

WILSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2017

Wilson County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2017

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wilson County, Texas, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Road and Bridge Funds, and the Recording Fees Fund 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 57-61 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 and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



BEYER & COMPANY
Certified Public Accountants
March 10, 2018

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 \$18,547,634 (net position). Of this amount, \$9,023,269 (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 \$64,750. This decrease is attributable to a decrease in transportation expenses of \$2,088,928, an increase in the remaining expenses of \$1,229,781, and careful budget management.
- . As of the close of the current fiscal year, Wilson County, Texas' governmental funds reported combined ending fund balances of \$8,768,762 an increase of \$217,411 in comparison with the prior year. Approximately 73% of this total amount, \$6,404,510, 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 \$6,574,332, or 50 percent of total general fund expenditures and the total fund balance for the road and bridge fund was \$1,099,134, or 27 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-five (25) 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-one (21) 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 25-56 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Wilson County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 57-61 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 62-75 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 \$18,547,634 at the close of the most recent fiscal year.

A significant portion of Wilson County, Texas' net position (40 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 | |
|--|----------------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Current and Other Assets | \$12,543,128 | \$11,982,129 | \$12,543,128 | \$11,982,129 |
| Capital Assets | 15,513,582 | 15,555,282 | 15,513,582 | 15,555,282 |
| Total Assets | <u>28,056,710</u> | <u>27,537,411</u> | <u>28,056,710</u> | <u>27,537,411</u> |
| Total Deferred Outflows of Resources | <u>2,165,267</u> | <u>2,408,803</u> | <u>2,165,267</u> | <u>2,408,803</u> |
| Long-Term Liabilities | 9,711,687 | 10,000,168 | 9,711,687 | 10,000,168 |
| Other Liabilities | 1,357,374 | 850,480 | 1,357,374 | 850,480 |
| Total Liabilities | <u>11,069,061</u> | <u>10,850,648</u> | <u>11,069,061</u> | <u>10,850,648</u> |
| Total Deferred Inflows of Resources | <u>605,282</u> | <u>483,182</u> | <u>605,282</u> | <u>483,182</u> |
| Invested in Capital Assets, Net of Related Debt | 7,388,058 | 7,189,225 | 7,388,058 | 7,189,225 |
| Restricted | 2,136,307 | 2,667,295 | 2,136,307 | 2,667,295 |
| Unrestricted | <u>9,023,269</u> | <u>8,755,864</u> | <u>9,023,269</u> | <u>8,755,864</u> |
| Total Net Position | <u>\$18,547,634</u> | <u>\$18,612,384</u> | <u>\$18,547,634</u> | <u>\$18,612,384</u> |

An additional portion of Wilson County, Texas' net position (12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$9,023,269) 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 \$64,750, thereby accounting for 100 percent of the total decrease in the net position of Wilson County, Texas. This decrease is attributable to a decrease in transportation expenses of \$2,088,928, an increase in the remaining expenses of \$1,229,781, and careful budget management.

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

| | Governmental Activities | | Total | |
|---|----------------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$4,299,846 | \$4,458,829 | \$4,299,846 | \$4,458,829 |
| Operating Grants and Contributions | 332,605 | 170,050 | 332,605 | 170,050 |
| Capital Grants and Contributions | 802,029 | 932,556 | 802,029 | 932,556 |
| General Revenues: | | | | |
| Maintenance and Operations Taxes | 13,352,418 | 13,391,243 | 13,352,418 | 13,391,243 |
| Other Taxes | 49,667 | 32,214 | 49,667 | 32,214 |
| Grants and Contributions not Restricted to Specific Programs | 153,805 | 13,444 | 153,805 | 13,444 |
| Unrestricted Investment Earnings | 69,777 | 39,701 | 69,777 | 39,701 |
| Miscellaneous | 703,602 | 851,230 | 703,602 | 851,230 |
| Total Revenue | <u>19,763,749</u> | <u>19,889,267</u> | <u>19,763,749</u> | <u>19,889,267</u> |
| Expenses: | | | | |
| General Administration | 2,113,195 | 1,703,711 | 2,113,195 | 1,703,711 |
| Legal | 544,733 | 420,045 | 544,733 | 420,045 |
| Judicial | 2,458,375 | 2,435,825 | 2,458,375 | 2,435,825 |
| Financial Administration | 1,048,317 | 997,486 | 1,048,317 | 997,486 |
| Public Facilities | 974,819 | 645,172 | 974,819 | 645,172 |
| Public Safety | 6,998,490 | 6,860,356 | 6,998,490 | 6,860,356 |
| Public Transportation | 4,409,075 | 6,498,003 | 4,409,075 | 6,498,003 |
| Environmental Protection | 165,687 | 82,800 | 165,687 | 82,800 |
| Culture and Recreation | 493,122 | 451,998 | 493,122 | 451,998 |
| Health and Welfare | 200,417 | 197,615 | 200,417 | 197,615 |
| Conservation - Agriculture | 158,553 | 131,174 | 158,553 | 131,174 |
| Interest and Fiscal Charges | 263,716 | 263,461 | 263,716 | 263,461 |
| Total Expenses | <u>19,828,499</u> | <u>20,687,646</u> | <u>19,828,499</u> | <u>20,687,646</u> |
| Increase in Net Position | (64,750) | (798,379) | (64,750) | (798,379) |
| 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> |
| Net Position at 09/30/2017 | <u>\$18,547,634</u> | <u>\$18,612,384</u> | <u>\$18,547,634</u> | <u>\$18,612,384</u> |

Overall, revenues decreased by \$125,518 (1 percent) during the year while expenses decreased by \$859,147 (4 percent) during the year. Most of the revenue decrease was from a decrease in charges for services of 4 percent or \$158,983. Most of the expense decrease was from a decrease in public transportation of (32 percent or \$2,088,928) and an increase in the remaining expenses of \$1,229,781.

Expenses and Program Revenues - Governmental Activities

| Functions/Programs | Expenses | Program Revenues Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
|-----------------------------|---------------------|--|------------------------------------|----------------------------------|
| Primary Government | | | | |
| Government Activities: | | | | |
| General Administration | \$2,113,195 | \$531,072 | \$0 | \$0 |
| Legal | 544,733 | 35 | 0 | |
| Judicial | 2,458,375 | 326,059 | 44,165 | |
| Financial Administration | 1,048,317 | 846,069 | | |
| Public Facilities | 974,819 | | | |
| Public Safety | 6,998,490 | 923,365 | 104,959 | |
| Public Transportation | 4,409,075 | 1,645,165 | 168,481 | 802,029 |
| Environmental Protection | 165,687 | | | |
| Culture and Recreation | 493,122 | 28,081 | 15,000 | |
| Health and Welfare | 200,417 | | | |
| Conservation - Agriculture | 158,553 | | | |
| Interest and Fiscal Charges | 263,716 | | | |
| Total Government Activities | <u>\$19,828,499</u> | <u>\$4,299,846</u> | <u>\$332,605</u> | <u>\$802,029</u> |

Revenues by Source - Governmental Activities

| | <u>REVENUES</u> | <u>%</u> |
|--|---------------------|----------------|
| Charges for Services | \$4,299,846 | 21.76% |
| Operating Grants and Contributions | 332,605 | 1.68% |
| Capital Grants and Contributions | 802,029 | 4.06% |
| Maintenance and Operations Taxes | 13,352,418 | 67.56% |
| Other Taxes | 49,667 | 0.25% |
| Grants and Contributions not Restricted to | | |
| Specific Programs | 153,805 | 0.78% |
| Unrestricted Investment Earnings | 69,777 | 0.35% |
| Miscellaneous | 703,602 | 3.56% |
| | <u>\$19,763,749</u> | <u>100.00%</u> |

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 \$8,768,762, an increase of \$217,411 in comparison with the prior year. Approximately 73 percent of this total amount, \$6,404,510, 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 \$6,574,332, while total fund balance reached \$6,596,394. 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 \$420,826 during the current fiscal year. This increase is attributable to an increase in property taxes of \$268,077, an increase in miscellaneous income of \$101,733, and careful budget management.

At the end of the current fiscal year, restricted fund balance of the road and bridge was \$1,099,134, while total fund balance reached \$1,099,134. 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 27 percent of total road and bridge expenditures, while total fund balance represents 27 percent of that same amount. The fund balance of Wilson County, Texas' road and bridge increased by \$92,292 during the current fiscal year. This increase is attributable to a decrease in expenditures of \$694,456.

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 \$478,239 for the general fund. The largest increase was in general administration of \$249,491, county attorney of \$92,410, landfill of \$92,984, and district and county court of \$90,000. 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, 2017, amounts to \$15,513,582 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total decrease in Wilson County, Texas' investment in capital assets for the current fiscal year was .27 percent.

The County is currently restoring the County Courthouse and Old Library Building.

WILSON COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

| | Governmental Activities | | Total | |
|---------------------------|----------------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Land | \$566,080 | \$486,080 | \$566,080 | \$486,080 |
| Construction in Progress | 11,870 | 0 | 11,870 | 0 |
| Building and Improvements | 13,191,251 | 13,420,065 | 13,191,251 | 13,420,065 |
| Machinery and Equipment | 772,511 | 548,357 | 772,511 | 548,357 |
| Vehicles | 846,014 | 1,100,780 | 846,014 | 1,100,780 |
| Intangible | 125,856 | 0 | 125,856 | 0 |
| Infrastructure | 0 | 0 | 0 | 0 |
| Total | <u>\$15,513,582</u> | <u>\$15,555,282</u> | <u>\$15,513,582</u> | <u>\$15,555,282</u> |

Additional information on Wilson County, Texas' capital assets can be found in note IV C on pages 37-38 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 | \$7,730,000 | \$0 | \$325,000 | \$7,405,000 | \$335,000 | \$7,070,000 |
| | <u>7,730,000</u> | <u>0</u> | <u>325,000</u> | <u>7,405,000</u> | <u>335,000</u> | <u>7,070,000</u> |
| Grand Total | <u>\$7,730,000</u> | <u>\$0</u> | <u>\$325,000</u> | <u>\$7,405,000</u> | <u>\$335,000</u> | <u>\$7,070,000</u> |

Wilson County, Texas' total bonded debt decreased by \$325,000 during the current fiscal year. The key factor in this decrease was the bond payment of \$325,000.

