114,107
Judicial	66,938	66,938
Public Safety	488,803	488,803
Public Transportation	1,070,687	1,070,687
Unrestricted	8,755,864	8,755,864
Total Net Position	<u>\$18,612,384</u>	<u>\$18,612,384</u>

The accompanying notes are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Governmental Activities
Primary government					
Government activities:					
General Administration	\$1,703,711	\$541,692	\$0	\$0	(\$1,162,019)
Legal	420,045	470	23,333		(396,242)
Judicial	2,435,825	305,382	49,666		(2,080,777)
Financial Administration	997,486	895,596			(101,890)
Public Facilities	645,172				(645,172)
Public Safety	6,860,356	966,549	15,352		(5,878,455)
Public Transportation	6,498,003	1,725,835	79,241	932,556	(3,760,371)
Environmental Protection	82,800				(82,800)
Culture and Recreation	451,998	23,305	2,458		(426,235)
Health and Welfare	197,615				(197,615)
Conservation - Agriculture	131,174				(131,174)
Interest and Fiscal Charges	263,461				(263,461)
Total Government Activities	<u>20,687,646</u>	<u>4,458,829</u>	<u>170,050</u>	<u>932,556</u>	<u>(15,126,211)</u>
Total Primary Government	<u>\$20,687,646</u>	<u>\$4,458,829</u>	<u>\$170,050</u>	<u>\$932,556</u>	<u>(15,126,211)</u>
General Revenues					
Property Taxes, Levies for General Purposes					13,391,243
Other Taxes					32,214
Unrestricted Investment Earnings					39,701
Miscellaneous					851,230
Grants and Contributions not Restricted to Specific Programs					13,444
Total General Revenues and Transfers					<u>14,327,832</u>
Change in Net Position					(798,379)
Net Position - Beginning - Restated					<u>19,410,763</u>
Net Position - Ending					<u>\$18,612,384</u>

The accompanying notes are an integral part of this statement.





General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
\$2,088,004	\$2,088,004	\$2,088,004	\$2,088,004	\$2,088,004	\$10,440,000
1,404,000	752,000	19,800	741,900	1,928,000	5,885,500
2,788,784	2,747,000	2,107,804	813,700	4,016,704	12,473,292

ASSETS  
 Cash and Cash Equivalents  
 Receivables (net of allowance for uncollectibles)  
 Due from Other Funds  
 Total Assets

Accounts Payable	Due to Other Funds	Total Liabilities
\$288,504	1,021,104	1,309,608
\$288,504	1,021,104	1,309,608

LIABILITIES AND FUND BALANCES  
 Accounts Payable  
 Due to Other Funds  
 Total Liabilities

**FUND FINANCIAL STATEMENTS**

General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
1,318,100	218,100	0	483,180	1,231,701	3,030,981
1,318,100	218,100	0	483,180	1,231,701	3,030,981
8,172,588	1,008,842	611,007	29,301	462,812	10,284,548
8,172,588	1,008,842	611,007	29,301	462,812	10,284,548
2,788,784	2,747,000	2,107,804	813,700	4,016,704	12,473,292
2,788,784	2,747,000	2,107,804	813,700	4,016,704	12,473,292

DEFERRED INFLUX OF RESOURCES  
 Unavailable Revenues - Funding Block Restriction  
 Deferred Property Taxes  
 Total Deferred Influx of Resources

Fund Balances  
 Restricted  
 Construction  
 General Administration  
 Debt Service  
 Unassigned  
 Public Safety  
 Public Transportation  
 Committed  
 Capital and Treatment  
 General Administration  
 Unassigned  
 Total Fund Balances  
 Total Liabilities, Deferred Influx of Resources, and Fund Balances

The accompanying notes are an integral part of this statement.

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

	General Fund	Road and Bridge	Courthouse Restoration Fund	Recording Fees	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$5,805,225	\$1,088,054	\$914,146	\$661,765	\$1,165,648	\$9,634,838
Receivables (net of allowance for uncollectibles)	1,434,539	329,022		19,803	141,992	1,925,356
Due from Other Funds	550,000					550,000
<b>Total Assets</b>	<b>\$7,789,764</b>	<b>\$1,417,076</b>	<b>\$914,146</b>	<b>\$681,568</b>	<b>\$1,307,640</b>	<b>\$12,110,194</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
Accounts Payable	\$295,564	\$132,104	\$103,121	\$133,085	\$141,864	\$805,738
Due to Other Funds					550,000	550,000
<b>Total Liabilities</b>	<b>295,564</b>	<b>132,104</b>	<b>103,121</b>	<b>133,085</b>	<b>691,864</b>	<b>1,355,738</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - Future Book Restoration				483,182		483,182
Deferred Property Taxes	1,318,632	278,130			123,161	1,719,923
<b>Total Deferred Inflows of Resources</b>	<b>1,318,632</b>	<b>278,130</b>	<b>0</b>	<b>483,182</b>	<b>123,161</b>	<b>2,203,105</b>
<b>Fund Balances:</b>						
<b>Restricted</b>						
Construction			811,025			811,025
General Administration				65,301	50,434	115,735
Debt Service					114,107	114,107
Judicial					66,938	66,938
Public Safety					488,803	488,803
Public Transportation		1,006,842			63,845	1,070,687
<b>Committed</b>						
Culture and Recreation					195,893	195,893
General Administration					41,267	41,267
<b>Unassigned</b>						
	6,175,568				(528,672)	5,646,896
<b>Total Fund Balance</b>	<b>6,175,568</b>	<b>1,006,842</b>	<b>811,025</b>	<b>65,301</b>	<b>492,615</b>	<b>8,551,351</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$7,789,764</b>	<b>\$1,417,076</b>	<b>\$914,146</b>	<b>\$681,568</b>	<b>\$1,307,640</b>	<b>\$12,110,194</b>

The accompanying notes are an integral part of this statement.

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - GOVERNMENTAL FUNDS  
 YEAR ENDING SEPTEMBER 30, 2016

Total Fund Balances - governmental funds balance sheet		\$8,551,351
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.		
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		15,555,282
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).		2,830,738
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		1,719,923
		(10,044,910)
Net position of governmental activities - statement of net position		<u>\$18,612,384</u>

The accompanying notes are an integral part of this statement.

Governmental Funds	Proprietary Funds	Trust Funds	Special Revenue Funds	Total	Statement of Net Position
General Administration					
Legal					
Utilities					
Financial Administration					
Public Utilities					
Public Safety					
Public Transportation					
Environmental Protection					
Culture and Recreation					
Health and Welfare					
Government - Agriculture					
County Offices -					
County Utility and Other					
Cell Towers					
Physical Education					
Student Activities					
Total Expenditures					
Excess (Deficiency) of Revenues Over Expenditures					
OTHER FINANCIAL SOURCES (USES)					
Capital Lease Proceeds					
Fund Equity Transfers In					
Residual Equity Transfers Out					
Operating Transfers In					
Operating Transfers Out					
Total Other Financial Sources (Uses)					
Net Changes in Fund Balances					
Fund Balances - Beginning - Restated					
Net Changes - Ending					

The accompanying notes are an integral part of this statement.



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

	General Fund	Road and Bridge	Courthouse Restoration Fund	Recording Fees	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes						
Property	\$10,081,678	\$2,407,721			\$974,729	\$13,464,128
Other	32,214					32,214
Intergovernmental	72,037	79,241			964,772	1,116,050
Licenses and Permits		1,212,473				1,212,473
Charges for Services	2,371,979			122,569	90,248	2,584,796
Fines and Forfeitures	115,651	513,362			23,305	652,318
Interest	28,338		10,819		544	39,701
Miscellaneous	483,268	47,303	7,311		313,348	851,230
Total Revenues	<u>13,185,165</u>	<u>4,260,100</u>	<u>18,130</u>	<u>122,569</u>	<u>2,366,946</u>	<u>19,952,910</u>
<b>EXPENDITURES</b>						
Current:						
General Administration	1,608,475			57,268	35,918	1,701,661
Legal	426,451					426,451
Judicial	1,983,580				26,016	2,009,596
Financial Administration	1,007,099					1,007,099
Public Facilities	346,014					346,014
Public Safety	6,545,933				283,164	6,829,097
Public Transportation		4,669,729			1,694,277	6,364,006
Environmental Protection	82,800					82,800
Culture and Recreation					382,185	382,185
Health and Welfare	191,336					191,336
Conservation - Agriculture	135,785					135,785
Capital Projects -						
Capital Outlay and Other			3,559,417			3,559,417
Debt Service						
Principal Retirement		147,291			320,000	467,291
Interest Retirement		7,887			272,091	279,978
Total Expenditures	<u>12,327,473</u>	<u>4,824,907</u>	<u>3,559,417</u>	<u>57,268</u>	<u>3,013,651</u>	<u>23,782,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	857,692	(564,807)	(3,541,287)	65,301	(646,705)	(3,829,806)
<b>OTHER FINANCING SOURCES (USES):</b>						
Capital Lease Proceeds		111,696				111,696
Residual Equity Transfers In	519				7,393	7,912
Residual Equity Transfers Out					(7,912)	(7,912)
Operating Transfers In					170,977	170,977
Operating Transfers Out	(170,977)					(170,977)
Total Other Financing Sources (Uses)	<u>(170,458)</u>	<u>111,696</u>	<u>0</u>	<u>0</u>	<u>170,458</u>	<u>111,696</u>
Net Changes in Fund Balances	687,234	(453,111)	(3,541,287)	65,301	(476,247)	(3,718,110)
Fund Balances - Beginning - Restated	5,488,334	1,459,953	4,352,312	0	968,862	12,269,461
Fund Balances - Ending	<u>\$6,175,568</u>	<u>\$1,006,842</u>	<u>\$811,025</u>	<u>\$65,301</u>	<u>\$492,615</u>	<u>\$8,551,351</u>

The accompanying notes are an integral part of this statement.

