

*ANNUAL FINANCIAL REPORT*

of

**AUSTIN COUNTY, TEXAS**

For the Year Ended  
September 30, 2015

**Prepared by:  
County Auditor's Office**

**Billy Doherty  
County Auditor**

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# AUSTIN COUNTY, TEXAS

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***FINANCIAL SECTION***

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable County Judge and  
Members of the Commissioners' Court of  
Austin County, Texas:

### **Report on the Financial Statements**

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

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

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County'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.

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## **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 the County as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

In 2015, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement NO. 68*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of funding progress, identified as Required Supplementary Information on the table of contents, 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 the County's basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not required parts of the financial statements.



The combining statements and schedules 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 statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
September 27, 2016

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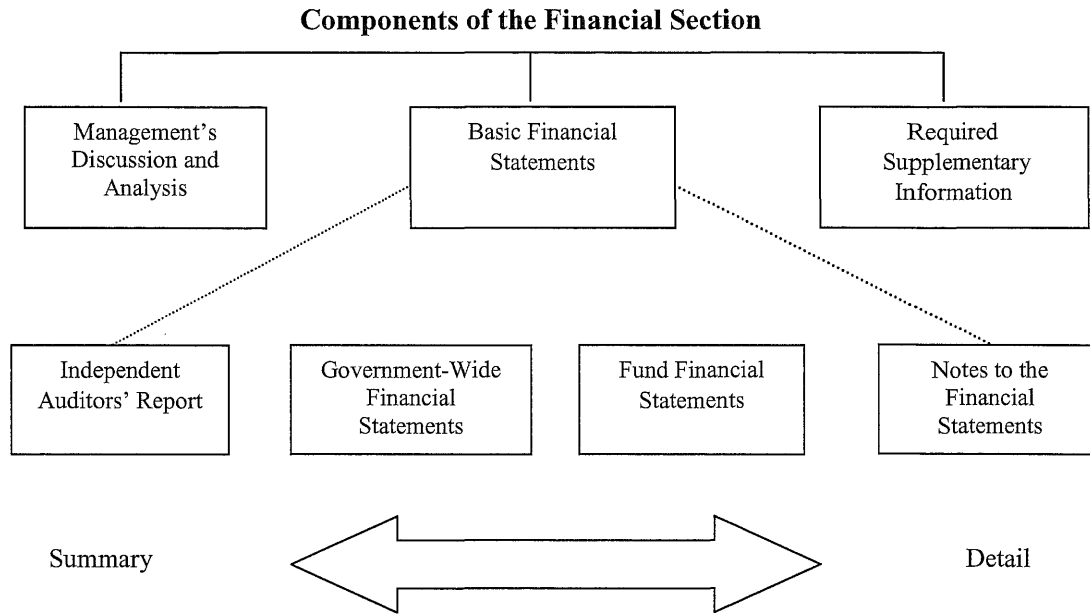
***MANAGEMENT'S DISCUSSION AND ANALYSIS***



**AUSTIN COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended September 30, 2015

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Austin County, Texas (the "County") for the year ending September 30, 2015. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

**THE STRUCTURE OF OUR ANNUAL REPORT**



The County's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information for the County as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the County as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the County's financial statements, report information on the County's activities that enable the reader to understand the financial condition of the County. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other non-financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered in order to assess the overall health of the County.

**AUSTIN COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended September 30, 2015**

The Statement of Activities presents information showing how the County's net position changed during the most recent 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities are reported as one class of activity:

1. *Governmental Activities* – The County's basic services are reported here including general administration, judicial, legal, financial administration, public facilities, public safety, public transportation, culture and recreational, health and welfare, and conservation. Interest payments on the County's debt are also reported here. Property tax, fees, fines and forfeitures and other revenue finance most of these activities.

The government-wide financial statements can be found after the MD&A.

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the County. They are usually segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The three categories of County funds are governmental, proprietary, and fiduciary.

### **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 year. Such information may be useful in evaluating the County's near-term financing requirements.

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

The County maintains 38 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, road and bridge, and lateral road and bridge, which are considered to be major funds for reporting purposes.

The County adopts an annual appropriated budget for its general, road and bridge, lateral road and bridge, and debt service funds. Budgetary comparison schedules have been provided for the general, road and bridge, lateral road and bridge, and debt service funds to demonstrate compliance with these budgets.

**AUSTIN COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2015

**Proprietary Funds**

The County maintains one type of proprietary funds. The County uses an internal service fund to account for its medical benefits. This internal service fund has been included within governmental activities in the government-wide financial statements.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County maintains seven fiduciary funds. The County's fiduciary activities are reported separately in a statement of fiduciary net position.