Additional information on Wilson County, Texas' long term debt can be found in note IV F on pages 39-40 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 3rd Street, Floresville, TX 78114, or (830) 393-7304.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WILSON COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

| | Primary Government | |
|--|-------------------------|---------------------|
| | Governmental Activities | Total |
| ASSETS | | |
| Cash and Cash Equivalents | \$10,366,535 | \$10,366,535 |
| Receivables (net of allowance for uncollectibles) | 2,154,531 | 2,154,531 |
| Prepaid Insurance | 22,062 | 22,062 |
| Capital assets not being depreciated: | | |
| Land | 566,080 | 566,080 |
| Construction in Progress | 11,870 | 11,870 |
| Total Capital assets being depreciated, net | | |
| Building and Improvements | 13,191,251 | 13,191,251 |
| Machinery and Equipment | 760,315 | 760,315 |
| Vehicles | 858,210 | 858,210 |
| Intangible | 125,856 | 125,856 |
| Total Assets | \$28,056,710 | \$28,056,710 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| GASB 68 | | |
| Deferred Outflow of Resources-Contributions (after 12/31/16) | 867,202 | 867,202 |
| Differences between expected and actual experience | 42,015 | 42,015 |
| Changes of assumptions | 115,622 | 115,622 |
| Net difference between projected and actual earnings | 1,140,428 | 1,140,428 |
| Total Deferred Outflows of Resources | 2,165,267 | 2,165,267 |
| LIABILITIES: | | |
| Accounts Payable | \$1,228,251 | \$1,228,251 |
| Accrued Wages Payable | 85,465 | 85,465 |
| Accrued Interest Payable | 43,658 | 43,658 |
| Noncurrent Liabilities: | | |
| Due within one year | 689,981 | 689,981 |
| Due in more than one year | 9,021,706 | 9,021,706 |
| Total Liabilities | 11,069,061 | 11,069,061 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue - Future Book Restoration | 605,282 | 605,282 |
| NET POSITION | | |
| Invested in Capital Assets, Net of Related Debt Restricted | 7,388,058 | 7,388,058 |
| General Administration | 58,524 | 58,524 |
| Debt Service | 121,166 | 121,166 |
| Judicial | 150,270 | 150,270 |
| Public Safety | 550,679 | 550,679 |
| Public Transportation | 1,255,668 | 1,255,668 |
| Unrestricted | 9,023,269 | 9,023,269 |
| Total Net Position | \$18,547,634 | \$18,547,634 |

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2017

| 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 | \$2,113,195 | \$531,072 | \$0 | \$0 | (\$1,582,123) |
| Legal | 544,733 | 35 | 0 | | (544,698) |
| Judicial | 2,458,375 | 326,059 | 44,165 | | (2,088,151) |
| Financial Administration | 1,048,317 | 846,069 | | | (202,248) |
| Public Facilities | 974,819 | | | | (974,819) |
| Public Safety | 6,998,490 | 923,365 | 104,959 | | (5,970,166) |
| Public Transportation | 4,409,075 | 1,645,165 | 168,481 | 802,029 | (1,793,400) |
| Environmental Protection | 165,687 | | | | (165,687) |
| Culture and Recreation | 493,122 | 28,081 | 15,000 | | (450,041) |
| Health and Welfare | 200,417 | | | | (200,417) |
| Conservation - Agriculture | 158,553 | | | | (158,553) |
| Interest and Fiscal Charges | 263,716 | | | | (263,716) |
| Total Government Activities | <u>19,828,499</u> | <u>4,299,846</u> | <u>332,605</u> | <u>802,029</u> | <u>(14,394,019)</u> |
| Total Primary Government | <u>\$19,828,499</u> | <u>\$4,299,846</u> | <u>\$332,605</u> | <u>\$802,029</u> | <u>(14,394,019)</u> |
| General Revenues | | | | | |
| Property Taxes, Levies for General Purposes | | | | | 13,352,418 |
| Other Taxes | | | | | 49,667 |
| Unrestricted Investment Earnings | | | | | 69,777 |
| Miscellaneous | | | | | 703,602 |
| Grants and Contributions not Restricted to Specific Programs | | | | | <u>153,805</u> |
| Total General Revenues and Transfers | | | | | <u>14,329,269</u> |
| Change in Net Position | | | | | (64,750) |
| Net Position - Beginning | | | | | <u>18,612,384</u> |
| Net Position - Ending | | | | | <u>\$18,547,634</u> |

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

WILSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

| | General Fund | Road and Bridge | Courthouse Restoration Fund | Recording Fees | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|--------------------|-----------------------------|------------------|--------------------------|--------------------------|
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$7,061,724 | \$1,175,905 | \$0 | \$805,707 | \$1,323,199 | \$10,366,535 |
| Receivables (net of allowance for uncollectibles) | 1,283,706 | 353,185 | | 17,658 | 129,440 | 1,783,989 |
| Prepaid Insurance | 22,062 | | | | | 22,062 |
| Total Assets | \$8,367,492 | \$1,529,090 | \$0 | \$823,365 | \$1,452,639 | \$12,172,586 |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| Accounts Payable | \$568,580 | \$165,273 | | \$387,905 | \$106,493 | \$1,228,251 |
| Accrued Wages Payable | 71,608 | 10,978 | | | 2,879 | 85,465 |
| Total Liabilities | 640,188 | 176,251 | 0 | 387,905 | 109,372 | 1,313,716 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - Future Book Restoration | | | | 605,282 | | 605,282 |
| Deferred Property Taxes | 1,130,910 | 253,705 | | | 100,211 | 1,484,826 |
| Total Deferred Inflows of Resources | 1,130,910 | 253,705 | 0 | 605,282 | 100,211 | 2,090,108 |
| Fund Balances: | | | | | | |
| Non-Spendable | | | | | | |
| Prepaid Items | 22,062 | | | | | 22,062 |
| Restricted | | | | | | |
| Construction | | | 0 | | | 0 |
| General Administration | | | | | 58,524 | 58,524 |
| Debt Service | | | | | 121,166 | 121,166 |
| Judicial | | | | | 150,270 | 150,270 |
| Public Safety | | | | | 550,679 | 550,679 |
| Public Transportation | | 1,099,134 | | | 156,534 | 1,255,668 |
| Committed | | | | | | |
| Culture and Recreation | | | | | 153,063 | 153,063 |
| General Administration | | | | | 52,820 | 52,820 |
| Unassigned | 6,574,332 | | | (169,822) | 0 | 6,404,510 |
| Total Fund Balance | 6,596,394 | 1,099,134 | 0 | (169,822) | 1,243,056 | 8,768,762 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$8,367,492 | \$1,529,090 | \$0 | \$823,365 | \$1,452,639 | \$12,172,586 |

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, 2017

Total Fund Balances - governmental funds balance sheet \$8,768,762

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. | 15,513,582 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | 2,535,809 |
| Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles). | 1,484,826 |
| Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. | (9,755,345) |

Net position of governmental activities - statement of net position \$18,547,634

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, 2017

| | General Fund | Road and Bridge | Courthouse Restoration Fund | Recording Fees | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|-----------------------|-----------------------------------|--------------------|--------------------------------|--------------------------------|
| <i>REVENUES</i> | | | | | | |
| Taxes | | | | | | |
| Property | \$10,349,755 | \$2,320,991 | | | \$916,769 | \$13,587,515 |
| Other | 49,667 | | | | | 49,667 |
| Intergovernmental | 198,754 | 168,481 | 70,181 | | 851,023 | 1,288,439 |
| Licenses and Permits | | 1,170,074 | | | | 1,170,074 |
| Charges for Services | 2,260,927 | | | 117,644 | 204,444 | 2,583,015 |
| Fines and Forfeitures | 114,333 | 475,091 | | | 8,726 | 598,150 |
| Interest | 67,949 | | 868 | | 960 | 69,777 |
| Miscellaneous | 585,001 | 13,005 | | | 85,073 | 683,079 |
| Total Revenues | <u>13,626,386</u> | <u>4,147,642</u> | <u>71,049</u> | <u>117,644</u> | <u>2,066,995</u> | <u>20,029,716</u> |
| <i>EXPENDITURES</i> | | | | | | |
| Current: | | | | | | |
| General Administration | 1,791,738 | | | 352,767 | 42,808 | 2,187,313 |
| Legal | 531,654 | | | | | 531,654 |
| Judicial | 2,016,115 | | | | 35,995 | 2,052,110 |
| Financial Administration | 1,161,375 | | | | | 1,161,375 |
| Public Facilities | 437,995 | | | | | 437,995 |
| Public Safety | 6,551,892 | | | | 205,888 | 6,757,780 |
| Public Transportation | 163,246 | 3,995,761 | | | 180,668 | 4,339,675 |
| Environmental Protection | 165,004 | | | | | 165,004 |
| Culture and Recreation | | | | | 425,075 | 425,075 |
| Health and Welfare | 188,119 | | | | | 188,119 |
| Conservation - Agriculture | 178,798 | | | | | 178,798 |
| Capital Projects - | | | | | | |
| Capital Outlay and Other | | | 882,074 | | | 882,074 |
| Debt Service | | | | | | |
| Principal Retirement | 42,615 | 126,595 | | | 325,000 | 494,210 |
| Interest Retirement | 5,335 | 8,095 | | | 265,620 | 279,050 |
| Total Expenditures | <u>13,233,886</u> | <u>4,130,451</u> | <u>882,074</u> | <u>352,767</u> | <u>1,481,054</u> | <u>20,080,232</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 392,500 | 17,191 | (811,025) | (235,123) | 585,941 | (50,516) |
| <i>OTHER FINANCING SOURCES (USES):</i> | | | | | | |
| Capital Lease Proceeds | 192,826 | 75,101 | | | | 267,927 |
| Operating Transfers In | | | | | 164,500 | 164,500 |
| Operating Transfers Out | (164,500) | | | | | (164,500) |
| Total Other Financing Sources (Uses) | <u>28,326</u> | <u>75,101</u> | <u>0</u> | <u>0</u> | <u>164,500</u> | <u>267,927</u> |
| Net Changes in Fund Balances | 420,826 | 92,292 | (811,025) | (235,123) | 750,441 | 217,411 |
| Fund Balances - Beginning | 6,175,568 | 1,006,842 | 811,025 | 65,301 | 492,615 | 8,551,351 |
| Fund Balances - Ending | <u>\$6,596,394</u> | <u>\$1,099,134</u> | <u>\$0</u> | <u>(\$169,822)</u> | <u>\$1,243,056</u> | <u>\$8,768,762</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, 2017

| | |
|---|--------------------------|
| Net Changes in Fund Balances - total governmental funds | \$217,411 |
| 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. | (41,700) |
| 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. | (51,393) |
| Deferred Outflow of Resources-Contribution. This is the change in these amounts this year. | 31,053 |
| Deferred Outflow-Differences between expected and actual experience. This is the change in these amounts this year. | (1,357,205) |
| Deferred Outflow-Changes of assumptions. This is the change in these amounts this year. | (57,812) |
| Deferred Outflow-Net difference between projected and actual earnings This is the change in these amounts this year. | 1,140,428 |
| (Increase) decrease in Compensated Absences from beginning of period to end of period. | 24,729 |
| (Increase) decrease in Accrued Interest Payable from beginning of period to end of period. | 1,084 |
| Certain Property Tax Revenues are deferred in the funds. This is the change in these amounts this year. | (235,097) |
| Increase in loan principal are receipts in the funds but not revenue in the SOA. | (267,927) |
| 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. | 23,219 |
| Repayment of loan principal is an expenditure in the funds but not an expense in the SOA. | 494,210 |
| Change in net position of governmental activities - statement of activities | <u><u>(\$64,750)</u></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 - BUDGETARY BASIS AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | Budgetary Basis | Variance with |
|-----------------------|------------------|--------------|-----------------|------------------------------------|
| | Original | Final | | Final Budget - Positive (Negative) |
| <i>REVENUES</i> | | | | |
| Taxes | | | | |
| Property | \$10,261,648 | \$10,261,648 | \$10,349,755 | \$88,107 |
| Other | 35,250 | 35,250 | 49,667 | 14,417 |
| Intergovernmental | 99,352 | 99,352 | 198,754 | 99,402 |
| Charges for Services | 1,817,432 | 1,817,432 | 2,260,927 | 443,495 |
| Fines and Forfeitures | 117,250 | 117,250 | 114,333 | (2,917) |
| Interest | 30,500 | 30,500 | 67,949 | 37,449 |
| Miscellaneous | 364,742 | 364,741 | 585,001 | 220,260 |
| Total Revenues | 12,726,174 | 12,726,173 | 13,626,386 | 900,213 |