WILSON 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

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

Net Changes in Fund Balances - total governmental funds	(\$3,718,110)
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.	2,475,641
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.	9,242
Deferred Outflow of Resources-Contribution. This is the change in these amounts this year.	26,022
Deferred Outflow-Investment Experience. This is the change in these amounts this year.	1,208,644
Deferred Outflow-Actual Experience vs. Assumption. This is the change in these amounts this year.	150,164
(Increase) decrease in Compensated Absences from beginning of period to end of period.	(58,044)
(Increase) decrease in Accrued Interest Payable from beginning of period to end of period.	1,066
Certain Property Tax Revenues are deferred in the funds. This is the change in these amounts this year.	(72,885)
Increase in loan principal are receipts in the funds but not revenue in the SOA.	(111,696)
Increase (Decrease) in bond issuance premium are receipts in the funds but not revenue in the SOA.	14,250
(Increase) decrease in Net Pension Liability from beginning of period to end of period.	(1,191,165)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	468,492
Change in net position of governmental activities - statement of activities	<u>(\$798,379)</u>

The accompanying notes are an integral part of this statement.

WILSON 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 Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property	\$10,000,227	\$10,000,227	\$10,081,678	\$81,451
Other	21,100	21,100	32,214	11,114
Intergovernmental	103,202	103,202	72,037	(31,165)
Charges for Services	2,241,575	2,241,575	2,371,979	130,404
Fines and Forfeitures	76,500	76,500	115,651	39,151
Interest	7,500	7,500	28,338	20,838
Miscellaneous	331,364	331,364	483,268	151,904
Total Revenues	12,781,468	12,781,468	13,185,165	403,697

**EXPENDITURES**

Current:

General Administration				
Commissioner's Court	471,900	593,990	389,546	204,444
County Clerk	368,176	421,152	407,387	13,765
County Judge	195,043	195,043	189,240	5,803
Elections	180,476	127,500	122,402	5,098
IT Department	237,364	237,364	230,894	6,470
Liability Insurance	5,000	5,000	0	5,000
Non-Departmental	268,401	268,401	241,080	27,321
Records Management	19,500	19,500	8,904	10,596
Veterans Service	19,563	19,563	19,022	541
Legal				
County Attorney	434,466	434,466	426,451	8,015
Judicial				
District and County Court	1,002,572	1,089,572	1,099,468	(9,896)
District Clerk	287,681	287,681	279,668	8,013
Chapter 19	2,000	4,715	4,715	0
Justice's of the Peace	624,600	624,600	599,729	24,871
Financial Administration				
County Auditor	190,540	190,540	187,391	3,149
County Treasurer	187,421	187,421	181,840	5,581
Human Resources	56,525	56,525	54,068	2,457
Tax Assessor-Collector	635,036	635,036	583,800	51,236
Public Facilities				
Courthouse and Buildings	352,702	352,702	346,014	6,688
Public Safety				
Ambulance	122,000	122,000	88,902	33,098
Civil Defense	238,514	238,514	220,449	18,065
CJC Building	3,277,119	3,277,119	3,218,707	58,412
Constables	193,051	193,051	136,695	56,356
D.P.S.	43,098	43,098	39,916	3,182
Fire	180,929	180,929	164,804	16,125
Juvenile Probation	309,434	418,178	432,111	(13,933)
Sheriff	2,287,879	2,287,879	2,244,349	43,530

(continued)



(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Environmental Protection				
Landfill	\$82,900	\$82,900	\$82,800	\$100
Health and Welfare				
Health and Safety	228,298	228,298	188,077	40,221
Senior Citizens	10,300	10,300	3,259	7,041
Conservation - Agriculture				
Agriculture Extension Service	151,080	151,080	135,785	15,295
Total Expenditures	<u>12,663,568</u>	<u>12,984,117</u>	<u>12,327,473</u>	<u>656,644</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>117,900</u>	<u>(202,649)</u>	<u>857,692</u>	<u>1,060,341</u>
OTHER FINANCING SOURCES (USES):				
Residual Equity Transfers In	0	53,077	519	(52,558)
Operating Transfers Out	(117,900)	(170,977)	(170,977)	0
Total Other Financing Sources (Uses)	<u>(117,900)</u>	<u>(117,900)</u>	<u>(170,458)</u>	<u>(52,558)</u>
Net Changes in Fund Balances	0	(320,549)	687,234	1,007,783
Fund Balances - Beginning	<u>5,488,334</u>	<u>5,488,334</u>	<u>5,488,334</u>	
Fund Balances - Ending	<u>\$5,488,334</u>	<u>\$5,167,785</u>	<u>\$6,175,568</u>	<u>\$1,007,783</u>

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS  
ROAD AND BRIDGE NO. 1 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	\$436,271	\$436,271	\$441,685	\$5,414
Intergovernmental	15,367	15,367	8,789	(6,578)
Licenses and Permits	245,879	245,879	227,167	(18,712)
Fines and Forfeitures	85,904	85,904	95,822	9,918
Miscellaneous	8,000	8,000	12,928	4,928
Total Revenues	<u>791,421</u>	<u>791,421</u>	<u>786,391</u>	<u>(5,030)</u>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	791,422	850,463	759,787	90,676
Debt Service				
Principal Retirement	0	13,608	13,608	0
Total Expenditures	<u>791,422</u>	<u>864,071</u>	<u>773,395</u>	<u>90,676</u>
Net Changes in Fund Balances	(1)	(72,650)	12,996	85,646
Fund Balances - Beginning	398,813	398,813	398,813	
Fund Balances - Ending	<u>\$398,812</u>	<u>\$326,163</u>	<u>\$411,809</u>	<u>\$85,646</u>

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

WILSON COUNTY, TEXAS  
ROAD AND BRIDGE NO. 2 FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes				
Property	\$714,504	\$714,504	\$723,124	\$8,620
Intergovernmental	19,892	19,892		(19,892)
Licenses and Permits	381,307	381,307	361,574	(19,733)
Fines and Forfeitures	325,566	325,566	155,852	(169,714)
Miscellaneous	11,000	11,000	16,594	5,594
<b>Total Revenues</b>	<b>1,452,269</b>	<b>1,452,269</b>	<b>1,257,144</b>	<b>(195,125)</b>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	1,414,459	1,625,188	1,631,424	(6,236)
Debt Service				
Principal Retirement	36,592	50,639	50,639	0
Interest Retirement	1,218	1,442	1,441	1
<b>Total Expenditures</b>	<b>1,452,269</b>	<b>1,677,269</b>	<b>1,683,504</b>	<b>(6,235)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(225,000)	(426,360)	(201,360)
<b>Net Changes in Fund Balances - Budgetary Basis</b>	<b>\$0</b>	<b>(\$225,000)</b>	<b>(\$426,360)</b>	<b>(\$201,360)</b>
Reconciliation from budgetary basis to modified accrual basis:				
Proceeds from Capital Lease			111,696	
Purchase of Capital Asset			(111,696)	
Net Changes in Fund Balances - Modified Accrual Basis			(426,360)	
Fund Balances - Beginning			646,413	
Fund Balances - Ending			<u>\$220,053</u>	

The accompanying notes are an integral part of this statement.



WILSON COUNTY, TEXAS  
ROAD AND BRIDGE NO. 3 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	\$559,084	\$559,084	\$565,572	\$6,488
Intergovernmental	11,400	11,400	11,264	(136)
Licenses and Permits	301,527	301,527	280,894	(20,633)
Fines and Forfeitures	113,008	113,008	117,751	4,743
Miscellaneous	10,000	10,000	4,203	(5,797)
<b>Total Revenues</b>	<b>995,019</b>	<b>995,019</b>	<b>979,684</b>	<b>(15,335)</b>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	950,816	1,050,816	966,367	84,449
Debt Service				
Principal Retirement	40,522	40,522	40,522	0
Interest Retirement	3,681	3,681	3,681	0
<b>Total Expenditures</b>	<b>995,019</b>	<b>1,095,019</b>	<b>1,010,570</b>	<b>84,449</b>
Net Changes in Fund Balances	0	(100,000)	(30,886)	69,114
Fund Balances - Beginning	183,812	183,812	183,812	
Fund Balances - Ending	<b>\$183,812</b>	<b>\$83,812</b>	<b>\$152,926</b>	<b>\$69,114</b>