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

**Other Information**

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general, road and bridge, and lateral road and bridge funds and schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of funding progress for the Texas County and District Retirement System. RSI can be found after the notes to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$29,663,417 as of September 30, 2015. This compares with \$29,055,199 from the prior fiscal year. A portion of the County's net position, 31 percent, reflects its investments in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

**AUSTIN COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2015

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Current and other assets	\$ 20,309,978	\$ 18,435,109
Capital assets, net	17,435,139	19,361,100
Net pension asset	117,878	272,711
<b>Total Assets</b>	<b>37,862,995</b>	<b>38,068,920</b>
<b>Deferred Outflows</b>	1,131,133	636,162
Long-term liabilities	7,811,243	8,404,333
Other liabilities	1,519,468	1,245,550
<b>Total Liabilities</b>	<b>9,330,711</b>	<b>9,649,883</b>
<b>Net Position:</b>		
Net investment in capital		
assets	9,273,385	10,747,580
Restricted	6,595,415	6,517,643
Unrestricted	13,794,617	11,789,976
<b>Total Net Position</b>	<b>\$ 29,663,417</b>	<b>\$ 29,055,199</b>

A portion of the County's net position, \$6,595,415 or 22 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was \$13,794,617, or 47 percent, and may be used to meet the County's ongoing obligation to citizens and creditors.

The County's total net position increased by \$608,218 during the current fiscal year. This was mainly the result of pension calculations of the County.



**AUSTIN COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2015

**Statement of Activities**

The following table provides a summary of the County's changes in net position:

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 3,782,489	\$ 4,018,626
Operating grants and contributions	532,117	507,740
General revenues:		
Property taxes	13,154,192	13,192,801
Sales taxes	1,498,151	1,516,415
Interest income	74,402	61,597
Other revenues	1,040,629	860,529
<b>Total Revenues</b>	<b>20,081,980</b>	<b>20,157,708</b>
<b>Expenses</b>		
General administration	2,412,318	2,868,217
Judicial	1,542,294	1,644,559
Legal	452,467	406,064
Financial administration	845,492	798,135
Public facilities	650,018	710,408
Public safety	7,118,237	6,526,903
Public transportation	5,777,162	7,220,767
Culture and recreation	138,873	132,058
Health and welfare	55,195	84,138
Conservation	135,691	156,885
Interest and fiscal agent fees	346,015	359,287
<b>Total Expenses</b>	<b>19,473,762</b>	<b>20,907,421</b>
<b>Change in Net Position</b>	<b>608,218</b>	<b>(749,713)</b>
Beginning net position	29,055,199	29,804,912
<b>Ending Net Position</b>	<b>\$ 29,663,417</b>	<b>\$ 29,055,199</b>

For the year ended September 30, 2015, revenues from governmental activities totaled \$20,081,980, compared with \$20,157,708 in the prior year. This net decrease of \$75,728 occurred as the result of decrease in charges for services.

Governmental expenses decreased by \$1,433,659. This decrease is primarily due to increases in costs for services during the year.

**AUSTIN COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2015

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

The County's governmental funds reflect a combined fund balance of \$14,794,085. Of this, \$8,200,972 is unassigned and available for day-to-day operations of the County, \$30,345 is restricted for debt service, \$2,753,357 is restricted for road and bridge, \$995,635 is restricted for special projects, and \$2,844,121 is restricted for lateral road and bridge.

There was an increase in the combined fund balance of \$1,246,462 from the prior year. The road and bridge fund and lateral road and bridge fund experienced increases of \$521,845 and \$493,850, respectively.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,200,972. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 63 percent of total general fund expenditures.

**Proprietary Funds** – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual general fund revenues were more than final budgeted revenues by \$936,275 during the year. This positive variance is primarily attributable to more taxes and other revenues received than the anticipated amounts in the final budget. Actual expenditures were \$620,929 less than budgeted.

**CAPITAL ASSETS**

At the end of the year, the County's governmental funds had invested \$17,435,139 in a variety of capital assets and infrastructure (net of accumulated depreciation).

Major capital asset events during the year included the following:

- New equipment and improvements for the County of \$600,565

More detailed information about the County's capital assets is presented in note III.C to the financial statements.

**LONG-TERM DEBT**

At the end of the year, the County reported total general obligation bonds and capital leases outstanding of \$8,161,754, net of deferred amounts.

All of the County's bond issues have been successful in qualifying for bond insurance resulting in a rating of "AA" by Standard and Poor's.

**AUSTIN COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended September 30, 2015

More detailed information about the County's long-term liabilities is presented in the note III. D to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to Billy Doherty, County Auditor, Austin County Courthouse, One East Main Street, Bellville, Texas 77418-1521 or (979) 865-5911.