EXPENDITURES

Current:

| | | | | |
|---------------------------|-----------|-----------|-----------|----------|
| General Administration | | | | |
| Commissioner's Court | 316,120 | 561,611 | 538,689 | 22,922 |
| County Clerk | 425,583 | 425,584 | 410,053 | 15,531 |
| County Judge | 193,451 | 197,922 | 195,958 | 1,964 |
| Elections | 125,004 | 184,015 | 185,381 | (1,366) |
| IT Department | 187,835 | 187,835 | 179,199 | 8,636 |
| Liability Insurance | 5,000 | 5,000 | | 5,000 |
| Non-Departmental | 275,300 | 265,399 | 264,900 | 499 |
| Veterans Service | 19,140 | 19,140 | 17,558 | 1,582 |
| Legal | | | | |
| County Attorney | 440,773 | 533,183 | 531,654 | 1,529 |
| Judicial | | | | |
| District and County Court | 1,053,821 | 1,143,821 | 1,148,909 | (5,088) |
| District Clerk | 287,412 | 287,412 | 274,955 | 12,457 |
| Chapter 19 | 2,000 | 2,000 | 0 | 2,000 |
| Justice's of the Peace | 623,175 | 623,175 | 592,251 | 30,924 |
| Financial Administration | | | | |
| County Auditor | 193,719 | 193,719 | 194,614 | (895) |
| County Treasurer | 188,645 | 193,647 | 194,052 | (405) |
| Human Resources | 56,325 | 58,695 | 58,101 | 594 |
| Tax Assessor-Collector | 611,281 | 589,690 | 603,696 | (14,006) |
| Public Facilities | | | | |
| Courthouse and Buildings | 350,531 | 437,736 | 437,995 | (259) |
| Public Safety | | | | |
| Ambulance | 122,000 | 122,000 | 122,722 | (722) |
| Civil Defense | 236,031 | 236,031 | 230,034 | 5,997 |
| CJC Building | 3,306,990 | 3,329,796 | 3,376,676 | (46,880) |
| Constables | 187,319 | 187,319 | 162,684 | 24,635 |
| D.P.S. | 37,884 | 48,059 | 47,987 | 72 |
| Fire | 180,929 | 180,929 | 181,482 | (553) |
| Juvenile Probation | 391,725 | 160,524 | 162,279 | (1,755) |
| Sheriff | 2,302,104 | 2,298,016 | 2,268,028 | 29,988 |

(continued)

(continued)

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--|-------------------|--------------------|---------------------------|---|
| | Original | Final | | |
| Environmental Protection | | | | |
| Landfill | \$82,900 | \$175,884 | \$172,196 | \$3,688 |
| Health and Welfare | | | | |
| Health and Safety | 190,695 | 193,789 | 184,860 | 8,929 |
| Senior Citizens | 8,300 | 8,300 | 3,259 | 5,041 |
| Conservation - Agriculture | | | | |
| Agriculture Extension Service | 151,455 | 181,455 | 178,798 | 2,657 |
| Total Expenditures | <u>12,553,447</u> | <u>13,031,686</u> | <u>12,918,970</u> | <u>112,716</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>172,727</u> | <u>(305,513)</u> | <u>707,416</u> | <u>1,012,929</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating Transfers Out | (172,727) | (164,500) | (164,500) | 0 |
| Total Other Financing Sources (Uses) | <u>(172,727)</u> | <u>(164,500)</u> | <u>(164,500)</u> | <u>0</u> |
| Net Changes in Fund Balances - Budgetary Basis | <u>\$0</u> | <u>(\$470,013)</u> | <u>542,916</u> | <u>\$1,012,929</u> |
| Reconciliation from budgetary basis to modified accrual basis: | | | | |
| Purchase of Capital Asset | | | (122,090) | |
| Net Changes in Fund Balances - Modified Accrual Basis | | | <u>420,826</u> | |
| Fund Balances - Beginning | | | <u>6,175,568</u> | |
| Fund Balances - Ending | | | <u><u>\$6,596,394</u></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 - BUDGETARY BASIS AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | Budgetary Basis | Variance with |
|--|------------------|-------------------|------------------|------------------------------------|
| | Original | Final | | Final Budget - Positive (Negative) |
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$433,705 | \$433,705 | \$437,308 | \$3,603 |
| Intergovernmental | 10,000 | 10,000 | 61,096 | 51,096 |
| Licenses and Permits | 220,000 | 220,000 | 220,029 | 29 |
| Fines and Forfeitures | 342,000 | 342,000 | 89,460 | (252,540) |
| Miscellaneous | 7,039 | 7,039 | 3,533 | (3,506) |
| Total Revenues | <u>1,012,744</u> | <u>1,012,744</u> | 811,426 | (201,318) |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Transportation | | | | |
| Road and Bridge | 999,136 | 1,010,036 | 781,152 | 228,884 |
| Debt Service | | | | |
| Principal Retirement | 13,608 | 13,608 | 13,608 | 0 |
| Total Expenditures | <u>1,012,744</u> | <u>1,023,644</u> | 794,760 | 228,884 |
| Net Changes in Fund Balances - Budgetary Basis | <u>\$0</u> | <u>(\$10,900)</u> | \$16,666 | \$27,566 |
| Reconciliation from budgetary basis to modified accrual basis: | | | | |
| Purchase of Capital Asset | | | (30,522) | |
| Net Changes in Fund Balances - Modified Accrual Basis | | | <u>(13,856)</u> | |
| Fund Balances - Beginning | | | 411,809 | |
| Fund Balances - Ending | | | <u>\$397,953</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, 2017

| | Budgeted Amounts | | Budgetary Basis | Variance with |
|--|--------------------|--------------------|------------------|------------------------------------|
| | Original | Final | | Final Budget - Positive (Negative) |
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$683,610 | \$683,610 | \$688,556 | \$4,946 |
| Intergovernmental | 20,000 | 20,000 | 14,232 | (5,768) |
| Licenses and Permits | 357,500 | 357,500 | 348,469 | (9,031) |
| Fines and Forfeitures | 145,500 | 145,500 | 141,007 | (4,493) |
| Miscellaneous | 3,061 | 3,061 | 3,225 | 164 |
| Total Revenues | 1,209,671 | 1,209,671 | 1,195,489 | (14,182) |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Transportation | | | | |
| Road and Bridge | 1,435,978 | 1,435,978 | 1,097,461 | 338,517 |
| Debt Service | | | | |
| Principal Retirement | 21,474 | 21,474 | 21,474 | 0 |
| Interest Retirement | 2,219 | 2,219 | 2,219 | 0 |
| Total Expenditures | 1,459,671 | 1,459,671 | 1,121,154 | 338,517 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (250,000) | (250,000) | 74,335 | 324,335 |
| Net Changes in Fund Balances - Budgetary Basis | (\$250,000) | (\$250,000) | \$74,335 | \$324,335 |
| Reconciliation from budgetary basis to modified accrual basis: | | | | |
| Proceeds from Capital Lease | | | | |
| Purchase of Capital Asset | | | (30,523) | |
| Net Changes in Fund Balances - Modified Accrual Basis | | | 43,812 | |
| Fund Balances - Beginning | | | 220,053 | |
| Fund Balances - Ending | | | \$263,865 | |

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 - BUDGETARY BASIS AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | Budgetary Basis | Variance with |
|--|-------------------|-------------------|------------------|------------------------------------|
| | Original | Final | | Final Budget - Positive (Negative) |
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$530,903 | \$530,903 | \$535,091 | \$4,188 |
| Intergovernmental | 13,000 | 13,000 | 11,053 | (1,947) |
| Licenses and Permits | 285,000 | 285,000 | 269,425 | (15,575) |
| Fines and Forfeitures | 113,000 | 113,000 | 109,508 | (3,492) |
| Miscellaneous | 8,047 | 8,047 | 5,796 | (2,251) |
| Total Revenues | <u>949,950</u> | <u>949,950</u> | <u>930,873</u> | <u>(19,077)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Transportation | | | | |
| Road and Bridge | 980,748 | 980,748 | 772,864 | 207,884 |
| Debt Service | | | | |
| Principal Retirement | 41,484 | 41,484 | 41,484 | 0 |
| Interest Retirement | 2,718 | 2,718 | 2,718 | 0 |
| Total Expenditures | <u>1,024,950</u> | <u>1,024,950</u> | <u>817,066</u> | <u>207,884</u> |
| Net Changes in Fund Balances - Budgetary Basis | <u>(\$75,000)</u> | <u>(\$75,000)</u> | <u>\$113,807</u> | <u>\$188,807</u> |
| Reconciliation from budgetary basis to modified accrual basis: | | | | |
| Purchase of Capital Asset | | | <u>(37,946)</u> | |
| Net Changes in Fund Balances - Modified Accrual Basis | | | <u>75,861</u> | |
| Fund Balances - Beginning | | | <u>152,926</u> | |
| Fund Balances - Ending | | | <u>\$228,787</u> | |

The accompanying notes 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 - BUDGETARY BASIS AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | Budgetary Basis | Variance with |
|--|--------------------|--------------------|------------------|------------------------------------|
| | Original | Final | | Final Budget - Positive (Negative) |
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$655,049 | \$655,049 | \$660,036 | \$4,987 |
| Intergovernmental | 15,000 | 15,000 | 82,100 | 67,100 |
| Licenses and Permits | 350,000 | 350,000 | 332,151 | (17,849) |
| Fines and Forfeitures | 132,250 | 132,250 | 135,116 | 2,866 |
| Miscellaneous | 11,059 | 11,059 | 451 | (10,608) |
| Total Revenues | <u>1,163,358</u> | <u>1,163,358</u> | <u>1,209,854</u> | <u>46,496</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Transportation | | | | |
| Road and Bridge | 1,221,019 | 1,211,527 | 1,132,246 | 79,281 |
| Debt Service | | | | |
| Principal Retirement | 40,693 | 48,849 | 50,029 | (1,180) |
| Interest Retirement | 1,646 | 2,982 | 3,158 | (176) |
| Total Expenditures | <u>1,263,358</u> | <u>1,263,358</u> | <u>1,185,433</u> | <u>77,925</u> |
| Net Changes in Fund Balances - Budgetary Basis | <u>(\$100,000)</u> | <u>(\$100,000)</u> | <u>\$24,421</u> | <u>\$124,421</u> |
| Reconciliation from budgetary basis to modified accrual basis: | | | | |
| Proceeds from Capital Lease | | | | |
| Purchase of Capital Asset | | | (37,946) | |
| Net Changes in Fund Balances - Modified Accrual Basis | | | <u>(13,525)</u> | |
| Fund Balances - Beginning | | | 222,054 | |
| Fund Balances - Ending | | | <u>\$208,529</u> | |