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

WILSON COUNTY, TEXAS  
ROAD AND BRIDGE NO. 4 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	\$670,234	\$670,234	\$677,340	\$7,106
Intergovernmental	13,856	13,856	59,188	45,332
Licenses and Permits	371,138	371,138	342,838	(28,300)
Fines and Forfeitures	171,549	171,549	143,937	(27,612)
Miscellaneous	11,000	11,000	13,578	2,578
Total Revenues	<u>1,237,777</u>	<u>1,237,777</u>	<u>1,236,881</u>	<u>(896)</u>
<b>EXPENDITURES</b>				
Current				
Public Transportation				
Road and Bridge	1,192,490	1,256,740	1,200,455	56,285
Debt Service				
Principal Retirement	42,522	42,522	42,522	0
Interest Retirement	2,765	2,765	2,765	0
Total Expenditures	<u>1,237,777</u>	<u>1,302,027</u>	<u>1,245,742</u>	<u>56,285</u>
Net Changes in Fund Balances	0	(64,250)	(8,861)	55,389
Fund Balances - Beginning	230,915	230,915	230,915	
Fund Balances - Ending	<u>\$230,915</u>	<u>\$166,665</u>	<u>\$222,054</u>	<u>\$55,389</u>

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





WILSON COUNTY, TEXAS  
 RECORDING FEES  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$91,500	\$91,500	\$122,569	\$31,069
Total Revenues	91,500	91,500	122,569	31,069
<b>EXPENDITURES</b>				
Current:				
General Administration				
Records Management	91,500	91,500	57,268	34,232
Total Expenditures	91,500	91,500	57,268	34,232
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	65,301	65,301
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	65,301	65,301
Fund Balances - Beginning	0	0	0	
Fund Balances - Ending	\$0	\$0	\$65,301	\$65,301

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



WILSON COUNTY, TEXAS  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$2,172,546
Receivables (net of allowance for uncollectibles)	50,316
Due from Others	0
Total Assets	<u>\$2,222,862</u>
<b>LIABILITIES:</b>	
Accounts Payable	332,211
Due to Others	<u>1,888,532</u>
Total Liabilities	<u>2,220,743</u>
<b>NET POSITION</b>	
Held in Trust - Unexpendable	0
Held in Trust - Historical Purposes	<u>2,119</u>
Total Net Position	<u>\$2,119</u>

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





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

I. Summary of Significant Accounting Policies

A. Reporting entity

Wilson 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 Wilson 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 non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The 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 unit road fund accounts for the activities of the government's road and bridge operations.

The courthouse restoration fund is used to restore the Courthouse.

The recording fees fund is used for future book restoration.

- C. Fiduciary fund financial statements include a Statement of Net Position. The County's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.



D. Assets, Liabilities, and Net position or Equity

1. Deposits and Investments

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

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

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities 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 1 percent of the current outstanding property taxes at September 30, 2016 and 10 percent of the 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 governmental funds are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. There were no 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 activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. The County is currently restoring the County Courthouse.

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

	<i>Years</i>
Buildings	50
Building Improvements	20
System Infrastructure	30
Vehicles	5
Office Equipment	5
Computer Equipment	5

6. Compensated Absences

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

7. Long-Term Obligations

In the government-wide financial statements in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs and loss on refunding, 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 and loss on refunding 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:

**Restricted** — This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements.

**Committed** — This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Commissioners' Court. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

**Unassigned** — all other spendable amounts.

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

Fund Balances:	
Restricted	
Construction	\$811,025
General Administration	115,735
Debt Service	114,107
Judicial	66,938
Public Safety	488,803
Public Transportation	1,070,687
Committed	
Culture and Recreation	195,893
General Administration	41,267
Unassigned	<u>5,646,896</u>
Total Fund Balance	<u>\$8,551,351</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 25 to 40 percent of the subsequent year's budgeted General Fund expenditures.



9. 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 Future Book Restoration monies.

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. The government has included the following in this category: 1. Future Book Restoration monies and 2. Deferred Ad Valorem Taxes pursuant to GASB 65.

10. 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 position.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains 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 \$10,044,910 difference are as follows:

Bonds Payable	\$7,730,000
Bond Premium	256,500
Capital Leases Payable	379,557
Accrued Interest Payable	44,742
Compensated Absences	213,519
Net Pension Liability	1,420,592
	<u>\$10,044,910</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position 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 \$15,555,282 difference are as follows:

Capital Assets Not Being Depreciated	\$486,080
Capital Assets Being Depreciated	27,884,150
Accumulated Depreciation	(12,814,948)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$15,555,282</u>



A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position. (Continued)

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles)." The details of this \$1,719,623 difference are as follows:

Property Taxes Receivable	\$1,870,970
Allowance for Doubtful Accounts	(151,047)
Net	<u>\$1,719,923</u>

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains 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 \$2,830,738 difference are as follows:

Fines Receivable	\$3,185,956
Allowance for Doubtful Accounts	(2,764,021)
Deferred Outflow of Resources-Contributions (after 12/31/15)	836,149
Deferred Outflow-Investment Experience	1,399,220
Deferred Outflow-Actual Experience vs. Assumption	173,434
Net	<u>\$2,830,738</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 a reconciliation between net changes in fund balances - total governmental funds and changes in net position 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 \$2,475,641 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$0
Capital Outlay - Additions - Being Depreciated	4,276,121
Capital Outlay - Deletions - Net	(10,045)
Depreciation Expense	(1,790,435)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net assets of Governmental Activities	<u>\$2,475,641</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 fund.

Budgets for all budgeted General, Road and Bridge, and most special Revenue Funds are adopted on a budgetary basis which is not in conformity with generally accepted accounting principles (GAAP). Budgets for the 2016 fiscal year were adopted for the General Fund, the Road and Bridge Funds, and the Recording Fees Fund.



B. Excess of Expenditures over Appropriations

Expenditures exceeded appropriations for the year ended September 30, 2016 for the following: the Road and Bridge fund whereby expenditures of \$1,683,504 exceeded appropriations by \$6,235.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2016 except for the FEMA fund which had a deficit of \$528,672. This deficit will be financed by future resources of the fund.

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 \$4,929,650 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 \$16,558,109 and the FDIC coverage is \$341,360. The book amount of the cash at September 30, 2016 is \$4,170,817.

*Interest rate risk:* In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

*Credit risk:* State law limits investments in commercial paper and corporate bonds to the top two rating issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2016 the local investment pool - Texpool (87% of portfolio) was rated AAAM by Standard and Poor's and Texas Class (13% of portfolio) was rated AAAM by Standard and Poor's.

*Concentration of credit risk:* The County places no limit on the amount the County may invest in any one issuer. 87 percent of the County's investments are in Texpool and 13 percent of the County's investments are in Texas Class.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2016, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$6,342,772	Less than 1 year	Less than 1 year
Texas Class	\$ 913,466	Less than 1 year	Less than 1 year

The County participates in two Local Government Investment Pools: TexPool and Texas Class. The County invests in TexPool and Texas Class to provide its liquidity needs. It is a local government investment pool established in conformity with the Inter-local Cooperation Act Chapter 791 of the Texas Government Code and the Public Investment Act Chapter 2256 of the Code. TexPool and Texas Class are a 2(a) 7 like funds meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the fund seeks to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. The County considers the holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder short of a significant change in value. The TexPool and Texas Class funds are within the Governmental Activities.



## B. Receivables

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

	General	Road and Bridge	Recording Fees	Other Governmental Funds	Total
<u>Receivables</u>					
Ad Valorem Taxes	\$1,434,437	\$302,556		\$133,977	\$1,870,970
Fines	3,185,956				3,185,956
Fees Receivable	113,817	50,892	19,803	18,831	203,343
Other	2,090				2,090
Gross Receivables	4,736,300	353,448	19,803	152,808	5,262,359
Less: Allowance for Uncollectibles	2,879,826	24,426		10,816	2,915,068
Net Total Receivables	\$1,856,474	\$329,022	\$19,803	\$141,992	\$2,347,291

## C. Capital Assets

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

	Adjusted Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$486,080	\$0	\$0	\$486,080
Construction in Progress	4,777,126	3,559,417	8,336,543	0
Total capital assets not being depreciated:	5,263,206	3,559,417	8,336,543	486,080
Capital assets being depreciated:				
Building and Improvements	9,558,334	8,375,686	0	17,934,020
Machinery and Equipment	4,352,390	65,366	226,520	4,191,236
Vehicles	2,428,685	612,195	306,561	2,734,319
Intangible	428,859	0	0	428,859
Infrastructure	2,595,716	0	0	2,595,716
Total capital assets being depreciated:	19,363,984	9,053,247	533,081	27,884,150
Less: Accumulated Depreciation for:				
Building and Improvements	3,480,583	1,033,372	0	4,513,955
Machinery and Equipment	3,633,976	323,599	314,696	3,642,879
Vehicles	1,408,415	433,464	208,340	1,633,539
Intangible	428,859	0	0	428,859
Infrastructure	2,595,716	0	0	2,595,716
Total Accumulated Depreciation	11,547,549	1,790,435	523,036	12,814,948
Total Capital Assets Depreciated, Net	7,816,435	7,262,812	10,045	15,069,202
Governmental Activities capital assets, Net	\$13,079,641	\$10,822,229	\$8,346,588	\$15,555,282

Depreciation charged to the functions is as follows:

Governmental Activities	
General Administration	\$15,156
Legal	2,831
Judicial	445,794
Financial Administration	1,666
Public Facilities	344,211
Public Safety	327,840
Public Transportation	571,915
Culture and Recreation	73,439
Health and Welfare	7,583
Total Depreciation Expense - Governmental Activities	<u>\$1,790,435</u>

Construction commitments:

The County is currently restoring the County Courthouse.