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***BASIC FINANCIAL STATEMENTS***

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# AUSTIN COUNTY, TEXAS

## STATEMENT OF NET POSITION

September 30, 2015

	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 16,065,590
Receivables, net	4,235,004
Due from others	9,384
	<u>20,309,978</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	380,462
Depreciable capital assets, net	17,054,677
	<u>17,435,139</u>
Net pension asset	<u>117,878</u>
<b>Total Assets</b>	<b><u>37,862,995</u></b>
 <b><u>Deferred Outflows</u></b>	
Deferred outflows - pensions	<u>1,131,133</u>
 <b><u>Liabilities</u></b>	
Accounts payable	314,787
Accrued wages payable	345,747
Accrued interest	30,592
Long-term liabilities due within one year	828,342
	<u>1,519,468</u>
Noncurrent liabilities:	
Long-term debt due in more than one year	7,524,542
Compensated absences	286,701
	<u>7,811,243</u>
<b>Total Liabilities</b>	<b><u>9,330,711</u></b>
 <b><u>Net Position</u></b>	
Net investment in capital assets	9,273,385
Restricted for:	
Road and bridge	2,753,357
Lateral road and bridge	2,844,121
Debt service	32,647
Other governmental funds	965,290
Unrestricted	13,794,617
	<u>29,663,417</u>
<b>Total Net Position</b>	<b><u>\$ 29,663,417</u></b>

See Notes to Financial Statements.





# AUSTIN COUNTY, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General administration	\$ 2,412,318	\$ 851,785	\$ 502,264	\$ (1,058,269)
Judicial	1,542,294	1,815,696	-	273,402
Legal	452,467	-	-	(452,467)
Financial administration	845,492	-	-	(845,492)
Public facilities	650,018	-	-	(650,018)
Public safety	7,118,237	-	-	(7,118,237)
Public transportation	5,777,162	865,310	29,853	(4,881,999)
Culture and recreation	138,873	-	-	(138,873)
Health and welfare	55,195	-	-	(55,195)
Conservation	135,691	-	-	(135,691)
Miscellaneous	-	249,698	-	249,698
Interest and fiscal agent fees	346,015	-	-	(346,015)
<b>Total Governmental Activities</b>	<b>19,473,762</b>	<b>3,782,489</b>	<b>532,117</b>	<b>(15,159,156)</b>
<b>Total Primary Government</b>	<b>\$ 19,473,762</b>	<b>\$ 3,782,489</b>	<b>\$ 532,117</b>	<b>(15,159,156)</b>
 <b>General Revenues:</b>				
				13,154,192
				1,498,151
				74,402
				1,040,629
			<b>Total General Revenues</b>	<b>15,767,374</b>
			<b>Change in Net Position</b>	<b>608,218</b>
			Beginning net position	29,055,199
			<b>Ending Net Position</b>	<b>\$ 29,663,417</b>

See Notes to Financial Statements.

# AUSTIN COUNTY, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

September 30, 2015

	General	Road and Bridge	Lateral Road and Bridge	NonMajor Governmental
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 8,620,897	\$ 2,803,845	\$ 3,012,742	\$ 742,561
Receivables, net	281,619	47,349	57,098	265,191
Due from other funds	-	9,523	-	1,407
<b>Total Assets</b>	<b>\$ 8,902,516</b>	<b>\$ 2,860,717</b>	<b>\$ 3,069,840</b>	<b>\$ 1,009,159</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 127,392	\$ 8,868	\$ 168,621	\$ 9,906
Accrued wages payable	291,311	51,143	-	3,293
Due to other funds	1,222	-	-	325
<b>Total Liabilities</b>	<b>419,925</b>	<b>60,011</b>	<b>168,621</b>	<b>13,524</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	281,619	47,349	57,098	-
<b><u>Fund Balances</u></b>				
Restricted:				
Debt service fund	-	-	-	30,345
Road and bridge fund	-	2,753,357	-	-
Lateral road and bridge fund	-	-	2,844,121	-
Other governmental funds	-	-	-	965,290
Unassigned:				
General fund	8,200,972	-	-	-
<b>Total Fund Balances</b>	<b>8,200,972</b>	<b>2,753,357</b>	<b>2,844,121</b>	<b>995,635</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 8,902,516</b>	<b>\$ 2,860,717</b>	<b>\$ 3,069,840</b>	<b>\$ 1,009,159</b>

See Notes to Financial Statements.