The accompanying notes 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, 2017

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|----------|-------------|--|
| | Original | Final | | Final Budget - Positive (Negative) |
| REVENUES | | | | |
| Charges for Services | \$87,000 | \$87,000 | \$117,644 | \$30,644 |
| Total Revenues | 87,000 | 87,000 | 117,644 | 30,644 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Administration | | | | |
| Records Management | 87,000 | 84,237 | 352,767 | (268,530) |
| Total Expenditures | 87,000 | 84,237 | 352,767 | (268,530) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 2,763 | (235,123) | (237,886) |
| OTHER FINANCING SOURCES (USES): | | | | |
| 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 | 2,763 | (235,123) | (237,886) |
| Fund Balances - Beginning | 65,301 | 65,301 | 65,301 | |
| Fund Balances - Ending | \$65,301 | \$68,064 | (\$169,822) | (\$237,886) |

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, 2017

| | <u>Agency Funds</u> |
|--|---------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$5,576,250 |
| Receivables (net of allowance for uncollectibles) | 101,607 |
| Due from Others | <u>0</u> |
| Total Assets | <u><u>\$5,677,857</u></u> |
| LIABILITIES: | |
| Accounts Payable | 180,097 |
| Due to Others | <u>5,495,641</u> |
| Total Liabilities | <u><u>5,675,738</u></u> |
| NET POSITION | |
| Held in Trust - Unexpendable | 0 |
| Held in Trust - Historical Purposes | <u>2,119</u> |
| Total Net Position | <u><u>\$2,119</u></u> |

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

WILSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, 2017 and 10 percent of the delinquent outstanding property taxes at September 30, 2017.

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.

4. Restricted Assets

There were no restricted assets at September 30, 2017.

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 and Old Library Building.

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, 2017, 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, 2017, fund balances are composed of the following:

| | |
|------------------------|--------------------|
| Fund Balances: | |
| Non-Spendable | |
| Prepaid Items | \$22,062 |
| Restricted | |
| General Administration | 58,524 |
| Debt Service | 121,166 |
| Judicial | 150,270 |
| Public Safety | 550,679 |
| Public Transportation | 1,255,668 |
| Committed | |
| Culture and Recreation | 153,063 |
| General Administration | 52,820 |
| Unassigned | <u>6,404,510</u> |
| Total Fund Balance | <u>\$8,768,762</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 \$9,755,345 difference are as follows:

| | |
|--------------------------|--------------------|
| Bonds Payable | \$7,405,000 |
| Bond Premium | 242,250 |
| Capital Leases Payable | 478,274 |
| Accrued Interest Payable | 43,658 |
| Compensated Absences | 188,790 |
| Net Pension Liability | <u>1,397,373</u> |
| | <u>\$9,755,345</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 \$15,513,582 difference are as follows:

| | |
|--|---------------------|
| Capital Assets Not Being Depreciated | \$577,950 |
| Capital Assets Being Depreciated | 29,569,850 |
| Accumulated Depreciation | (14,634,218) |
| Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities | <u>\$15,513,582</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 \$1,484,826 difference are as follows:

| | |
|---------------------------------|--------------------|
| Property Taxes Receivable | \$1,615,325 |
| Allowance for Doubtful Accounts | <u>(130,499)</u> |
| Net | <u>\$1,484,826</u> |

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Municipal fines and fees receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles.)" Another element of that reconciliation includes GASB 68 deferrals. The details of this \$2,535,809 difference are as follows:

| | |
|--|--------------------|
| Fines Receivable | \$3,750,165 |
| Allowance for Doubtful Accounts | (3,379,623) |
| GASB 68 | |
| Deferred Outflow of Resources-Contributions (after 12/31/16) | 867,202 |
| Differences between expected and actual experience | 42,015 |
| Changes of assumptions | 115,622 |
| Net difference between projected and actual earnings | <u>1,140,428</u> |
| Net | <u>\$2,535,809</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 (\$41,700) difference are as follows:

| | |
|--|--------------------------|
| Capital Outlay - Additions - Not Being Depreciated | \$91,870 |
| Capital Outlay - Additions - Being Depreciated | 1,798,560 |
| Capital Outlay - Deletions - Net | (12,196) |
| Depreciation Expense | (1,919,934) |
| Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net assets of Governmental Activities | <u><u>(\$41,700)</u></u> |

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year.

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court.

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

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

Budgets for all budgeted General, Road and Bridge, and Recording Fees fund are adopted on a budgetary basis which is not in conformity with generally accepted accounting principles (GAAP).

B. Excess of Expenditures over Appropriations

Expenditures exceeded appropriations for the year ended September 30, 2017 for the following: The Recording Fees fund whereby expenditures of \$352,767 exceeded appropriations by \$268,530.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2017 except for the recording fees fund which had a deficit of \$169,822. 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) banker's 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, 2017, the government's bank balance of \$6,738,921 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 \$15,267,218 and the FDIC coverage is \$323,550. The book amount of the cash at September 30, 2017 is \$976,121.

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, 2017, the local investment pool - Texpool (99% of portfolio) was rated AAAM by Standard and Poor's and Texas Class (1% 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. 99 percent of the County's investments are in Texpool and 1 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, 2017, the government had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Maturity (Years)</u> | <u>Weighted Average</u> |
|------------------------|-------------------|-------------------------|-------------------------|
| Texpool | \$9,342,072 | Less than 1 year | Less than 1 year |
| Texas Class | \$ 48,342 | 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 | \$1,230,304 | \$276,003 | | \$109,018 | \$1,615,325 |
| Fines | 3,750,165 | | | | 3,750,165 |
| Fees Receivable | 149,252 | 99,480 | 17,658 | 29,229 | 295,619 |
| Other | 3,544 | | | | 3,544 |
| Gross Receivables | 5,133,265 | 375,483 | 17,658 | 138,247 | 5,664,653 |
| Less: Allowance for Uncollectibles | 3,479,017 | 22,298 | | 8,807 | 3,510,122 |
| Net Total Receivables | \$1,654,248 | \$353,185 | \$17,658 | \$129,440 | \$2,154,531 |

C. Capital Assets

Capital asset activity for the year ended September 30, 2017 was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|-----------|-----------|--------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$486,080 | \$80,000 | \$0 | \$566,080 |
| Construction in Progress | 0 | 725,021 | 713,151 | 11,870 |
| Total capital assets not being depreciated: | 486,080 | 805,021 | 713,151 | 577,950 |
| Capital assets being depreciated: | | | | |
| Building and Improvements | 17,934,020 | 891,843 | 0 | 18,825,863 |
| Machinery and Equipment | 4,191,236 | 545,741 | | 4,736,977 |
| Vehicles | 2,734,319 | 203,656 | 112,860 | 2,825,115 |
| Intangible | 428,859 | 157,320 | 0 | 586,179 |
| Infrastructure | 2,595,716 | | 0 | 2,595,716 |
| Total capital assets being depreciated: | 27,884,150 | 1,798,560 | 112,860 | 29,569,850 |
| Less: Accumulated Depreciation for: | | | | |
| Building and Improvements | 4,513,955 | 1,120,657 | 0 | 5,634,612 |
| Machinery and Equipment | 3,642,879 | 321,587 | | 3,964,466 |
| Vehicles | 1,633,539 | 446,226 | 100,664 | 1,979,101 |
| Intangible | 428,859 | 31,464 | 0 | 460,323 |
| Infrastructure | 2,595,716 | 0 | 0 | 2,595,716 |
| Total Accumulated Depreciation | 12,814,948 | 1,919,934 | 100,664 | 14,634,218 |
| Total Capital Assets Depreciated, Net | 15,069,202 | (121,374) | 12,196 | 14,935,632 |
| Governmental Activities capital assets, Net | \$15,555,282 | \$683,647 | \$725,347 | \$15,513,582 |

Depreciation charged to the functions is as follows:

| | |
|--|--------------------|
| Governmental Activities | |
| General Administration | \$23,932 |
| Legal | 2,831 |
| Judicial | 458,111 |
| Financial Administration | 33,510 |
| Public Facilities | 422,239 |
| Public Safety | 354,319 |
| Public Transportation | 537,972 |
| Culture and Recreation | 73,439 |
| Health and Welfare | 7,583 |
| Conservation - Agriculture | 5,998 |
| Total Depreciation Expense - Governmental Activities | <u>\$1,919,934</u> |

Construction commitments:

The County is currently restoring the County Courthouse and Old Library Building.

D. Interfund Receivables, Payables, and Transfers

There was no Due to/from other funds at September 30, 2017

There were no advances at September 30, 2017.

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 | \$150,000 | PROVIDE CAPITAL | YES |
| GENERAL FUND | ERRORS AND OMISSIONS | 4,500 | PROVIDE CAPITAL | YES |
| GENERAL FUND | JURY FUND | 10,000 | PROVIDE CAPITAL | YES |
| | | <u>\$164,500</u> | | |

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$10,564 for the year ended September 30, 2017. Rent expenditures were \$22,495 for the year ended September 30, 2017. Sublease rental income was \$27,500 for the year ended September 30, 2017. The future minimum lease payments for these leases are as follows:

| | |
|----------------------|-----------------|
| Year Ending Sep. 30, | <u>Amount</u> |
| 2018 | \$14,165 |
| 2019 | 11,080 |
| 2020 | 11,080 |
| 2021 | 6,726 |
| 2022 | <u>6,726</u> |
| Total | <u>\$49,777</u> |

F. Long-Term Debt

Capital Leases

The government has entered into lease agreements as lessee for financing Tax Office Software, a John Deere Tractor for Precinct No. 1, a Skid Steer Loader for Precinct No. 2, 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 Backhoe 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 | TAX OFFICE SOFTWARE GENERAL | JOHN DEERE TRACTOR PCT. 1 | SKID STEER LOADER PCT. 2 | 2017 PETERBILT TRACTOR 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 | \$151,670 | \$68,398 | 41,156.00 | 111,696.00 | \$93,242 | \$64,996 | 50,317.00 | \$130,056 | \$75,101 | \$786,632 |
| ACCUMULATED DEPRECIATION | 30,334 | 41,039 | 8,231 | 44,678 | 74,594 | 38,998 | 30,190 | 104,045 | 15,020 | 387,129 |
| NET ASSET | \$121,336 | \$27,359 | \$32,925 | \$67,018 | \$18,648 | \$25,998 | \$20,127 | \$26,011 | \$60,081 | \$399,503 |

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017, were as follows:

| YEAR | Governmental | |
|---|------------------|------------------|
| | Activities | Total |
| 2018 | \$176,919 | \$176,919 |
| 2019 | 165,074 | 165,074 |
| 2020 | 115,058 | 115,058 |
| 2021 | 44,957 | 44,957 |
| 2022 | 6,782 | 6,782 |
| TOTAL MINIMUM LEASE PAYMENTS | <u>508,790</u> | <u>508,790</u> |
| LESS: AMOUNT REPRESENTING INTEREST | <u>30,516</u> | <u>30,516</u> |
| PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS | <u>\$478,274</u> | <u>\$478,274</u> |