D. Interfund Receivables, Payables, and Transfers

There was no Due to/from other funds except for \$550,000 owed from the FEMA fund to the General Fund. This amount was for operating expenditures. This amount is expected to be repaid in the 2016-2017 year.

There were no advances at September 30, 2016.

The transfers are as follows:

<u>TRANSFER</u>					
<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>	<u>REASON</u>		<u>RECURRING</u>
GENERAL FUND	COURTHOUSE SECURITY FUND	\$165,577	PROVIDE CAPITAL		YES
GENERAL FUND	ERRORS AND OMISSIONS	5,400	PROVIDE CAPITAL		YES
SHERIFF SALE FUND	GENERAL FUND	519	RESIDUAL EQUITY TRANSFER		NO
ESTRAY FUND	JURY FUND	7,393	RESIDUAL EQUITY TRANSFER		NO
		<u>\$178,889</u>			

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$9,149 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 Sep. 30,	<u>Amount</u>
2017	\$10,564
2018	8,585
2019	5,500
2020	5,500
Total	<u>\$30,149</u>



F. Long-Term Debt

Capital Leases

The government has entered into lease agreements as lessee for financing a John Deere Tractor for Precinct No. 1, a 2016 Peterbilt Tractor for Precinct No. 2; a Volvo Pneumatic Roller, a Volvo Compactor, and a Volvo Backhoe Loader for Precinct No. 3; and a Volvo Motor Grader and a Wheel Loader for Precinct No. 4. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The debt service for the capital leases are from the respective funds. The security pledged for the capital leases is the equipment financed.

The assets acquired through capital leases are capitalized into capital assets as follows:

ASSET	JOHN DEERE TRACTOR PCT. 1	2016 PETERBILT TRAC./TRA. PCT. 2	VOLVO BACKHOE LOADER PCT. 3	VOLVO PNEUMATIC ROLLER PCT. 3	VOLVO COMPACTOR PCT. 3	VOLVO MOTOR GRADER PCT. 4	WHEEL LOADER PCT. 4	TOTAL
COST	\$68,398	111,696.00	\$93,242	\$64,996	50,317.00	\$130,056	\$82,050	\$600,755
ACCUMULATED DEPRECIATION	26,959	22,339	55,945	25,998	20,127	78,034	82,050	311,452
NET ASSET	\$41,439	\$89,357	\$37,297	\$38,998	\$30,190	\$52,022	\$0	\$289,303

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
2017	\$123,842	\$123,842
2018	102,200	102,200
2019	109,099	109,099
2020	47,243	47,243
2021	23,098	23,098
TOTAL MINIMUM LEASE PAYMENTS	405,482	405,482
LESS: AMOUNT REPRESENTING INTEREST	25,925	25,925
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	\$379,557	\$379,557

## Bonds

The government issues Bonds to provide funds for the courthouse renovation Series 2016 in the amount of \$8,215,000. The bond premium was \$285,000. The bond premium will be amortized over the life of the bond. The bonds are direct obligations and pledge the full faith and credit of the government.

Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Rates</u>	<u>Amount</u>
Refunding Bonds - Series 2014	2.00% to 4.00%	7,730,000

The following is a summary of debt service requirements to maturity.

YEAR	Governmental Activities	
	Principal	Interest
2017	\$325,000	\$265,200
2018	335,000	258,600
2019	340,000	251,000
2020	350,000	242,375
2021	360,000	232,600
2022-2026	1,970,000	982,975
2027-2031	2,380,000	579,600
2032-2034	1,670,000	102,000
<b>TOTALS</b>	<b>\$7,730,000</b>	<b>\$2,914,350</b>

### Changes in long-term liabilities:

	<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>
<b>Governmental Activities:</b>						
General Obligation Bonds	\$8,050,000	\$0	\$320,000	\$7,730,000	\$325,000	\$7,405,000
Add: Bond Issuance Premium	270,750		14,250	256,500		256,500
<b>Total Bonds Payable</b>	<b>8,320,750</b>	<b>0</b>	<b>334,250</b>	<b>7,986,500</b>	<b>325,000</b>	<b>7,661,500</b>
Capital Leases	416,353	111,696	148,492	379,557	117,303	262,254
Net Pension Liability	229,427	1,191,165		1,420,592		1,420,592
Compensated Absences	155,475	213,519	155,475	213,519	213,519	0
	801,255	1,516,380	303,967	2,013,668	330,822	1,682,846
<b>Grand Total</b>	<b>\$9,122,005</b>	<b>\$1,516,380</b>	<b>\$638,217</b>	<b>\$10,000,168</b>	<b>\$655,822</b>	<b>\$9,344,346</b>

The above are serviced by the debt service fund established for the purpose of servicing the bonded debt. The capital leases are serviced by the road and bridge funds. The compensated absences of \$213,519 are funded by the general and road and bridge funds and are considered current.

The government-wide statement of activities includes \$655,822 as "noncurrent liabilities, due within one year".



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)	-0-	-0-
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

The District Clerk's husband performs services for the County. The County paid him \$23,174 during the year. A commissioner's son owns a local business whereby the County expended \$15,295 during the year. A precinct worker's wife owns a trucking business whereby the County expended \$131,962 during the year. There were no amounts due at year end by the County to the related parties or from the related parties to the County.

C. Subsequent Events

There were no subsequent events requiring disclosure.

D. Contingent Liabilities

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

The County was not a defendant in any lawsuit at year's end.

E. Other Post Employment Benefits

Health Care Benefits - Retirees

Wilson County offers its retired employees the option of continuing their health coverage at County cost until the retired employee receives Medicare. The average monthly cost is \$500 and the County currently has 5 people participating in this plan. The County estimates that the plan will contain approximately 5 to 6 people participating at any one time and the average number of years remaining for the current participants until they receive Medicare is 3 years. The expense amount to the County is considered immaterial and thus is not included in the County-wide financial statements either as an expense or as a liability.

F. Prior Period Adjustments

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

The County had a prior period adjustment whereby the governmental activities Net Assets were decreased by \$12,785 and fund balances increased by \$46,883. The restatements were the result of various miscellaneous amounts of \$46,883, addition of net capital assets acquired from a prior period, and the addition of a capital lease from a prior period.

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

	Net Assets, as Previously Reported	CAPITAL ASSET RESTATEMENT	CAPITAL LEASE RESTATEMENT	VARIOUS ITEMS RESTATEMENT	Net Assets As Restated
<b>Governmental Activities:</b>					
Net Assets	\$19,423,548	\$6,105	(\$65,773)	\$46,883	\$19,410,763
<b>Total Governmental Activities</b>	<b>\$19,423,548</b>	<b>\$6,105</b>	<b>(\$65,773)</b>	<b>\$46,883</b>	<b>\$19,410,763</b>

	Net Position, as Previously Reported	Various Items Restatement	Net Position As Restated
Governmental Funds			
Fund Balance	\$12,222,578	\$46,883	\$12,269,461
<b>Total Governmental Funds</b>	<b>\$12,222,578</b>	<b>\$46,883</b>	<b>\$12,269,461</b>

## Net Pension Liability/ (Asset)

Net Pension Liability / (Asset)	December 31, 2014	December 31, 2015
Total pension liability	\$18,932,954	\$20,356,327
Fiduciary net position	18,703,527	18,935,735
Net pension liability/ (asset)	229,427	1,420,592
Fiduciary net position as a % of total pension liability	98.79%	93.02%
Pensionable covered payroll(1)	\$6,068,964	\$6,750,040
Net pension liability as a % of covered payroll	3.78%	21.05%

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*

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

### Discount Rate

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

(2) 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.

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

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

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

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").

Year	Benefit Payments	Administrative Expenses	Investment Income	Fiduciary Net Position
2015	1,000,000	100,000	200,000	1,100,000
2016	1,050,000	105,000	210,000	1,150,000
2017	1,100,000	110,000	220,000	1,200,000
2018	1,150,000	115,000	230,000	1,250,000
2019	1,200,000	120,000	240,000	1,300,000
2020	1,250,000	125,000	250,000	1,350,000
2021	1,300,000	130,000	260,000	1,400,000
2022	1,350,000	135,000	270,000	1,450,000
2023	1,400,000	140,000	280,000	1,500,000
2024	1,450,000	145,000	290,000	1,550,000
2025	1,500,000	150,000	300,000	1,600,000
2026	1,550,000	155,000	310,000	1,650,000
2027	1,600,000	160,000	320,000	1,700,000
2028	1,650,000	165,000	330,000	1,750,000
2029	1,700,000	170,000	340,000	1,800,000
2030	1,750,000	175,000	350,000	1,850,000
2031	1,800,000	180,000	360,000	1,900,000
2032	1,850,000	185,000	370,000	1,950,000
2033	1,900,000	190,000	380,000	2,000,000
2034	1,950,000	195,000	390,000	2,050,000
2035	2,000,000	200,000	400,000	2,100,000
2036	2,050,000	205,000	410,000	2,150,000
2037	2,100,000	210,000	420,000	2,200,000
2038	2,150,000	215,000	430,000	2,250,000
2039	2,200,000	220,000	440,000	2,300,000
2040	2,250,000	225,000	450,000	2,350,000
2041	2,300,000	230,000	460,000	2,400,000
2042	2,350,000	235,000	470,000	2,450,000
2043	2,400,000	240,000	480,000	2,500,000
2044	2,450,000	245,000	490,000	2,550,000
2045	2,500,000	250,000	500,000	2,600,000
2046	2,550,000	255,000	510,000	2,650,000
2047	2,600,000	260,000	520,000	2,700,000
2048	2,650,000	265,000	530,000	2,750,000
2049	2,700,000	270,000	540,000	2,800,000
2050	2,750,000	275,000	550,000	2,850,000

Projection of Fiduciary Net Position for 2015-2050. The projection is based on the assumptions and data provided in the accompanying schedule of pension benefits. The projection is based on the assumption that the fiduciary net position is sufficient to pay projected benefit payments in all future years.