**Total  
Governmental  
Funds**

\$ 15,180,045  
651,257  
10,930  
\$ 15,842,232

\$ 314,787  
345,747  
1,547  
662,081

386,066

30,345  
2,753,357  
2,844,121  
965,290  
8,200,972  
14,794,085

\$ 15,842,232

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**AUSTIN COUNTY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
September 30, 2015

<b>Total fund balances for governmental funds</b>		<b>\$ 14,794,085</b>
<b>Adjustments for the Statement of Net Position:</b>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Nondepreciable capital assets	380,462	
Depreciable capital assets	98,098,241	
Accumulated depreciation	<u>(81,043,564)</u>	17,435,139
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred or accrued in the governmental funds.		
Receivables - fines	3,583,747	
Unavailable revenue - property taxes	<u>386,067</u>	3,969,814
Deferred outflows and deferred inflows related to net pension asset are not reported in the governmental funds.		
Deferred outflows		1,131,133
Internal service funds are used by management to charge the costs of certain expenses to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
		885,545
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Long-term debt due within one year	(828,342)	
Long-term debt due in more than one year	(7,524,542)	
Accrued interest payable	(30,592)	
Net pension asset	117,878	
Compensated absences	<u>(286,701)</u>	<u>(8,552,299)</u>
<b>Governmental Activities Net Position</b>		<b>\$ <u>29,663,417</u></b>

See Notes to Financial Statements.

# AUSTIN COUNTY, TEXAS

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2015

	General	Road and Bridge	Lateral Road and Bridge	NonMajor Governmental
<b>Revenues</b>				
Property taxes	\$ 9,552,650	\$ 1,627,225	\$ 1,974,019	\$ 184,775
Sales tax	1,498,151	-	-	-
Intergovernmental	502,264	-	29,853	-
Charges for services	851,785	-	-	249,698
Fines and forfeitures	1,064,086	148,632	-	121,470
Interest	55,008	10,455	7,879	1,060
Permits and licenses	56,480	773,885	34,945	-
Miscellaneous	630,886	11,403	365,564	32,776
<b>Total Revenues</b>	14,211,310	2,571,600	2,412,260	589,779
<b>Expenditures</b>				
<b>Current:</b>				
General administration	2,632,134	-	-	89,258
Judicial	1,400,339	-	-	132,997
Legal	373,602	-	-	78,865
Financial administration	836,590	-	-	-
Public facilities	766,725	-	-	-
Public safety	6,639,153	-	-	338,519
Public transportation	-	2,011,776	1,762,096	-
Culture and recreation	135,663	-	-	-
Health and welfare	44,690	-	-	10,505
Conservation	130,570	-	-	5,121
<b>Debt service:</b>				
Principal	56,374	26,135	103,172	560,000
Interest and fiscal agent fees	6,495	4,344	6,542	332,722
<b>Capital outlay</b>	-	7,500	177,884	-
<b>Total Expenditures</b>	13,022,335	2,049,755	2,049,694	1,547,987
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	1,188,975	521,845	362,566	(958,208)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	30,000
Transfers (out)	(30,000)	-	-	-
Capital leases	-	-	131,284	-
<b>Total Other Financing Sources (Uses)</b>	(30,000)	-	131,284	30,000
<b>Net Change in Fund Balances</b>	1,158,975	521,845	493,850	(928,208)
Beginning fund balances	7,041,997	2,231,512	2,350,271	1,923,843
<b>Ending Fund Balances</b>	\$ 8,200,972	\$ 2,753,357	\$ 2,844,121	\$ 995,635

See Notes to Financial Statements.

**Total  
Governmental  
Funds**

\$ 13,338,669  
1,498,151  
532,117  
1,101,483  
1,334,188  
74,402  
865,310  
1,040,629  
19,784,949

2,721,392  
1,533,336  
452,467  
836,590  
766,725  
6,977,672  
3,773,872  
135,663  
55,195  
135,691

745,681  
350,103  
185,384  
18,669,771

1,115,178

30,000  
(30,000)  
131,284  
131,284

1,246,462  
13,547,623

\$ 14,794,085

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**AUSTIN COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2015**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - total government funds	\$ 1,246,462
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.	
Capital outlay	1,039,724
Depreciation expense	(2,692,728)
Disposal of capital assets, net of accumulated depreciation	(272,957)
Internal service funds are used by management to charge the cost of expenses to individual funds. The net revenue (expense) is reported with governmental activities.	
	200,120
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Changes in unavailable revenue - fines and fees	481,508
Changes in unavailable revenue - property taxes	(184,477)
Changes in pension activity do not affect the fund balance on the statement of revenues, expenditures, and changes in fund balance for the governmental funds. These changes in pension activity that affect the County's net position are as follows:	
Net pension asset	(154,833)
Deferred outflows - pension	494,971
Long-term debt proceeds and other debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.	
Debt issued	(131,284)
Principal payments	605,103
Changes in accrued interest expense	2,302
Changes in compensated absences	(25,693)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ <u>608,218</u></b>

See Notes to Financial Statements.