Bonds

The government issues Bonds to provide funds for the courthouse renovation Series 2014 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% | 7,405,000 |

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

| YEAR | Governmental Activities | |
|-----------|----------------------------|--------------------|
| | Principal | Interest |
| 2018 | \$335,000 | \$258,600 |
| 2019 | 340,000 | 251,000 |
| 2020 | 350,000 | 242,375 |
| 2021 | 360,000 | 232,600 |
| 2022 | 370,000 | 221,650 |
| 2023-2027 | 2,040,000 | 914,525 |
| 2028-2032 | 2,475,000 | 482,500 |
| 2033-2034 | 1,135,000 | 45,900 |
| TOTALS | <u>\$7,405,000</u> | <u>\$2,649,150</u> |

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> |
|---------------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|-------------------------------|
| <u>Governmental Activities:</u> | | | | | | |
| General Obligation Bonds | \$7,730,000 | \$0 | \$325,000 | \$7,405,000 | \$335,000 | \$7,070,000 |
| Add: Bond Issuance | | | | | | |
| Premium | 256,500 | | 14,250 | 242,250 | | 242,250 |
| Total Bonds Payable | <u>7,986,500</u> | <u>0</u> | <u>339,250</u> | <u>7,647,250</u> | <u>335,000</u> | <u>7,312,250</u> |
| Capital Leases | 379,557 | 267,927 | 169,210 | 478,274 | 166,191 | 312,083 |
| Net Pension Liability | 1,420,592 | | 23,219 | 1,397,373 | | 1,397,373 |
| Compensated Absences | 213,519 | 188,790 | 213,519 | 188,790 | 188,790 | 0 |
| | <u>2,013,668</u> | <u>456,717</u> | <u>405,948</u> | <u>2,064,437</u> | <u>354,981</u> | <u>1,709,456</u> |
| Grand Total | <u>\$10,000,168</u> | <u>\$456,717</u> | <u>\$745,198</u> | <u>\$9,711,687</u> | <u>\$689,981</u> | <u>\$9,021,706</u> |

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 \$188,790 are funded by the general and road and bridge funds and are considered current.

The government-wide statement of activities includes \$689,981 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>09/30/17</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

Deborah Bryan- District Clerk – Husband owns Bryan Air Conditioning and Heating; County did \$40,932.97 in business in the year 2017.

Raymundo Luna – Pct #1 Operator – Wife, Edna Luna, owns a trucking company; County spent \$146,963.00 in 2017

Richard Jackson- County Judge- Brother-in-law owns C-Trucking; County did \$52,200.00 in business in the year 2017.

Manuel Perez- Deputy – Contracts to do special work for the County; County spent \$11,190.00 in business in the year 2017.

Paul Pfeil- Commissioner Pct. #2- Son Trey Pfeil owns T-Scapes; County did \$80,765.00 in business in the year 2017.

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. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)

| Net Pension Liability / (Asset) | <u>December 31, 2015</u> | <u>December 31, 2016</u> |
|--|---------------------------------|---------------------------------|
| Total pension liability | \$20,356,327 | \$21,976,302 |
| Fiduciary net position | 18,935,735 | 20,578,929 |
| Net pension liability/ (asset) | 1,420,592 | 1,397,373 |
| Fiduciary net position as a % of total pension liability | 93.02% | 93.64% |
| Pensionable covered payroll ⁽¹⁾ | \$6,750,040 | \$6,970,323 |
| Net pension liability as a % of covered payroll | 21.05% | 20.05% |

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 ⁽²⁾ | 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, 2016 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 | December 31, 2015 | December 31, 2016 |
| Measurement date | December 31, 2015 | December 31, 2016 |
| Employer's fiscal year | October 1, 2016 | September 30, 2017 |

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").

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) |
|------------------------------|---|--|---|---|--|--|
| 2017 | \$20,578,929 | \$1,074,685 | \$1,487,557 | \$20,579 | \$1,649,680 | \$21,795,158 |
| 2018 | 21,795,158 | 1,036,081 | 1,293,197 | 21,795 | 1,754,332 | 23,270,579 |
| 2019 | 23,270,579 | 1,001,944 | 1,419,950 | 23,271 | 1,867,393 | 24,696,696 |
| 2020 | 24,696,696 | 973,349 | 1,527,805 | 24,697 | 1,977,433 | 26,094,977 |
| 2021 | 26,094,977 | 950,315 | 1,626,954 | 26,095 | 2,085,786 | 27,478,029 |
| 2022 | 27,478,029 | 928,412 | 1,730,302 | 27,478 | 2,192,785 | 28,841,446 |
| 2023 | 28,841,446 | 907,760 | 1,846,398 | 28,841 | 2,297,737 | 30,171,704 |
| 2024 | 30,171,704 | 888,740 | 1,944,510 | 30,172 | 2,400,784 | 31,486,546 |
| 2025 | 31,486,546 | 870,261 | 2,086,786 | 31,487 | 2,500,850 | 32,739,384 |
| 2026 | 32,739,384 | 854,473 | 2,182,535 | 32,739 | 2,597,851 | 33,976,434 |
| 2036 | 44,716,838 | 773,668 | 3,066,124 | 44,717 | 3,529,251 | 45,908,917 |
| 2046 | 57,954,651 | 789,553 | 3,600,696 | 57,955 | 4,580,391 | 59,665,944 |
| 2056 | - 83,416,210 | 982,146 | 3,484,871 | 83,416 | 6,654,013 | 87,484,082 |
| 2066 | 149,102,528 | 1,355,126 | 2,552,543 | 149,103 | 12,023,833 | 159,779,842 |
| 2076 | 313,476,678 | 1,909,608 | 1,396,368 | 313,477 | 25,399,544 | 339,075,985 |
| 2086 | 694,344,563 | 2,693,691 | 484,323 | 694,345 | 56,302,073 | 752,161,660 |
| 2096 | 1,540,688,792 | 3,799,717 | 80,848 | 1,540,689 | 124,882,291 | 1,667,749,263 |

* Projection values include no assumed 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, 2015 | \$20,356,327 | \$18,935,735 | \$1,420,592 |
| Changes for the year: | | | |
| Service cost | 906,702 | | 906,702 |
| Interest on total pension liability ⁽¹⁾ | 1,644,965 | | 1,644,965 |
| Effect of plan changes ⁽²⁾ | 1 | | 1 |
| Effect of economic/demographic gains or losses | 73,163 | | 73,163 |
| Effect of assumptions changes or inputs | 0 | | 0 |
| Refund of contributions | (62,176) | (62,176) | 0 |
| Benefit payments | (942,679) | (942,679) | 0 |
| Administrative expenses | | (15,240) | 15,240 |
| Member contributions | | 487,923 | (487,923) |
| Net investment income | | 1,400,245 | (1,400,245) |
| Employer contributions | | 620,359 | (620,359) |
| Other ⁽³⁾ | 0 | 154,763 | (154,763) |
| Balances as of December 31, 2016 | \$21,976,302 | \$20,578,929 | \$1,397,373 |

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

⁽²⁾ No plan changes valued.

⁽³⁾ Relates to a/location of system-wide items.

Sensitivity Analysis

The following presents the net pension liability of the employer, 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 | \$24,627,226 | \$21,976,302 | \$19,757,884 |
| Fiduciary net position | <u>20,578,929</u> | <u>20,578,929</u> | <u>20,578,929</u> |
| Net pension liability/ (asset) | \$4,048,297 | \$1,397,373 | (\$821,045) |

Pension Expense / (Income)

| Pension Expense / (Income) | <u>January 1, 2016 to December 31, 2016</u> |
|---|---|
| Service cost | \$906,702 |
| Interest on total pension liability ⁽¹⁾ | 1,644,965 |
| Effect of plan changes | 0 |
| Administrative expenses | 15,240 |
| Member contributions | (487,923) |
| Expected investment return net of investment expenses | (1,543,442) |
| Recognition of deferred inflows/outflows of resources | |
| Recognition of economic/demographic gains or losses | 15,740 |
| Recognition of assumption changes or inputs | 57,811 |
| Recognition of investment gains or losses | 386,477 |
| Other ⁽¹⁾ | (154,763) |
| Pension expense/ (income) | \$840,808 |

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

⁽²⁾ Relates to a/location of system-wide items.

As of December 31, 2016, the deferred inflows and outflows of resources are as follows:

| Deferred Inflows / Outflows of Resources | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$20,614 | \$62,629 |
| Changes of assumptions | 0 | 115,622 |
| Net difference between projected and actual earnings | 0 | 1,140,428 |
| Contributions made subsequent to measurement date ⁽³⁾ | 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: | |
|---------------------------|-----------|
| 2017 | \$460,029 |
| 2018 | 452,272 |
| 2019 | 357,124 |
| 2020 | 28,640 |
| 2021 | 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

| Expense / (Income) Calculation | | | | | Balances of Deferred Inflows and Outflows as of 12/31/2016 | |
|---|-------------------------|---|--|---------|--|--|
| Original Amount (a) | Date Established (b) | Original Recognition Period ⁽¹⁾ (c) | Amount Recognized for 2016 ⁽¹⁾ (a) ÷ (c) | Inflows | Outflows | |
| <i>Investment (gains) or losses</i> | | | | | | |
| \$143,198 | 12/31/2016 | 5.0 | \$28,640 | \$0 | \$114,558 | |
| 1,550,969 | 12/31/2015 | 5.0 | 310,194 | 0 | 930,582 | |
| 238,221 | 12/31/2014 | 5.0 | 47,644 | 0 | 95,288 | |
| <i>Economic / demographic (gains) or losses</i> | | | | | | |
| 73,163 | 12/31/2016 | 4.0 | 18,291 | 0 | 54,873 | |
| (41,228) | 12/31/2015 | 4.0 | (10,307) | 20,614 | 0 | |
| 31,027 | 12/31/2014 | 4.0 | 7,757 | 0 | 7,757 | |
| <i>Assumption changes or inputs</i> | | | | | | |
| 0 | 12/31/2016 | 4.0 | 0 | 0 | 0 | |
| 231,245 | 12/31/2015 | 4.0 | 57,811 | 0 | 115,622 | |
| 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 deferred outflows as outlined in Appendix D of this report.*

GASB 68 Plan Description for Wilson County

A description of the pension plan pursuant to Paragraph 40 of GASB 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 2016 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

| Members | Dec. 31, 2015 | Dec. 31, 2016 |
|--|---------------|---------------|
| Number of inactive employees entitled to but not yet receiving benefits: | 189 | 200 |
| Number of active employees: | 193 | 186 |
| Average monthly salary*: | \$2,931 | \$3,043 |
| Average age*: | 46.54 | 46.67 |
| Average length of service in years*: | 9.09 | 9.15 |
| <hr/> | | |
| Inactive Employees (or their Beneficiaries) Receiving Benefits | | |
| Number of benefit recipients: | 89 | 98 |
| Average monthly benefit: | \$853 | \$867 |

**Averages reported for active employees. They differ from the prior year's report, which included all active and inactive members. Average service includes all proportionate service.*

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 GASS 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 or 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 employer contributions to the retirement plan *via* the TCDRS Employer Portal.