**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	\$18,935,735	\$1,078,247	\$1,319,489	\$18,936	\$1,523,463	\$20,199,020
2017	20,199,020	1,030,390	1,202,821	20,199	1,628,471	21,634,861
2018	21,634,861	999,410	1,280,936	21,635	1,740,385	23,072,085
2019	23,072,085	970,686	1,397,915	23,072	1,850,957	24,472,741
2020	24,472,741	944,645	1,503,137	24,473	1,959,142	25,848,917
2021	25,848,917	924,363	1,598,462	25,849	2,065,966	27,214,935
2022	27,214,935	904,802	1,698,092	27,215	2,171,826	28,566,257
2023	28,566,257	885,012	1,810,305	28,566	2,275,988	29,888,386
2024	29,888,386	868,624	1,907,814	29,888	2,378,505	31,197,812
2025	31,197,812	853,127	2,047,560	31,198	2,478,351	32,450,532
2035	43,367,141	773,491	2,936,257	43,367	3,425,130	44,586,138
2045	56,833,549	793,630	3,493,235	56,834	4,494,055	58,571,166
2055	82,677,661	986,791	3,404,471	82,678	6,597,598	86,774,900
2065	148,443,751	1,359,048	2,532,521	148,444	11,971,449	159,093,282
2075	312,090,859	1,914,722	1,429,322	312,091	25,286,242	337,550,410
2085	690,847,912	2,700,904	521,631	690,848	56,017,788	748,354,126
2095	1,532,865,736	3,809,892	91,621	1,532,866	124,248,910	1,659,300,051

\* 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	\$18,932,954	\$18,703,527	\$229,427
Changes for the year:			
Service cost	782,314		782,314
Interest on total pension liability(1)	1,530,935		1,530,935
Effect of plan changes(2)	(109,795)		(109,795)
Effect of economic/demographic gains or losses	(41,228)		(41,228)
Effect of assumptions changes or inputs	231,245		231,245
Refund of contributions	(99,486)	(99,486)	0
Benefit payments	(870,611)	(870,611)	0
Administrative expenses		(13,548)	13,548
Member contributions		472,503	(472,503)
Net investment income		(12,710)	12,710
Employer contributions		600,753	(600,753)
Other(3)	0	155,307	(155,307)
Balances as of December 31, 2015	\$20,356,327	\$18,935,735	\$1,420,592

(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 a/location 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 Wilson 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	\$22,841,534	\$20,356,327	\$18,278,432
Fiduciary net position	18,935,735	18,935,735	18,935,735
Net pension liability/ (asset)	\$3,905,799	\$1,420,592	(\$657,303)

## Pension Expense/ (Income)

Pension Expense/ (Income)	January 1, 2015 to December 31, 2015
Service cost	\$782,314
Interest on total pension liability 1	1,530,935
Effect of plan changes	(109,795)
Administrative expenses	13,548
Member contributions	(472,503)
Expected investment return net of investment expenses	(1,538,259)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(2,550)
Recognition of assumption changes or inputs	57,811
Recognition of investment gains or losses	357,838
Other(2)	(155,307)
Pension expense/ (income)	\$464,032

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

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

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

Deferred Inflows/ Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$30,921	\$15,513
Changes of assumptions	0	173,434
Net difference between projected and actual earnings	0	1,383,708
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	\$413,099
2017	413,099
2018	405,342
2019	310,194
2020	0
Thereafter(4)	0

(3) 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.

(4) 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>(2)</sup>	Balance of Deferred Inflows 12/31/2015	Balance of Deferred Outflows 12/31/2015
<i>Investment (gains) or losses</i>					
\$1,550,969	12/31/2015	5.0	\$310,194	\$0	\$1,240,775
238,221	12/31/2014	5.0	47,644	0	142,932
<i>Economic/ demographic (gains) or losses</i>					
(41,228)	12/31/2015	4.0	(10,307)	30,921	0
31,027	12/31/2014	4.0	7,757	0	15,513
<i>Assumption changes or inputs</i>					
231,245	12/31/2015	4.0	57,811	0	173,434
0	12/31/2014	4.0	0	0	0

*Employer contributions made subsequent to measurement date (2)*

Employer Determined

(1) 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.

(2) 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 Wilson County

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

- a. Wilson 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 160%) 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 Wilson 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:	184	189
Number of active employees:	182	193
Average monthly salary*:	\$2,768	\$2,931
Average age*:	43.26	43.54
Average length of service in years*:	6.47	6.55
<b>Inactive Employees (or their Beneficiaries) Receiving Benefits</b>		
Number of benefit recipients:	83	89
Average monthly benefit:	\$757	\$853

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

## Appendix 0-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. UAAL amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and losses). UAAL amounts are amortized on a level-percentage-of-covered-payroll basis over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains or losses, as well as any plan benefit changes elected by an employer for that year.

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

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

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

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

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

When determining the actuarial value of assets used for measuring a plan's funded status, TCDRS 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 Employer Contributions

	Year Ended December 31									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total Pension Liability</b>										
Service cost	\$782,314	\$743,968	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,530,935	1,419,549	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	(109,795)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	231,245	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(41,228)	31,027	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(970,097)</u>	<u>(828,175)</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	1,423,374	1,366,368	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	18,932,954	17,566,585	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	<u>\$20,356,327</u>	<u>\$18,932,954</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fiduciary Net Position</b>										
Employer contributions	\$600,753	\$560,772	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	472,503	424,827	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	(12,710)	1,187,034	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(970,097)	(828,175)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(13,548)	(13,880)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>155,307</u>	<u>37,144</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	232,208	1,367,723	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>18,703,527</u>	<u>17,335,803</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	<u>\$18,935,735</u>	<u>\$18,703,527</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/ (asset), ending = (a) - (b)	<u>\$1,420,592</u>		<u>..wA</u>	<u>..wA</u>	<u>..wA</u>	<u>..wA</u>	<u>..wA</u>	<u>..wA</u>	<u>..wA</u>	<u>..wA</u>
Fiduciary net position as a % of total pension liability	93.02%	98.79%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$6,750,040	\$6,068,964	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	21.05%	3.78%	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	\$271,327	\$291,959	\$(20,632)	\$3,892,782	7.5%
2007	304,370	315,737	(11,367)	4,209,821	7.5%
2008	292,998	330,947	(37,949)	4,412,626	7.5%
2009	349,765	368,658	(18,894)	4,608,231	8.0%
2010	388,043	396,530	(8,487)	4,714,981	8.4%
2011	403,197	408,503	(5,305)	4,822,933	8.5%
2012	425,841	443,192	(17,351)	4,957,406	8.9%
2013	464,000	473,036	(9,036)	5,315,008	8.9%
2014	547,421	560,772	(13,352)	6,068,964	9.2%
2015	573,753	600,753	(27,000)	6,750,040	8.9%

<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	7.1 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.

*\*Only changes effective 2015 and later are shown in the Notes to Schedule.*



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

All actuarial methods and assumptions used for this GASB 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 Wilson County December 31, 2015 Summary Valuation Report for further details.

Following are the key assumptions and methods used in this GASB 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 Wilson County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB 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

<sup>(1)</sup> 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 Wilson County.

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





Assets	NO. 1	NO. 2	NO. 3	Total
Total Assets	\$484,907	\$318,283	\$249,080	\$1,052,270
for uncollected)	67,301	13,988	88,778	170,067
Receivables (net of allowance				
Debt and Cash Equivalents	\$417,606	\$304,295	\$160,302	\$882,203

LIABILITIES AND FUND BALANCES

Accounts Payable	\$18,333	\$87,458	\$57,077	\$162,868
Total Liabilities	18,333	87,458	57,077	162,868

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

DEFERRED INFLOWS OF RESOURCES

Deferred Property Tax	\$1,178	\$1,178	\$1,178	\$3,534
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FUND BALANCES

Total Fund Balance	\$417,606	\$220,823	\$172,223	\$810,652
Restricted				
Public Transportation				
Unrestricted	\$417,606	\$220,823	\$172,223	\$810,652
Total Liabilities and Fund Balances	\$484,907	\$318,283	\$249,080	\$1,052,270

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS  
 BALANCE SHEET - ROAD AND BRIDGE  
 SEPTEMBER 30, 2016