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# AUSTIN COUNTY, TEXAS

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

September 30, 2015

	<u>Governmental Activities Internal Service</u>
<b><u>Assets</u></b>	
Current assets:	
Cash and cash equivalents	\$ 885,545
<b>Total Current Assets</b>	<u>885,545</u>
<b><u>Net Position</u></b>	
Unrestricted	<u>885,545</u>
<b>Total Net Position</b>	<u><u>\$ 885,545</u></u>

See Notes to Financial Statements.

**AUSTIN COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

For the Year Ended September 30, 2015

	<b>Governmental Activities</b>
	<b>Internal Service</b>
<b><u>Operating Revenues</u></b>	
Charges for services	\$ 2,010,225
<b>Total Operating Revenues</b>	<b>2,010,225</b>
 <b><u>Operating Expenses</u></b>	
Administration	88,858
Claims	1,338,536
Premiums	382,194
Other	1,852
<b>Total Operating Expenses</b>	<b>1,811,440</b>
<b>Operating Income (Loss)</b>	<b>198,785</b>
 <b><u>Nonoperating Revenues (Expenses)</u></b>	
Investment income	1,335
<b>Total Nonoperating Revenues</b>	<b>1,335</b>
<b>Change in Net Position</b>	<b>200,120</b>
Beginning net position	685,425
<b>Ending Net Position</b>	<b>\$ 885,545</b>

See Notes to Financial Statements.

# AUSTIN COUNTY, TEXAS

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

For the Year Ended September 30, 2015

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<b><u>Cash Flows from Operating Activities</u></b>	
Receipts from premium revenues	\$ 2,010,225
Payments for other expenses	(384,046)
Payments for claims	(1,338,536)
Payments for administration fees	(88,858)
<b>Net Cash Provided by Operating Activities</b>	<u>198,785</u>
<b><u>Cash Flows from Investing Activities</u></b>	
Interest on investments	1,335
<b>Net Cash Provided by Investing Activities</b>	<u>1,335</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	200,120
Beginning cash and cash equivalents	<u>685,425</u>
<b>Ending Cash and Cash Equivalents</b>	<u><u>\$ 885,545</u></u>

See Notes to Financial Statements.

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**AUSTIN COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
September 30, 2015

		<u>Total Fiduciary Funds</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$	3,148,891
Receivables		<u>7,297</u>
<b>Total Assets</b>	<b>\$</b>	<b><u><u>3,156,188</u></u></b>
 <b><u>Liabilities</u></b>		
Accounts payable	\$	119,800
Due to others		<u>3,036,388</u>
<b>Total Liabilities</b>	<b>\$</b>	<b><u><u>3,156,188</u></u></b>

See Notes to Financial Statements.

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# AUSTIN COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2015

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Austin County, Texas (the “County”) is an independent government entity created by an act of the Texas Legislature. The County is governed by Commissioners’ Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County provides a vast array of services including general administration, judicial, legal, financial administration, public facilities, public safety, public transportation, culture and recreational, health and welfare, and conservation.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

#### B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

#### C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the County’s funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2015**

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund. The principal sources of revenues include local property taxes, fees, fines and forfeitures, and investment income. Disbursements include general government, financial administration, justice system, health and human welfare, culture and recreational, law enforcement and public safety, and transportation. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a nonmajor fund for reporting purposes.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The following *special revenue funds* are considered major funds for reporting purposes:

*Road and Bridge Fund* – This fund is used to account for receipts of property taxes levied and vehicle registration fees. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in this fund.

*Lateral Road and Bridge Fund* – This fund is used to account for receipts of property taxes levied and vehicle registration fees. Uses of funds are restricted for the maintenance of lateral roads, bridges, and the operations of related facilities. All precinct operations, as well as lateral road monies, are accounted for in this fund.

Additionally, the County reports the following fund types:

*Internal service funds* account for and report revenues and expenses related to the County's medical and dental self-insurance program in accordance with Chapter 172 of the Texas Government Code. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. Revenues are derived from County contributions, employee and retiree/COBRA premiums, and investment of idle funds. Expenses are for claims, premiums, and administrative costs. The general fund is contingently liable for liabilities of the internal service fund. Sub-fund accounting is employed to maintain the integrity of the self-insurance activities of the County.

*Fiduciary funds* are used to account for and report resources held for the benefits of parties outside the County. The County maintains one type of fiduciary funds, agency funds. The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2015**

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

**AUSTIN COUNTY, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
For the Year Ended September 30, 2015

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The County'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.