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, 2016 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 (UML) rate. UML amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and losses). UML amounts are amortized on a level-percentage-of-covered-payroll basis over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UML 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 UML are amortized over 20-year closed periods. These amortization periods are generally more conservative than those of most other public retirement plans and are stricter than the minimum amortization period required under state law.

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

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

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

Asset valuation method

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

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

Actuarial assumptions

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

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

Oversight

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

Review of actuarial assumptions

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

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

Review of employer contribution rates

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

Review and modification of funding policy

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

| | Year Ended December 31 | | | | | | | | | |
|--|------------------------|---------------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$906,702 | \$782,314 | \$743,968 | N/A |
| Interest on total pension liability | 1,644,965 | 1,530,935 | 1,419,549 | N/A |
| Effect of plan changes | 0 | (109,795) | 0 | N/A |
| Effect of assumption changes or inputs | 0 | 231,245 | 0 | N/A |
| Effect of economic/demographic (gains) or losses | 73,163 | (41,228) | 31,027 | N/A |
| Benefit payments/refunds of contributions | <u>(1,004,855)</u> | <u>(970,097)</u> | <u>(828,175)</u> | <u>N/A</u> |
| Net change in total pension liability | 1,619,975 | 1,423,374 | 1,366,368 | N/A |
| Total pension liability, beginning | <u>20,356,327</u> | <u>18,932,954</u> | <u>17,566,585</u> | <u>N/A</u> |
| Total pension liability, ending (a) | <u>\$21,976,302</u> | <u>\$20,356,327</u> | <u>\$18,932,954</u> | <u>N/A</u> |
| Fiduciary Net Position | | | | | | | | | | |
| Employer contributions | \$620,359 | \$600,753 | \$560,772 | N/A |
| Member contributions | 487,923 | 472,503 | 424,827 | N/A |
| Investment income net of investment expenses | 1,400,245 | (12,710) | 1,187,034 | N/A |
| Benefit payments/refunds of contributions | (1,004,855) | (970,097) | (828,175) | N/A |
| Administrative expenses | (15,240) | (13,548) | (13,880) | N/A |
| Other | <u>154,763</u> | <u>155,307</u> | 37,144 | N/A |
| Net change in fiduciary net position | 1,643,194 | 232,208 | 1,367,723 | N/A |
| Fiduciary net position, beginning | <u>18,935,735</u> | <u>18,703,527</u> | <u>17,335,803</u> | <u>N/A</u> |
| Fiduciary net position, ending (b) | <u>\$20,578,929</u> | <u>\$18,935,735</u> | <u>\$18,703,527</u> | <u>N/A</u> |
| Net pension liability / (asset), ending= (a) - (b) | <u>\$1,397,373</u> | <u>\$1,420,592</u> | <u>\$229,427</u> | <u>N/A</u> |
| Fiduciary net position as a % of total pension liability | 93.64% | 93.02 % | 98.79% | N/A |
| Pensionable covered payroll | \$6,970,323 | \$6,750,040 | \$6,068,964 | N/A |
| Net pension liability / (asset) as % of covered payroll | 20.05% | 21.05% | 3.78% | 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 ⁽¹⁾ | Actual Employer Contribution ⁽¹⁾ | Contribution Deficiency (Excess) | Pensionable Covered Payroll ⁽¹⁾ | Actual Contribution as a % of Covered Payroll |
|-------------------------------|--|---|--|--|---|
| 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% |
| 2016 | 572,264 | 620,359 | (48,095) | 6,970,323 | 8.9% |

⁽¹⁾ 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.

⁽²⁾ 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 | 7.5 years (based on contribution rate calculated in 12/31/2016 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 of Employer Contributions* | 2015: No changes in plan provisions. |
| | 2016: No changes in plan provisions. |

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

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, 2016 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Wilson County December 31, 2016 Summary Valuation Report for further details.

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

| | |
|---|---|
| Valuation Timing | 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. |
| Actuarial Cost Method | Entry Age Normal ⁽¹⁾ |
| Amortization Method | |
| 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 |
| Asset Valuation Method | |
| Smoothing period | 5 years |
| Recognition method | Non-asymptotic |
| Corridor | None |
| Inflation | Same as funding valuation: See Appendix C |
| Salary Increases | Same as funding valuation: See Appendix C |
| Investment Rate of Return | 8.10% |
| Cost-of-Living Adjustments | Cost-of-Living Adjustments for Wilson County are not considered to be substantively automatic under 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. |
| Retirement Age | Same as funding valuation: See Appendix C |
| Turnover | Same as funding valuation: See Appendix C |
| Mortality | Same as funding valuation: See Appendix C |

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

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, 2016 financial reporting metrics are the same as those used in the December 31, 2016 actuarial valuation analysis for Wilson County.

Following is a description of the assumptions used in the December 31, 2016 actuarial valuation analysis for Wilson County. This information may also be found in the Wilson County December 31, 2016 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.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

WILSON COUNTY, TEXAS
 BALANCE SHEET - ROAD AND BRIDGE
 SEPTEMBER 30, 2017

| | Road and Bridge NO. 1 | Road and Bridge NO. 2 | Road and Bridge NO. 3 | Road and Bridge NO. 4 | Total |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------|
| <i>ASSETS</i> | | | | | |
| Cash and Cash Equivalents | \$422,394 | \$325,971 | \$216,010 | \$211,530 | \$1,175,905 |
| Receivables (net of allowance for uncollectibles) | 66,535 | 104,789 | 81,421 | 100,440 | 353,185 |
| Total Assets | <u>\$488,929</u> | <u>\$430,760</u> | <u>\$297,431</u> | <u>\$311,970</u> | <u>\$1,529,090</u> |
| | | | | | |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Accounts Payable | \$43,174 | \$80,777 | \$10,029 | \$31,293 | 165,273 |
| Accrued Wages Payable | | 10,853 | 125 | | 10,978 |
| Total Liabilities | <u>43,174</u> | <u>91,630</u> | <u>10,154</u> | <u>31,293</u> | <u>176,251</u> |
| | | | | | |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Property Taxes | <u>47,802</u> | <u>75,265</u> | <u>58,490</u> | <u>72,148</u> | <u>253,705</u> |
| | | | | | |
| Fund Balances: | | | | | |
| Restricted | | | | | |
| Public Transportation | 397,953 | 263,865 | 228,787 | 208,529 | 1,099,134 |
| Total Fund Balance | <u>397,953</u> | <u>263,865</u> | <u>228,787</u> | <u>208,529</u> | <u>1,099,134</u> |
| | | | | | |
| Total Liabilities and Fund Balances | <u>\$488,929</u> | <u>\$430,760</u> | <u>\$297,431</u> | <u>\$311,970</u> | <u>\$1,529,090</u> |

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, 2017

| | Road and Bridge NO. 1 | Road and Bridge NO. 2 | Road and Bridge NO. 3 | Road and Bridge NO. 4 | Total |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------|
| <i>REVENUES</i> | | | | | |
| Taxes | | | | | |
| Property | \$437,308 | \$688,556 | \$535,091 | \$660,036 | \$2,320,991 |
| Intergovernmental | 61,096 | 14,232 | 11,053 | 82,100 | 168,481 |
| Licenses and Permits | 220,029 | 348,469 | 269,425 | 332,151 | 1,170,074 |
| Fines and Forfeitures | 89,460 | 141,007 | 109,508 | 135,116 | 475,091 |
| Miscellaneous | 3,533 | 3,225 | 5,796 | 451 | 13,005 |
| Total Revenues | <u>811,426</u> | <u>1,195,489</u> | <u>930,873</u> | <u>1,209,854</u> | <u>4,147,642</u> |
| <i>EXPENDITURES</i> | | | | | |
| Current: | | | | | |
| Public Transportation | | | | | |
| Road and Bridge | 811,674 | 1,127,984 | 810,810 | 1,245,293 | 3,995,761 |
| Debt Service | | | | | |
| Principal Retirement | 13,608 | 21,474 | 41,484 | 50,029 | 126,595 |
| Interest Retirement | | 2,219 | 2,718 | 3,158 | 8,095 |
| Total Expenditures | <u>825,282</u> | <u>1,151,677</u> | <u>855,012</u> | <u>1,298,480</u> | <u>4,130,451</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (13,856) | 43,812 | 75,861 | (88,626) | 17,191 |
| <i>OTHER FINANCING SOURCES (USES):</i> | | | | | |
| Other Financing Sources - Capital Lease | | | | 75,101 | 75,101 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>75,101</u> | <u>75,101</u> |
| Net Changes in Fund Balances | (13,856) | 43,812 | 75,861 | (13,525) | 92,292 |
| Fund Balances - Beginning | 411,809 | 220,053 | 152,926 | 222,054 | 1,006,842 |
| Fund Balances - Ending | <u>\$397,953</u> | <u>\$263,865</u> | <u>\$228,787</u> | <u>\$208,529</u> | <u>\$1,099,134</u> |

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2017

| | SPECIAL REVENUE | | | | | | | | | | | | | | |
|---|-----------------|---------------------|--------------------------------|--------------------------|-------------------|----------------------|----------------------|-------------------------|------------------------------|-----------------|-----------------|-------------------------------|-----------------|------------------|-------------------------|
| | CIVIL FEES | CIVIL PREPARED-NESS | COMMUNITY ECONOMIC DEVELOPMENT | COUNTY CLERK LAW LIBRARY | COUNTY CLERK TECH | COURT-HOUSE SECURITY | ERRORS AND OMISSIONS | FEDERAL SEIZURE ACCOUNT | INMATE TELEPHONE PRE-PAYMENT | JP TECHNO-LOGY | JURY FUND | JUVENILE CASE MANAGEMENT FUND | LEOSE FUND | LIBRARY FUND | PRE-TRIAL INTER-VENTION |
| ASSETS | | | | | | | | | | | | | | | |
| Cash and Cash Equivalents | \$16,462 | \$407,747 | \$3,816 | \$105,085 | \$1,798 | \$54,944 | \$92 | \$498 | \$11,400 | \$47,456 | \$11,652 | \$110 | \$30,053 | \$196,701 | \$77,964 |
| Receivables (net of allowance for uncollectibles) | 6,936 | | | 1,300 | 23 | 2,623 | 270 | | | 1,558 | 78 | | | 36,579 | 11,601 |
| Total Assets | \$23,398 | \$407,747 | \$3,816 | \$106,385 | \$1,821 | \$57,567 | \$362 | \$498 | \$11,400 | \$49,014 | \$11,730 | \$110 | \$30,053 | \$233,280 | \$89,565 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | | | | |
| Accounts Payable | \$14,616 | | | | | \$20,809 | | | | \$31 | | | | \$42,570 | |
| Accrued Wages Payable | | | | | | 118 | | | | | | | | 2,761 | |
| Total Liabilities | 14,616 | 0 | 0 | 0 | 0 | 20,927 | 0 | 0 | 0 | 31 | 0 | 0 | 0 | 45,331 | 0 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | | | | | | |
| Deferred Property Taxes | | | | | | | | | | | 8 | | | 34,886 | |
| Fund Balances | | | | | | | | | | | | | | | |
| Restricted | | | | | | | | | | | | | | | |
| Debt Service | | | | | | | | | | | | | | | |
| General Administration | 8,782 | | 3,816 | 106,385 | 1,821 | | 362 | | | | | | | | |
| Judicial | | | | | | | | | | 48,983 | 11,722 | | | | 89,565 |
| Public Safety | | 407,747 | | | | 36,640 | | 498 | 11,400 | | | 110 | 30,053 | | |
| Public Transportation | | | | | | | | | | | | | | | |
| Committed | | | | | | | | | | | | | | | |
| Culture and Recreation | | | | | | | | | | | | | | 153,063 | |
| General Administration | | | | | | | | | | | | | | | |
| Unassigned | | | | | | | | | | | | | | | |
| Total Fund Balances | 8,782 | 407,747 | 3,816 | 106,385 | 1,821 | 36,640 | 362 | 498 | 11,400 | 48,983 | 11,722 | 110 | 30,053 | 153,063 | 89,565 |
| TOTAL LIABILITIES AND FUND BALANCES | \$23,398 | \$407,747 | \$3,816 | \$106,385 | \$1,821 | \$57,567 | \$362 | \$498 | \$11,400 | \$49,014 | \$11,730 | \$110 | \$30,053 | \$233,280 | \$89,565 |