	Road and Bridge NO. 1	Road and Bridge NO. 2	Road and Bridge NO. 3	Road and Bridge NO. 4	Total
<b>ASSETS</b>					
Cash and Cash Equivalents	\$417,606	\$242,295	\$164,204	\$263,949	\$1,088,054
Receivables (net of allowance for uncollectibles)	67,301	72,958	85,779	102,984	329,022
<b>Total Assets</b>	<b>\$484,907</b>	<b>\$315,253</b>	<b>\$249,983</b>	<b>\$366,933</b>	<b>\$1,417,076</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Accounts Payable	\$15,323	\$37,425	\$23,077	\$56,279	132,104
<b>Total Liabilities</b>	<b>15,323</b>	<b>37,425</b>	<b>23,077</b>	<b>56,279</b>	<b>132,104</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Property Taxes	57,775	57,775	73,980	88,600	278,130
<b>Fund Balances:</b>					
Restricted					
Public Transportation	411,809	220,053	152,926	222,054	1,006,842
<b>Total Fund Balance</b>	<b>411,809</b>	<b>220,053</b>	<b>152,926</b>	<b>222,054</b>	<b>1,006,842</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$484,907</b>	<b>\$315,253</b>	<b>\$249,983</b>	<b>\$366,933</b>	<b>\$1,417,076</b>

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS  
 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	Total
<b>REVENUES</b>					
Taxes					
Property	\$441,685	\$723,124	\$565,572	\$677,340	\$2,407,721
Intergovernmental	8,789		11,264	59,188	79,241
Licenses and Permits	227,167	361,574	280,894	342,838	1,212,473
Fines and Forfeitures	95,822	155,852	117,751	143,937	513,362
Miscellaneous	12,928	16,594	4,203	13,578	47,303
<b>Total Revenues</b>	<b>786,391</b>	<b>1,257,144</b>	<b>979,684</b>	<b>1,236,881</b>	<b>4,260,100</b>
<b>EXPENDITURES</b>					
Current:					
Public Transportation					
Road and Bridge	759,787	1,743,120	966,367	1,200,455	4,669,729
Debt Service					
Principal Retirement	13,608	50,639	40,522	42,522	147,291
Interest Retirement		1,441	3,681	2,765	7,887
<b>Total Expenditures</b>	<b>773,395</b>	<b>1,795,200</b>	<b>1,010,570</b>	<b>1,245,742</b>	<b>4,824,907</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,996	(538,056)	(30,886)	(8,861)	(564,807)
<b>OTHER FINANCING SOURCES (USES):</b>					
Other Financing Sources - Capital Lease		111,696			111,696
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>111,696</b>	<b>0</b>	<b>0</b>	<b>111,696</b>
<b>Net Changes in Fund Balances</b>	<b>12,996</b>	<b>(426,360)</b>	<b>(30,886)</b>	<b>(8,861)</b>	<b>(453,111)</b>
Fund Balances - Beginning	398,813	646,413	183,812	230,915	1,459,953
<b>Fund Balances - Ending</b>	<b>\$411,809</b>	<b>\$220,053</b>	<b>\$152,926</b>	<b>\$222,054</b>	<b>\$1,006,842</b>

The accompanying notes are an integral part of this statement.



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

	SPECIAL REVENUE																	
	CIVIL FEES	CIVIL PREPARED-NESS	COMMUNITY ECONOMIC DEVELOP-MENT	COUNTY CLERK LAW LIBRARY	COUNTY CLERK TECH	COURT-HOUSE SECURITY	ERRORS AND OMISSIONS	ESTRAY	FEDERAL SEIZURE ACCOUNT	INMATE TELEPHONE PRE-PAYMENT	JP TECHNO LOGY	JURY FUND	JUVENILE CASE MANAGEMENT FUND	LEOSE FUND	LIBRARY FUND	PRE-TRIAL INTER-VENTION	SEIZURE HOLDING BANK ACCOUNT	SHERIFF SALE
<b>ASSETS</b>																		
Cash and Cash Equivalents	\$14,354	\$367,661	\$1,896	\$102,114	\$1,406	\$57,330	\$1,100	\$0	\$498	\$6,607	\$53,138	\$11,845	\$95	\$26,669	\$262,628	\$7,992	\$44,611	\$0
Receivables (net of allowance for uncollectibles)	8,401			1,620	44	2,892	375				1,655	1,649	10		44,826	2,274		
<b>Total Assets</b>	<b>\$22,755</b>	<b>\$367,661</b>	<b>\$1,896</b>	<b>\$103,734</b>	<b>\$1,450</b>	<b>\$60,222</b>	<b>\$1,475</b>	<b>\$0</b>	<b>\$498</b>	<b>\$6,607</b>	<b>\$54,793</b>	<b>\$13,494</b>	<b>\$105</b>	<b>\$26,669</b>	<b>\$307,454</b>	<b>\$10,266</b>	<b>\$44,611</b>	<b>\$0</b>
<b>LIABILITIES AND FUND BALANCES</b>																		
<b>Liabilities</b>																		
Accounts Payable	\$15,806			\$1,397		\$17,505				\$65	\$10,031				\$68,230			
Due to Other Funds																		
<b>Total Liabilities</b>	<b>15,806</b>	<b>0</b>	<b>0</b>	<b>1,397</b>	<b>0</b>	<b>17,505</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>10,031</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68,230</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>																		
Deferred Property Taxes												1,584			43,331			
<b>Fund Balances</b>																		
<b>Restricted</b>																		
Debt Service																		
General Administration	6,949		1,896	102,337	1,450		1,475				44,762	11,910				10,266		
Judicial																		
Public Safety		367,661				42,717		0	498	6,542			105	26,669			44,611	0
Public Transportation																		
<b>Committed</b>																		
Culture and Recreation															195,893			
General Administration																		
<b>Unassigned</b>																		
Total Fund Balances	6,949	367,661	1,896	102,337	1,450	42,717	1,475	0	498	6,542	44,762	11,910	105	26,669	195,893	10,266	44,611	0
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$22,755</b>	<b>\$367,661</b>	<b>\$1,896</b>	<b>\$103,734</b>	<b>\$1,450</b>	<b>\$60,222</b>	<b>\$1,475</b>	<b>\$0</b>	<b>\$498</b>	<b>\$6,607</b>	<b>\$54,793</b>	<b>\$13,494</b>	<b>\$105</b>	<b>\$26,669</b>	<b>\$307,454</b>	<b>\$10,266</b>	<b>\$44,611</b>	<b>\$0</b>

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

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

	SUB-DIVISION FUND	TIF GRANT	TIME PAYMENT	DEBT SERVICE	CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL
				BOND I&S FUND	FEMA FUND	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$41,847	\$63,845	\$28,250	\$50,434	\$21,328	\$1,165,648
Receivables (net of allowance for uncollectibles)				78,246		141,992
<b>Total Assets</b>	<b>\$41,847</b>	<b>\$63,845</b>	<b>\$28,250</b>	<b>\$128,680</b>	<b>\$21,328</b>	<b>\$1,307,640</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts Payable	\$580		\$28,250			\$141,864
Bank Overdraft					550,000	550,000
<b>Total Liabilities</b>	<b>580</b>	<b>0</b>	<b>28,250</b>	<b>0</b>	<b>550,000</b>	<b>691,864</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Property Taxes				78,246		123,161
<b>Fund Balances</b>						
<b>Restricted</b>						
Debt Service				50,434		50,434
General Administration						114,107
Judicial						66,938
Public Safety						488,803
Public Transportation		63,845				63,845
<b>Committed</b>						
Culture and Recreation						195,883
General Administration	41,267					41,267
<b>Unassigned</b>						
				(528,672)		(528,672)
<b>Total Fund Balances</b>	<b>41,267</b>	<b>63,845</b>	<b>0</b>	<b>50,434</b>	<b>(528,672)</b>	<b>492,615</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$41,847</b>	<b>\$63,845</b>	<b>\$28,250</b>	<b>\$128,680</b>	<b>\$21,328</b>	<b>\$1,307,640</b>

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

WILSON 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														PRE-TRIAL INTER-VENTION	SEIZURE HOLDING BANK ACCOUNT	SHERIFF SALE	
	CIVIL FEES	CIVIL PREPARED-NESS	COMMUNITY ECONOMIC DEVELOP-MENT	COUNTY CLERK LAW LIBRARY	COUNTY CLERK TECH	COURT-HOUSE SECURITY	ERRORS AND OMISSIONS	ESTRAY	FEDERAL SEIZURE ACCOUNT	INMATE TELEPHONE PRE-PAYMENT	JP TECHNO LOGY	JURY FUND	JUVENILE CASE MANAGEMENT FUND	LEOSE FUND				LIBRARY FUND
<b>REVENUES</b>																		
Taxes																		
Property																		
Intergovernmental																		
Charges for Services		36,550			1,062	28,385	3,745					\$12,120			\$331,264			
Fines and Forfeitures				17,670							19,281	4,080		6,397	2,458		10,266	
Interest		485		50								175	60		5,635			
Miscellaneous								1,249	1	17,600					25,542		15,704	9
Total Revenues	0	37,035	0	17,720	1,062	28,385	3,745	1,249	1	17,600	19,281	16,375	60	6,397	364,899	10,266	15,713	42,600
<b>EXPENDITURES</b>																		
Current:																		
General Administration																		
County Clerk				11,860														
Non-Departmental								7,982	395									
Records Management																		
Judicial																		
Justice of the Peace											12,175							
Jury												13,841						
Public Safety																		
Sheriff		3,331				168,841				27,411				1,224			2,360	79,997
Public Transportation																		
Road and Bridge																		
Culture and Recreation																		
Library															382,185			
Debt Service																		
Principal Retirement																		
Interest Retirement																		
Total Expenditures	0	3,331	0	11,860	0	168,841	7,982	395	0	27,411	12,175	13,841	0	1,224	382,185	0	2,360	79,997
Excess (Deficiency) of Revenues Over (Under)	0	33,704	0	5,860	1,062	(140,456)	(4,237)	854	1	(9,811)	7,106	2,534	60	5,173	(17,286)	10,266	13,353	(37,397)
<b>OTHER FINANCING SOURCES (USES):</b>																		
Transfers In						165,577	5,400											
Residual Equity Transfers In																		
Residual Equity Transfers Out												7,393						(519)
Total Other Financing Sources (Uses)	0	0	0	0	0	165,577	5,400	(7,393)	0	0	0	7,393	0	0	0	0	0	(519)
Net Changes in Fund Balances	0	33,704	0	5,860	1,062	25,121	1,163	(6,539)	1	(9,811)	7,106	9,927	60	5,173	(17,286)	10,266	13,353	(37,916)
Fund Balances - Beginning	8,949	333,957	1,896	96,477	388	17,596	312	6,539	497	16,353	37,656	1,983	45	21,496	213,179	0	31,258	37,916
Fund Balances - Ending	\$8,949	\$367,661	\$1,896	\$102,337	\$1,450	\$42,717	\$1,475	\$0	\$498	\$6,542	\$44,762	\$11,910	\$105	\$28,669	\$195,893	\$10,266	\$44,611	\$0