**2. Investments**

The County has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the County is authorized invest in:

- a) obligations of the United States or its agencies and instrumentalities;
- b) direct obligations of the State of Texas or its agencies and instrumentalities;
- c) other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
- d) certificates of deposit issued by state and national banks or savings and loans domiciled in Texas in accordance with specific criteria;
- e) Public funds investment pools.

**3. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**4. 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 type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful years.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Infrastructure	10 to 35 years
Buildings and improvements	5 to 50 years
Intangibles	10 years
Machinery and equipment	3 to 50 years

The costs of a significant portion of capital assets have been estimated based on management's estimated historical cost.

**5. Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At the government-wide level, the County reports a deferred inflow of resources for that portion of property taxes that was collected for use in the subsequent period.

**6. Compensated Employee Absences**

The County maintains a record of accumulated compensatory time and vacation time by department. Any additional accruals for unused sick pay are no longer paid upon retirement or death of an employee. However, the employee will be paid upon retirement or death for any unused sick pay up to certain maximums accrued prior to April 1, 1994. The accumulated sick pay obligation is computed at specified rates for all employees. It is the County's policy to permit employees to accumulate earned but unused vacation benefits. Vacation and sick time that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

**7. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2015**

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.

The property tax rate is allocated each year between the general, road and bridge, and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service funds.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

**8. Net Position Flow Assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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 County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**9. Fund Balance Flow Assumptions**

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**10. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2015**

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Commissioners' Court is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners' Court has, by resolution, authorized the County Auditor to assign fund balance to a specific purpose as approved by the County's fund balance policy. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The County must maintain a minimum of 25 percent of annual operating expenditures in unassigned fund balance in the general fund.

**11. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**12. Pensions**

For the purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County District Retirement System (TCDRS) and additions to/deductions from TCERS's fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2015**

**2. Property Taxes**

General property taxes are recorded as receipts when levied for the current year and due, payable, and collected in the current year.

The property tax calendar dates are:

- Levy date and due date – October 1
- Collection dates – October 1 through June 30
- Lien date – July 1

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, and debt service funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own discretion, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

**3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and internal service fund are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted account principles (GAAP). The original budget is adopted by the Commissioners' Court prior to the beginning of the fiscal year. The legal level of control is the department level for all funds. Management may not amend the budget without the approval of Commissioners' Court. Several supplemental budget appropriations were made for the year ended September 30, 2015.

**A. Deficit Fund Balance**

At year end, the County had deficit fund balances in the indigent healthcare and tax increment finance zone no. 1 funds.



**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2015, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Credit Risk</u>
TexPool	4,814	-	AAAm
<b>Total fair value</b>	<b>\$ 4,814</b>		
Portfolio weighted average maturity		-	

*Interest rate risk.* In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

*Credit risk.* State law and the County’s investment policy limits investments to obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent. Further, commercial paper must be rated not less than “A-1” or “P-1” or an equivalent rating by at least two nationally recognized credit rating agencies.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2015, market values of pledged securities and FDIC insurance exceeded bank balances.

TexPool

The County invests in the Texas Local Government Investment Pool (“TexPool”), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act (“PFIA”), Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with PFIA, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool and are qualified to advise in respect to TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool is rated ‘AAAm’ by Standard & Poor’s and operates in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The state objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at [www.ttstc.org](http://www.ttstc.org).

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

**B. Receivables**

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds and aggregated columns.

The following comprise receivable balances at year end:

	<u>General</u>	<u>Road and Bridge</u>	<u>Lateral Road and Bridge</u>	<u>Nonmajor</u>	<u>Total</u>
Intergovernmental	\$ -	\$ -	\$ -	\$ 265,191	\$ 265,191
Taxes receivable	281,619	47,349	57,098	-	386,066
	<u>\$ 281,619</u>	<u>\$ 47,349</u>	<u>\$ 57,098</u>	<u>\$ 265,191</u>	<u>\$ 651,257</u>