(continued)

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, 2017
 (continued)

| | | | | | DEBT SERVICE | CAPITAL PROJECTS | TOTAL NON-MAJOR GOVERNMENTAL |
|---|------------------------------|-------------------|-----------------|-----------------|------------------|------------------|------------------------------|
| | SEIZURE HOLDING BANK ACCOUNT | SUB-DIVISION FUND | TIF GRANT | TIME PAYMENT | BOND I&S FUND | FEMA FUND | |
| ASSETS | | | | | | | |
| Cash and Cash Equivalents | \$64,231 | \$53,037 | \$80,146 | \$28,250 | \$55,369 | \$76,388 | \$1,323,199 |
| Receivables (net of allowance for uncollectibles) | | | | | 68,472 | | 129,440 |
| Total Assets | \$64,231 | \$53,037 | \$80,146 | \$28,250 | \$123,841 | \$76,388 | \$1,452,639 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Accounts Payable | | \$217 | | \$28,250 | | | \$106,493 |
| Accrued Wages Payable | | | | | | | 2,879 |
| Total Liabilities | 0 | 217 | 0 | 28,250 | 0 | 0 | 109,372 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Deferred Property Taxes | | | | | 65,317 | | 100,211 |
| Fund Balances | | | | | | | |
| Restricted | | | | | | | |
| Debt Service | | | | | 58,524 | | 58,524 |
| General Administration | | | | | | | 121,166 |
| Judicial | | | | | | | 150,270 |
| Public Safety | 64,231 | | | | | | 550,679 |
| Public Transportation | | | 80,146 | | | 76,388 | 156,534 |
| Committed | | | | | | | |
| Culture and Recreation | | | | | | | 153,063 |
| General Administration | | 52,820 | | | | | 52,820 |
| Unassigned | | | | | | | 0 |
| Total Fund Balances | 64,231 | 52,820 | 80,146 | 0 | 58,524 | 76,388 | 1,243,056 |
| TOTAL LIABILITIES AND FUND BALANCES | \$64,231 | \$53,037 | \$80,146 | \$28,250 | \$123,841 | \$76,388 | \$1,452,639 |

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, 2017

| | SPECIAL REVENUE | | | | | | | | | | | | | | |
|--|-----------------|---------------------|---------------------------------|--------------------------|-------------------|-----------------------|----------------------|-------------------------|------------------------------|-----------------|-----------|-------------------------------|------------|--------------|---------------------------|
| | CIVIL FEES | CIVIL PREPARED-NESS | COMMUNITY ECONOMIC DEVELOP-MENT | COUNTY CLERK LAW LIBRARY | COUNTY CLERK TECH | COURT- HOUSE SECURITY | ERRORS AND OMISSIONS | FEDERAL SEIZURE ACCOUNT | INMATE TELEPHONE PRE-PAYMENT | JP TECHNO- LOGY | JURY FUND | JUVENILE CASE MANAGEMENT FUND | LEOSE FUND | LIBRARY FUND | PRE- TRIAL INTER- VENTION |
| REVENUES | | | | | | | | | | | | | | | |
| Taxes | | | | | | | | | | | | | | | |
| Property | | | | | | | | | | | \$70 | | | \$319,153 | |
| Intergovernmental | | | | | | | | | 4,900 | 18,080 | 5,202 | | 5,812 | 15,000 | |
| Charges for Services | | 39,475 | | 19,355 | 371 | 27,097 | 3,865 | | | | | 5 | | | 84,666 |
| Fines and Forfeitures | | | | | | | | | | | | | | 8,726 | |
| Interest | | 611 | | | | | | | | | | | | | |
| Miscellaneous | 1,833 | | 1,920 | 76 | | | | 13,894 | | | 1,199 | | | 39,366 | |
| Total Revenues | 1,833 | 40,086 | 1,920 | 19,431 | 371 | 27,097 | 3,865 | 0 | 18,794 | 18,080 | 6,581 | 5 | 5,812 | 382,245 | 84,666 |
| EXPENDITURES | | | | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | | | | |
| General Administration | | | | | | | | | | | | | | | |
| County Clerk | | | | 15,383 | | | | | | | | | | | |
| Non-Departmental | | | | | | | 9,478 | | | | | | | | |
| Records Management | | | | | | | | | | | | | | | |
| Judicial | | | | | | | | | | | | | | | |
| Judicial | | | | | | | | | | | | | | | 5,367 |
| Justice of the Peace | | | | | | | | | | 13,859 | | | | | |
| Jury | | | | | | | | | | | 16,769 | | | | |
| Public Safety | | | | | | | | | | | | | | | |
| Sheriff | | | | | | 183,174 | | 13,936 | | | | | 2,428 | | |
| Public Transportation | | | | | | | | | | | | | | | |
| Road and Bridge | | | | | | | | | | | | | | | |
| Culture and Recreation | | | | | | | | | | | | | | | |
| Library | | | | | | | | | | | | | | 425,075 | |
| Debt Service | | | | | | | | | | | | | | | |
| Principal Retirement | | | | | | | | | | | | | | | |
| Interest Retirement | | | | | | | | | | | | | | | |
| Total Expenditures | 0 | 0 | 0 | 15,383 | 0 | 183,174 | 9,478 | 0 | 13,936 | 13,859 | 16,769 | 0 | 2,428 | 425,075 | 5,367 |
| Excess (Deficiency) of Revenues Over (Under) | | | | | | | | | | | | | | | |
| Expenditures | 1,833 | 40,086 | 1,920 | 4,048 | 371 | (156,077) | (5,613) | 0 | 4,858 | 4,221 | (10,188) | 5 | 3,384 | (42,830) | 79,299 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | | | | | | | |
| Transfers In | | | | | | 150,000 | 4,500 | | | | 10,000 | | | | |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 | 0 | 150,000 | 4,500 | 0 | 0 | 0 | 10,000 | 0 | 0 | 0 | 0 |
| Net Changes in Fund Balances | 1,833 | 40,086 | 1,920 | 4,048 | 371 | (6,077) | (1,113) | 0 | 4,858 | 4,221 | (188) | 5 | 3,384 | (42,830) | 79,299 |
| Fund Balances - Beginning | 6,949 | 367,661 | 1,896 | 102,337 | 1,450 | 42,717 | 1,475 | 498 | 6,542 | 44,762 | 11,910 | 105 | 26,669 | 195,893 | 10,266 |
| Fund Balances - Ending | \$8,782 | \$407,747 | \$3,816 | \$106,385 | \$1,821 | \$36,640 | \$362 | \$498 | \$11,400 | \$48,983 | \$11,722 | \$110 | \$30,053 | \$153,063 | \$89,565 |

(continued)

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, 2017
 (continued)

| | SEIZURE HOLDING BANK ACCOUNT | SUB- DIVISION FUND | TIF GRANT | TIME PAYMENT | DEBT SERVICE BOND I&S FUND | FEMA FUND BOND I&S FUND | TOTAL NON-MAJOR GOVERN- MENTAL |
|--|---------------------------------------|--------------------------|-----------------|-----------------|--|-------------------------------------|---|
| REVENUES | | | | | | | |
| Taxes | | | | | | | |
| Property | | | | | \$597,546 | | \$916,769 |
| Intergovernmental | | | 51,679 | | | 750,350 | 851,023 |
| Charges for Services | | 29,500 | | | | | 204,444 |
| Fines and Forfeitures | | | | | | | 8,726 |
| Interest | 8 | | | | 341 | | 960 |
| Miscellaneous | 25,962 | | | | 823 | | 85,073 |
| Total Revenues | 25,970 | 29,500 | 51,679 | 0 | 598,710 | 750,350 | 2,066,995 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General Administration | | | | | | | |
| County Clerk | | | | | | | 15,383 |
| Non-Departmental | | | | | | | 9,478 |
| Records Management | | 17,947 | | | | | 17,947 |
| Judicial | | | | | | | |
| Judicial | | | | | | | 5,367 |
| Justice of the Peace | | | | | | | 13,859 |
| Jury | | | | | | | 16,769 |
| Public Safety | | | | | | | |
| Sheriff | 6,350 | | | | | | 205,888 |
| Public Transportation | | | | | | | |
| Road and Bridge | | | 35,378 | | | 145,290 | 180,668 |
| Culture and Recreation | | | | | | | |
| Library | | | | | | | 425,075 |
| Debt Service | | | | | | | |
| Principal Retirement | | | | | 325,000 | | 325,000 |
| Interest Retirement | | | | | 265,620 | | 265,620 |
| Total Expenditures | 6,350 | 17,947 | 35,378 | 0 | 590,620 | 145,290 | 1,481,054 |
| Excess (Deficiency) of Revenues Over (Under) | | | | | | | |
| Expenditures | 19,620 | 11,553 | 16,301 | 0 | 8,090 | 605,060 | 585,941 |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Transfers In | | | | | | | 164,500 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 | 0 | 0 | 164,500 |
| Net Changes in Fund Balances | 19,620 | 11,553 | 16,301 | 0 | 8,090 | 605,060 | 750,441 |
| Fund Balances - Beginning | 44,611 | 41,267 | 63,845 | 0 | 50,434 | (528,672) | 492,615 |
| Fund Balances - Ending | \$64,231 | \$52,820 | \$80,146 | \$0 | \$58,524 | \$76,388 | \$1,243,056 |

The accompanying notes are an integral part of this statement.