The accompanying notes are an integral part of this statement.



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

			DEBT SERVICE	FEMA FUND	TOTAL	
	SUB- DIVISION FUND	TIF GRANT	TIME PAYMENT	BOND I&S FUND	BOND I&S FUND	NON-MAJOR GOVERN- MENTAL
<b>REVENUES</b>						
Taxes						
Property		\$35,927		\$595,418		\$974,729
Intergovernmental		831,048			101,508	964,772
Charges for Services	10,005					90,248
Fines and Forfeitures						23,305
Interest						544
Miscellaneous		210,652				313,348
Total Revenues	10,005	1,077,627	0	595,418	101,508	2,366,946
<b>EXPENDITURES</b>						
Current:						
General Administration						
County Clerk						11,860
Non-Departmental						8,377
Records Management	15,681					15,681
Judicial						
Justice of the Peace						12,175
Jury						13,841
Public Safety						
Sheriff						283,164
Public Transportation						
Road and Bridge		1,064,097			630,180	1,694,277
Culture and Recreation						
Library						382,185
Debt Service						
Principal Retirement				320,000		320,000
Interest Retirement				272,091		272,091
Total Expenditures	15,681	1,064,097	0	592,091	630,180	3,013,651
Excess (Deficiency) of Revenues Over (Under)						
Expenditures	(5,676)	13,530	0	3,327	(528,672)	(646,705)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In						170,977
Residual Equity Transfers Out						7,393
Residual Equity Transfers Out						(7,912)
Total Other Financing Sources (Uses)	0	0	0	0	0	170,458
Net Changes in Fund Balances	(5,676)	13,530	0	3,327	(528,672)	(476,247)
Fund Balances - Beginning	46,943	50,315	0	47,107	0	968,962
Fund Balances - Ending	\$41,267	\$63,845	\$0	\$50,434	(\$528,672)	\$492,715

The accompanying notes are an integral part of this statement.



WILSON COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

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

	COUNTRY ACRES I&S	COUNTRY ATTORNEY	CREDIT CARD CLEARING	FOURTH COURT OF APPEALS	HELROBQ ROAD DISTRICT	HOT CHECK RESTI- TUTION	JACKSON MEMORIAL PARK BOND	JP HOLDING	REMSCHEL- DEWEES HOUSE	STATE HOT CHECK	STATE TAX FUND	WILSON COUNTY LANDFILL	WOOD VALLEY ACRES I&S	COUNTY OFFICER ACCOUNTS	TOTAL
<b>ASSETS</b>															
Cash and Cash Equivalents	\$0	\$31,705	\$42,710	\$695	\$0	\$686	\$15,535	\$154,709	\$8,795	\$796	\$97,596	\$25,761	\$1,340	\$1,792,218	\$2,172,546
Receivables (net of allowance for uncollectibles)	0	0	0	305	0	0	0	10,955	0	39,056	0	0	0	50,316	0
Due from Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>\$0</b>	<b>\$31,705</b>	<b>\$42,710</b>	<b>\$1,000</b>	<b>\$0</b>	<b>\$686</b>	<b>\$15,535</b>	<b>\$165,664</b>	<b>\$8,795</b>	<b>\$796</b>	<b>\$136,652</b>	<b>\$25,761</b>	<b>\$1,340</b>	<b>\$1,792,218</b>	<b>\$2,222,862</b>
<b>LIABILITIES:</b>															
Accounts Payable	0	0	\$42,710	\$305	0	\$686	\$165,663	0	\$796	\$122,051	0	0	0	332,211	0
Due to Others	0	31,705	0	695	0	0	15,535	1	6,676	0	14,601	25,761	1,340	1,792,218	1,888,532
<b>Total Liabilities</b>	<b>0</b>	<b>31,705</b>	<b>42,710</b>	<b>1,000</b>	<b>0</b>	<b>686</b>	<b>15,535</b>	<b>165,664</b>	<b>6,676</b>	<b>796</b>	<b>136,652</b>	<b>25,761</b>	<b>1,340</b>	<b>1,792,218</b>	<b>2,220,743</b>
<b>NET ASSETS</b>															
Held in Trust - Unexpendable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0	0	0	0	0	2,119	0	0	0	0	0	2,119
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,119</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,119</b>



WILSON COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

<u>COUNTRY ACRES I&amp;S</u>	BALANCE			BALANCE
	10/1/2015	ADDITIONS	DEDUCTIONS	9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$2,205	\$6,640	\$8,845	\$0
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$2,205</b>	<b>\$6,640</b>	<b>\$8,845</b>	<b>\$0</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$0			\$0
Due to Others	2,205	6,640	8,845	0
<b>Total Liabilities</b>	<b>2,205</b>	<b>6,640</b>	<b>8,845</b>	<b>0</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>COUNTY ATTORNEY</u>	BALANCE			BALANCE
	10/1/2015	ADDITIONS	DEDUCTIONS	9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$28,147	\$3,558		\$31,705
Receivables (net of allowance for uncollectibles)				0
Due from Others	10		10	0
<b>Total Assets</b>	<b>\$28,157</b>	<b>\$3,558</b>	<b>\$10</b>	<b>\$31,705</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$0			\$0
Due to Others	28,157	3,558	10	31,705
<b>Total Liabilities</b>	<b>28,157</b>	<b>3,558</b>	<b>10</b>	<b>31,705</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total net position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>CREDIT CARD CLEARING</u>	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$35,630	\$46,477	\$39,397	\$42,710
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$35,630</b>	<b>\$46,477</b>	<b>\$39,397</b>	<b>\$42,710</b>
<b>LIABILITIES:</b>				
Accounts Payable		\$42,710		\$42,710
Due to Others	35,630	3,767	39,397	0
<b>Total Liabilities</b>	<b>35,630</b>	<b>46,477</b>	<b>39,397</b>	<b>42,710</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>FOURTH COURT OF APPEALS</u>	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$1,350	\$3,185	\$3,840	\$695
Receivables (net of allowance for uncollectibles)	245	305	245	305
Due from Others	0			0
<b>Total Assets</b>	<b>\$1,595</b>	<b>\$3,490</b>	<b>\$4,085</b>	<b>\$1,000</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$0	\$305		\$305
Due to Others	1,595	3,185	4,085	695
<b>Total Liabilities</b>	<b>1,595</b>	<b>3,490</b>	<b>4,085</b>	<b>1,000</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>HELROBQ ROAD DISTRICT</u>	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$10,999	\$11,656	\$22,655	\$0
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
Total Assets	<u>\$10,999</u>	<u>\$11,656</u>	<u>\$22,655</u>	<u>\$0</u>
<b>LIABILITIES:</b>				
Accounts Payable	\$0			\$0
Due to Others	10,999	11,656	22,655	0
Total Liabilities	<u>10,999</u>	<u>11,656</u>	<u>22,655</u>	<u>0</u>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
Total Net Position	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>HOT CHECK RESTITUTION</u>	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$3,208		\$2,522	\$686
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
Total Assets	<u>\$3,208</u>	<u>\$0</u>	<u>\$2,522</u>	<u>\$686</u>
<b>LIABILITIES:</b>				
Accounts Payable	\$3,208		\$2,522	\$686
Due to Others	0	0	0	0
Total Liabilities	<u>3,208</u>	<u>0</u>	<u>2,522</u>	<u>686</u>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
Total Net Position	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