**C. Capital Assets**

A summary of changes in capital assets for the year ended September 30, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases / Reclassifications</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 305,462	\$ -	\$ -	\$ 305,462
Construction in process	231,367	75,000	231,367	75,000
Total capital assets not being depreciated	<u>536,829</u>	<u>75,000</u>	<u>231,367</u>	<u>380,462</u>
Other capital assets:				
Buildings and improvements	10,830,044	66,540	-	10,896,584
Infrastructure	75,457,423	273,616	-	75,731,039
Intangibles	12,470	-	-	12,470
Machinery and equipment	11,029,025	624,568	(195,446)	11,458,147
Total other capital assets	<u>97,328,962</u>	<u>964,724</u>	<u>(195,446)</u>	<u>98,098,240</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,539,582)	(218,161)	-	(5,757,743)
Infrastructure	(64,386,647)	(1,685,998)	-	(66,072,645)
Intangibles	(5,344)	(1,782)	-	(7,126)
Machinery and equipment	(8,573,118)	(789,997)	157,065	(9,206,050)
Total accumulated depreciation	<u>(78,504,691)</u>	<u>(2,695,938)</u>	<u>157,065</u>	<u>(81,043,564)</u>
Other capital assets, net	<u>18,824,271</u>	<u>(1,731,214)</u>	<u>(38,381)</u>	<u>17,054,676</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 19,361,100</u>	<u>\$ (1,656,214)</u>	<u>\$ 192,986</u>	<u>17,435,139</u>
			Less associated debt	<u>(8,161,754)</u>
			<b>Net Investment in Capital Assets</b>	<u>\$ 9,273,385</u>

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2015**

Depreciation was charged to governmental functions as follows:

General administration	\$	13,604
Judicial		8,958
Financial administration		8,902
Public facilities		24,833
Public safety		489,290
Public transportation		2,147,141
Culture and recreation		3,210
		\$ 2,695,938

**D. Long-Term Debt**

The following is a summary of changes in the County's total long-term liabilities for the year ended September 30, 2015. In general, the County uses the general and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 8,120,000	\$ -	\$ (560,000)	\$ 7,560,000 *	\$ 590,000
Premium	59,286	-	(1,786)	57,500 *	-
Capitalized lease obligations	434,234	295,701	(185,681)	544,254 *	216,289
Sales tax payable to State	213,183	-	(22,053)	191,130	22,053
Compensated absences	261,008	286,701	(261,008)	286,701	-
Net pension liability	(272,711)	154,833	-	(117,878)	-
<b>Total Governmental Activities</b>	<b>\$ 8,815,000</b>	<b>\$ 737,235</b>	<b>\$ (1,030,528)</b>	<b>\$ 8,521,707</b>	<b>\$ 828,342</b>
				<b>\$ 7,693,365</b>	
				<b>\$ 8,161,754</b>	

The County is not obligated in any manner for special assessment debt.

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

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

Fiscal Year	Governmental Activities		
	General obligations bonds		
	Principal	Interest	Total
2016	\$ 590,000	\$ 308,309	\$ 898,309
2017	615,000	284,479	899,479
2018	650,000	259,687	909,687
2019	675,000	233,622	908,622
2020	705,000	205,850	910,850
2021-2025	2,600,000	630,794	3,230,794
2026-2030	1,725,000	163,497	1,888,497
<b>Total</b>	<b>\$ 7,560,000</b>	<b>\$ 2,086,238</b>	<b>\$ 9,646,238</b>

Future minimum payments to retire capital lease obligations are as follows:

Fiscal Year	Governmental Activities		
	Capital Leases		
	Principal	Interest	Total
2016	\$ 216,289	\$ 16,818	\$ 233,107
2017	182,637	9,855	192,492
2018	105,464	3,481	108,945
2019	32,506	1,316	33,822
2020	7,358	246	7,604
<b>Total</b>	<b>\$ 544,254</b>	<b>\$ 31,716</b>	<b>\$ 568,366</b>

Machinery and equipment acquired under current capital lease obligations totaled \$434,650.

**Federal Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the County could result. Although the County does not anticipate that it will have any arbitrage liability, it periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

**E. Interfund Transactions**

The composition of interfund balances as of year end was as follows:

	<b>Due From</b>	<b>Due To</b>
General fund	\$ -	\$ 1,222
Road and bridge fund	9,523	-
Other governmental funds	1,408	325
Fiduciary funds	-	9,384
	\$ 10,931	\$ 10,931

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

**F. Restatement of Net Position**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result, the County has restated beginning net position to account for a net pension asset as of the measurement date, December 31, 2013. In addition, the County has restated beginning net position to record a deferred outflow for contributions made to the pension plan between the initial measurement date and the end of the prior fiscal year, September 30, 2014. The beginning net position was restated as follows:

	<b>Governmental Activities</b>
Beginning net position - as reported	\$ 28,146,326
Restatement - Net pension liability	272,711
Restatement - Deferred outflows	636,162
Beginning net position - restated	29,055,199

**IV. 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; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 279 other entities in the Texas Association of Counties Workers' Compensation Self-Insurance Fund (the "Pool"). This Pool was created by the Texas Association of Counties in 1974 to insure the County for workers' compensation related claims. This Pool purchases commercial insurance at group rates for participants in the Pool. The County has no additional risk or responsibility to either of the Pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

The County maintains a self-insured health plan (the "Plan") for all eligible employees and retirees. Group medical benefits have an annually negotiated specific and aggregate stop-loss policy. The fund provides the first dollar coverage of claims up to the casualty insurance policy's deductible amounts.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2015**

This policy also contains aggregate excess loss coverage for claims in excess of approximately \$150,000 less any amounts reimbursed on the individual stop-loss insurance.