WILSON COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | COUNTY ATTORNEY | CREDIT CARD CLEARING | FOURTH COURT OF APPEALS | 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 |
|--|--------------------|----------------------------|----------------------------------|----------------------------------|-------------------------------------|------------------|------------------------------|-----------------------|----------------------|------------------------------|--------------------------------|-------------------------------|--------------------|
| ASSETS | | | | | | | | | | | | | |
| Cash and Cash Equivalents | \$33,542 | \$46,987 | \$1,000 | \$398 | \$15,605 | \$140,488 | \$8,834 | \$458 | \$102,867 | \$0 | \$1,675 | \$5,224,396 | \$5,576,250 |
| Receivables (net of allowance for uncollectibles) | 0 | | 240 | 0 | | 66,486 | | 0 | 34,805 | | 76 | | 101,607 |
| Due from Others | 0 | | | | | 0 | | | | | | | 0 |
| Total Assets | \$33,542 | \$46,987 | \$1,240 | \$398 | \$15,605 | \$206,974 | \$8,834 | \$458 | \$137,672 | \$0 | \$1,751 | \$5,224,396 | \$5,677,857 |
| LIABILITIES: | | | | | | | | | | | | | |
| Accounts Payable | | \$46,987 | \$545 | \$686 | | \$9,891 | | \$796 | \$119,441 | | \$1,751 | | 180,097 |
| Due to Others | 33,542 | 0 | 695 | (288) | 15,605 | 197,083 | 6,715 | (338) | 18,231 | 0 | 0 | 5,224,396 | 5,495,641 |
| Total Liabilities | 33,542 | 46,987 | 1,240 | 398 | 15,605 | 206,974 | 6,715 | 458 | 137,672 | 0 | 1,751 | 5,224,396 | 5,675,738 |
| NET ASSETS | | | | | | | | | | | | | |
| Held in Trust - Unexpendable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Held in Trust - Historical Purposes | 0 | 0 | 0 | 0 | 0 | 0 | 2,119 | 0 | 0 | 0 | 0 | 0 | 2,119 |
| Total Net Position | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,119 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,119 |

WILSON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

| <u>COUNTY ATTORNEY</u> | BALANCE 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
|--|----------------------|----------------|--------------|----------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$31,705 | \$1,945 | \$108 | \$33,542 |
| Receivables (net of allowance for uncollectibles) | | | | 0 |
| Due from Others | | | | 0 |
| Total Assets | <u>\$31,705</u> | <u>\$1,945</u> | <u>\$108</u> | <u>\$33,542</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$0 | | | \$0 |
| Due to Others | 31,705 | 1,945 | 108 | 33,542 |
| Total Liabilities | <u>31,705</u> | <u>1,945</u> | <u>108</u> | <u>33,542</u> |
| NET POSITION | | | | |
| 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>CREDIT CARD CLEARING</u> | BALANCE 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
|--|----------------------|-----------------|-----------------|----------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$42,710 | \$46,987 | \$42,710 | \$46,987 |
| Receivables (net of allowance for uncollectibles) | 0 | | | 0 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$42,710</u> | <u>\$46,987</u> | <u>\$42,710</u> | <u>\$46,987</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$42,710 | \$46,987 | \$42,710 | \$46,987 |
| Due to Others | 0 | 0 | 0 | 0 |
| Total Liabilities | <u>42,710</u> | <u>46,987</u> | <u>42,710</u> | <u>46,987</u> |
| NET POSITION | | | | |
| 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>FOURTH COURT OF APPEALS</u> | BALANCE 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
|--|----------------------|----------------|----------------|----------------------|
| ASSETS | | | | |
| Cash and Cash Equivalentents | \$695 | \$3,585 | \$3,280 | \$1,000 |
| Receivables (net of allowance for uncollectibles) | 305 | 240 | 305 | 240 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$1,000</u> | <u>\$3,825</u> | <u>\$3,585</u> | <u>\$1,240</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$305 | \$545 | \$305 | \$545 |
| Due to Others | 695 | 3,280 | 3,280 | 695 |
| Total Liabilities | <u>1,000</u> | <u>3,825</u> | <u>3,585</u> | <u>1,240</u> |
| NET POSITION | | | | |
| 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 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
|--|----------------------|--------------|--------------|----------------------|
| ASSETS | | | | |
| Cash and Cash Equivalentents | \$686 | \$398 | \$686 | \$398 |
| Receivables (net of allowance for uncollectibles) | 0 | | | 0 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$686</u> | <u>\$398</u> | <u>\$686</u> | <u>\$398</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$686 | | | \$686 |
| Due to Others | 0 | 398 | 686 | (288) |
| Total Liabilities | <u>686</u> | <u>398</u> | <u>686</u> | <u>398</u> |
| NET POSITION | | | | |
| 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 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
|--|----------------------|-------------|------------|----------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$15,535 | \$70 | | \$15,605 |
| Receivables (net of allowance for uncollectibles) | 0 | | | 0 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$15,535</u> | <u>\$70</u> | <u>\$0</u> | <u>\$15,605</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$0 | | | \$0 |
| Due to Others | 15,535 | 70 | 0 | 15,605 |
| Total Liabilities | <u>15,535</u> | <u>70</u> | <u>0</u> | <u>15,605</u> |
| NET POSITION | | | | |
| 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>JP HOLDING</u> | BALANCE 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
|--|----------------------|------------------|------------------|----------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$154,709 | \$140,488 | \$154,709 | \$140,488 |
| Receivables (net of allowance for uncollectibles) | 10,955 | 66,486 | 10,955 | 66,486 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$165,664</u> | <u>\$206,974</u> | <u>\$165,664</u> | <u>\$206,974</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$165,663 | \$9,891 | \$165,663 | \$9,891 |
| Due to Others | 1 | 197,083 | 1 | 197,083 |
| Total Liabilities | <u>165,664</u> | <u>206,974</u> | <u>165,664</u> | <u>206,974</u> |
| NET POSITION | | | | |
| 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>REMSCHEL-DEWEES HOUSE</u> | BALANCE | | | BALANCE |
|--|----------------|-------------|------------|----------------|
| | 10/1/2016 | ADDITIONS | DEDUCTIONS | 9/30/2017 |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$8,795 | \$39 | | \$8,834 |
| Receivables (net of allowance for uncollectibles) | 0 | | | 0 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$8,795</u> | <u>\$39</u> | <u>\$0</u> | <u>\$8,834</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$0 | \$0 | \$0 | \$0 |
| Due to Others | 6,676 | 39 | 0 | 6,715 |
| Total Liabilities | <u>6,676</u> | <u>39</u> | <u>0</u> | <u>6,715</u> |
| NET POSITION | | | | |
| Held in Trust - Unexpendable | 0 | 0 | 0 | 0 |
| Held in Trust - Historical Purposes | 2,119 | | 0 | 2,119 |
| Total Net Position | <u>\$2,119</u> | <u>\$0</u> | <u>\$0</u> | <u>\$2,119</u> |

| <u>STATE HOT CHECK</u> | BALANCE | | | BALANCE |
|--|--------------|------------|--------------|--------------|
| | 10/1/2016 | ADDITIONS | DEDUCTIONS | 9/30/2017 |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$796 | | \$338 | \$458 |
| Receivables (net of allowance for uncollectibles) | 0 | | | 0 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$796</u> | <u>\$0</u> | <u>\$338</u> | <u>\$458</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$796 | \$0 | | \$796 |
| Due to Others | 0 | 0 | 338 | (338) |
| Total Liabilities | <u>796</u> | <u>0</u> | <u>338</u> | <u>458</u> |
| NET POSITION | | | | |
| 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>STATE TAX FUND</u> | BALANCE 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
|--|----------------------|------------------|------------------|----------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$97,596 | \$430,830 | \$425,559 | \$102,867 |
| Receivables (net of allowance for uncollectibles) | 39,056 | 34,805 | 39,056 | 34,805 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$136,652</u> | <u>\$465,635</u> | <u>\$464,615</u> | <u>\$137,672</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$122,051 | \$119,441 | \$122,051 | \$119,441 |
| Due to Others | 14,601 | 346,194 | 342,564 | 18,231 |
| Total Liabilities | <u>136,652</u> | <u>465,635</u> | <u>464,615</u> | <u>137,672</u> |
| NET POSITION | | | | |
| 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>WILSON COUNTY LANDFILL</u> | BALANCE 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
|--|----------------------|----------------|-----------------|----------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$25,761 | \$3,511 | \$29,272 | \$0 |
| Receivables (net of allowance for uncollectibles) | 0 | | | 0 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$25,761</u> | <u>\$3,511</u> | <u>\$29,272</u> | <u>\$0</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$0 | | | \$0 |
| Due to Others | 25,761 | 3,511 | 29,272 | 0 |
| Total Liabilities | <u>25,761</u> | <u>3,511</u> | <u>29,272</u> | <u>0</u> |
| NET POSITION | | | | |
| 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>WOOD VALLEY ACRES I&S</u> | | | |
|--|----------------------------------|-----------------|-----------------|----------------------|
| | BALANCE 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$1,340 | \$70,484 | \$70,149 | \$1,675 |
| Receivables (net of allowance for uncollectibles) | 0 | 76 | | 76 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$1,340</u> | <u>\$70,560</u> | <u>\$70,149</u> | <u>\$1,751</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$0 | \$1,751 | | \$1,751 |
| Due to Others | 1,340 | 68,809 | 70,149 | 0 |
| Total Liabilities | <u>1,340</u> | <u>70,560</u> | <u>70,149</u> | <u>1,751</u> |
| NET POSITION | | | | |
| 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>COUNTY OFFICER ACCOUNTS</u> | | | |
|--|--------------------------------|--------------------|------------|----------------------|
| | BALANCE 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$1,792,218 | \$3,432,178 | | \$5,224,396 |
| Receivables (net of allowance for uncollectibles) | 0 | | | 0 |
| Due from Others | 0 | | | 0 |
| Total Assets | <u>\$1,792,218</u> | <u>\$3,432,178</u> | <u>\$0</u> | <u>\$5,224,396</u> |
| LIABILITIES: | | | | |
| Accounts Payable | \$0 | | | \$0 |
| Due to Others | 1,792,218 | 3,432,178 | 0 | 5,224,396 |
| Total Liabilities | <u>1,792,218</u> | <u>3,432,178</u> | <u>0</u> | <u>5,224,396</u> |
| NET POSITION | | | | |
| 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>TOTAL</u> | BALANCE 10/1/2016 | ADDITIONS | DEDUCTIONS | BALANCE 9/30/2017 |
|--|----------------------|--------------------|------------------|----------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$2,172,546 | \$4,130,515 | \$726,811 | \$5,576,250 |
| Receivables (net of allowance for uncollectibles) | 50,316 | 101,607 | 50,316 | 101,607 |
| Due from Others | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$2,222,862</u> | <u>\$4,232,122</u> | <u>\$777,127</u> | <u>\$5,677,857</u> |
| LIABILITIES: | | | | |
| Accounts Payable | 332,211 | 178,615 | 330,729 | \$180,097 |
| Due to Others | 1,888,532 | 4,053,507 | 446,398 | 5,495,641 |
| Total Liabilities | <u>2,220,743</u> | <u>4,232,122</u> | <u>777,127</u> | <u>5,675,738</u> |
| NET POSITION | | | | |
| 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> |