<u>JACKSON MEMORIAL PARK FUND</u>		BALANCE	ADDITIONS	DEDUCTIONS	BALANCE
		10/1/2015			9/30/2016
<b>ASSETS</b>					
Cash and Cash Equivalents		\$15,466	\$69		\$15,535
Receivables (net of allowance for uncollectibles)		0			0
Due from Others		0			0
<b>Total Assets</b>		<b>\$15,466</b>	<b>\$69</b>	<b>\$0</b>	<b>\$15,535</b>
<b>LIABILITIES:</b>					
Accounts Payable		\$0			\$0
Due to Others		15,466	69	0	15,535
<b>Total Liabilities</b>		<b>15,466</b>	<b>69</b>	<b>0</b>	<b>15,535</b>
<b>NET POSITION</b>					
Held in Trust - Unexpendable		0	0	0	0
Held in Trust - Historical Purposes		0	0	0	0
<b>Total Net Position</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>JP HOLDING</u>		BALANCE	ADDITIONS	DEDUCTIONS	BALANCE
		10/1/2015			9/30/2016
<b>ASSETS</b>					
Cash and Cash Equivalents		\$156,080	\$154,709	\$156,080	\$154,709
Receivables (net of allowance for uncollectibles)		0	10,955		10,955
Due from Others		0			0
<b>Total Assets</b>		<b>\$156,080</b>	<b>\$165,664</b>	<b>\$156,080</b>	<b>\$165,664</b>
<b>LIABILITIES:</b>					
Accounts Payable		\$151,436	\$165,663	\$151,436	\$165,663
Due to Others		4,644	1	4,644	1
<b>Total Liabilities</b>		<b>156,080</b>	<b>165,664</b>	<b>156,080</b>	<b>165,664</b>
<b>NET POSITION</b>					
Held in Trust - Unexpendable		0	0	0	0
Held in Trust - Historical Purposes		0	0	0	0
<b>Total Net Position</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>REMSCHEL-DEWEEES HOUSE</u>	BALANCE			BALANCE
	10/1/2015	ADDITIONS	DEDUCTIONS	9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$8,755	\$40		\$8,795
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$8,755</b>	<b>\$40</b>	<b>\$0</b>	<b>\$8,795</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Due to Others	6,636	40	0	6,676
<b>Total Liabilities</b>	<b>6,636</b>	<b>40</b>	<b>0</b>	<b>6,676</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	2,119		0	2,119
<b>Total Net Position</b>	<b>\$2,119</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,119</b>

<u>STATE HOT CHECK</u>	BALANCE			BALANCE
	10/1/2015	ADDITIONS	DEDUCTIONS	9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$4,449		\$3,653	\$796
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$4,449</b>	<b>\$0</b>	<b>\$3,653</b>	<b>\$796</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$861	\$0	\$65	\$796
Due to Others	3,588	0	3,588	0
<b>Total Liabilities</b>	<b>4,449</b>	<b>0</b>	<b>3,653</b>	<b>796</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

STATE TAX FUND	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$78,973	\$487,311	\$468,688	\$97,596
Receivables (net of allowance for uncollectibles)	39,468	39,056	39,468	39,056
Due from Others	0			0
<b>Total Assets</b>	<b>\$118,441</b>	<b>\$526,367</b>	<b>\$508,156</b>	<b>\$136,652</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$96,954	\$122,051	\$96,954	\$122,051
Due to Others	21,487	404,316	411,202	14,601
<b>Total Liabilities</b>	<b>118,441</b>	<b>526,367</b>	<b>508,156</b>	<b>136,652</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

WILSON COUNTY LANDFILL	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$22,252	\$3,509		\$25,761
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$22,252</b>	<b>\$3,509</b>	<b>\$0</b>	<b>\$25,761</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$0			\$0
Due to Others	22,252	3,509	0	25,761
<b>Total Liabilities</b>	<b>22,252</b>	<b>3,509</b>	<b>0</b>	<b>25,761</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



<u>WOOD VALLEY ACRES I&amp;S</u>	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$4,116	\$69,177	\$71,953	\$1,340
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$4,116</b>	<b>\$69,177</b>	<b>\$71,953</b>	<b>\$1,340</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$0			\$0
Due to Others	4,116	69,177	71,953	1,340
<b>Total Liabilities</b>	<b>4,116</b>	<b>69,177</b>	<b>71,953</b>	<b>1,340</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>COUNTY OFFICER ACCOUNTS</u>	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$1,292,460	\$499,758		\$1,792,218
Receivables (net of allowance for uncollectibles)	0			0
Due from Others	0			0
<b>Total Assets</b>	<b>\$1,292,460</b>	<b>\$499,758</b>	<b>\$0</b>	<b>\$1,792,218</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$0			\$0
Due to Others	1,292,460	499,758	0	1,792,218
<b>Total Liabilities</b>	<b>1,292,460</b>	<b>499,758</b>	<b>0</b>	<b>1,792,218</b>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	0	0	0	0
<b>Total Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>TOTAL</u>	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$1,664,090	\$1,286,089	\$777,633	\$2,172,546
Receivables (net of allowance for uncollectibles)	39,713	50,316	39,713	50,316
Due from Others	10	0	10	0
Total Assets	<u>\$1,703,813</u>	<u>\$1,336,405</u>	<u>\$817,356</u>	<u>\$2,222,862</u>
<b>LIABILITIES:</b>				
Accounts Payable	252,459	330,729	250,977	\$332,211
Due to Others	1,449,235	1,005,676	566,379	1,888,532
Total Liabilities	<u>1,701,694</u>	<u>1,336,405</u>	<u>817,356</u>	<u>2,220,743</u>
<b>NET POSITION</b>				
Held in Trust - Unexpendable	0	0	0	0
Held in Trust - Historical Purposes	2,119	0	0	2,119
Total Net Position	<u>\$2,119</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,119</u>





SINGLE AUDIT SECTION



WILSON COUNTY, TEXAS  
 SCHEDULE OF STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

BEVER & CO.  
 CERTIFIED PUBLIC ACCOUNTANTS

SOURCE AND TITLE OF GRANT	GRANTOR'S/ PROGRAM PASS-THROUGH PROGRAM OR AWARD GRANTOR'S EXPEND- AMOUNT NUMBER ITURES
Texas Department of Transportation Direct Infrastructure Fund Grant (M) Wilson Award	\$959,192      CTIF-01-247      \$1,064,097
Office of Attorney General of TX Direct Statewide Automated Victim Notification Service (SAVNS) (NM)	16,500      1660711      16,500
Texas Indigent Defense Commission Direct 2015 Wilson County Formula Grant Program (NM)	212-15-247      8,733
2016 Wilson County Formula Grant Program (NM)	212-16-247      27,177
	<u>35,910</u>
Total State Assistance	<u>\$1,116,507</u>

M=MAJOR PROGRAM  
 NM=NONMAJOR PROGRAM

See Accompanying Notes to Schedule of State Financial Assistance

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

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

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

**BEYER & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

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

To the Commissioners' Court  
Wilson County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter 1 - Comptroller, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wilson County, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Wilson County, Texas' basic financial statements, and have issued our report thereon dated August 20, 2016.

**Internal Control over Financial Reporting**

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

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

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



**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Wayne R. Beyer*

**BEYER & COMPANY**  
Certified Public Accountants  
March 25, 2017

**BEYER & Co.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**Wayne R. Beyer, C.P.A.**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GRANT STANDARDS  
PROMULGATED BY THE OFFICE OF THE GOVERNOR UNDER 34 TAC PART 1, CHAPTER 20,  
SUBCHAPTER I- COMPTROLLER**

To the Commissioners' Court  
Wilson County, Texas

**Report on Compliance for Each Major State Program**

We have audited Wilson County, Texas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I- Comptroller that could have a direct and material effect on each of Wilson County, Texas' major state programs for the year ended September 30, 2016. Wilson County, Texas' major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Wilson County, Texas' major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I- Comptroller. Those standards and Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I- Comptroller require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Wilson County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Wilson County, Texas' compliance.



### **Opinion on Each Major State Program**

In our opinion, Wilson County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2016.

### **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I- Comptroller.

### **Report on Internal Control over Compliance**

Management of Wilson County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wilson County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I- Comptroller, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wilson County, Texas' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I- Comptroller. Accordingly, this report is not suitable for any other purpose.

*Wayne R. Beyer*

BEYER & COMPANY  
Certified Public Accountants  
March 25, 2017

WILSON COUNTY, TEXAS  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

General

The accompanying Schedule of Expenditure of State Awards presents the activity of all the Wilson County, Texas's state grants for the year ended September 30, 2016. This report is intended for the information of the Wilson County, Texas, state and state awarding agencies, and is not intended to be used and should not be used by anyone other than these specified parties.

Basis of Accounting

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

Non Cash Grants

The Wilson County received no non-cash grants for the year ended September 30, 2016.

WILSON COUNTY, TEXAS  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

State

There were no prior audit findings for State Awards.



WILSON COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Wilson County, Texas.
2. There were no significant deficiencies disclosed during the audit. There was no material weaknesses disclosed during the audit.
3. There were no instances of noncompliance material to the financial statements of the Wilson County, Texas, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. There were no significant deficiencies over major state award programs disclosed during the audit. There was no material weakness over major state award programs disclosed during the audit.
5. The auditor's report on compliance for the major state award programs for the Wilson County, Texas expresses an unmodified opinion on all major state programs.
6. There were no audit findings that are required to be reported in accordance with Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I- Comptroller.
7. The programs tested as major programs: Texas Department of Transportation Infrastructure Fund Grant.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The Wilson County did qualify as a low-risk auditee.
10. Material Weaknesses
  - a. There was no material weaknesses disclosed during the audit.

Findings and Questioned Costs for State Awards

None