Such activities are reported in an internal service fund, the medical benefit fund. The contract between the County and the third party administrator, Aetna Life Insurance Company, acting on behalf of the Plan, is renewable November 1 and terms, as well as costs of coverage, are included in the contractual provisions. Revenues are recognized from payroll deductions for employee dependent coverage and from County contributions for employee coverage.

The County had zero unpaid claims for the year ended 2013, 2014, and 2015, respectively.

**B. 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 which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. No claim liabilities are reported at year-end.

**C. Pension Plans**

**Texas County and District Retirement System**

Plan Description

The Texas County and District Retirement System (TCDRS) is a statewide, agent multiple-employer, public-employee retirement system. The system serves 677 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Commissioners' Court of each employer, within the options available in the TCERS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TCERS issues a publicly available comprehensive annual financial report that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

All eligible employees (exempt temporary staff) of the County must be enrolled in the plan.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2015**

Benefits Provided

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

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

The Commissioners' Court adopted the rate of seven percent as the contributed rate payable by the employee members for calendar year 2015. The Commissioners' Court may change the employee contribution rate and the County contribution rate within the options available in the TCDRS Act.

Employees Covered by Benefit Terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	98
Inactive employees entitled to, but not yet receiving benefits	182
Active employees	229
Total	<u>509</u>

Contributions

A combination of three elements funds each employer's plan: employee deposits, employer contributions, and investment income.

- The deposit rate for employees is four percent, five percent, six percent, or seven percent of compensation, as adopted by the employer's governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers "prefund" benefit increases, such as cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions:

- (a) paying an elected contribution rate higher than the required rate and
- (b) making an extra lump-sum contribution to the employer account.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended September 30, 2015**

Employers for the County were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the County were 8.58 percent and 8.18 percent in calendar years 2014 and 2015, respectively. The County contributions to TCDRS for the fiscal year ended September 30, 2015 were \$659,251 and were in equal to the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2014 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Key assumptions used in the December 31, 2014 actuarial valuation are as follows:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	None
Investment Rate of Return	8.10%
Cost of Living Adjustments	Cost-of-living adjustments for the District are not considered to be substantively automatic under GASB 68. Therefore, an 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.



**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

The long-term expected rate of return of TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

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

Discount Rate

The discount rate used to measure the TPL was 8.10 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 832,613	\$ -	\$ 832,613
Interest	2,204,104	-	2,204,104
Change of benefit terms	-	-	-
Difference between expected and actual experience	258,063	-	258,063
Changes of assumptions	-	-	-
Contributions - employer	-	636,162	(636,162)
Contributions - employee	-	519,123	(519,123)
Net investment income	-	1,919,505	(1,919,505)
Benefit payments, including refunds of employee contributions	(1,087,601)	(1,087,601)	-
Administrative expense	-	(22,071)	22,071
Other changes	-	87,228	(87,228)
<b>Net changes</b>	<b>2,207,179</b>	<b>2,052,346</b>	<b>154,833</b>
Balance at December 31, 2013	27,336,176	27,608,887	(272,711)
<b>Balance at December 31, 2014</b>	<b>\$ 29,543,355</b>	<b>\$ 29,661,233</b>	<b>\$ (117,878)</b>

Sensitivity of the NPL to Changes in the Discount Rate

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
County's Net Pension Liability	\$ 3,531,916	\$ (117,878)	\$ (3,137,508)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at [www.tcdrs.org](http://www.tcdrs.org).

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year end September 30, 2015, the County recognized pension expense of \$221,543.

At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

	<b>Deferred Outflows of Resources</b>
Differences between expected and actual economic experience	\$ 193,547
Difference between projected and actual investment earnings	275,328
Contributions subsequent to the measurement date	-
<b>Total</b>	<b>\$ 468,875</b>

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>Pension Expense</b>
2016	\$ 133,348
2017	133,348
2018	133,348
2019	68,632
<b>Total</b>	<b>\$ 468,676</b>

Annual Pension Costs

The required contribution was determined as part of the December 31, 2014 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2014 included (a) 8.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.9 percent. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2014 was 20 years.

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Actuarial Valuation Date	12/31/2014	12/31/2013	12/31/2012
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	Level % of payroll 14.1 years, Closed	Level % of payroll 20 years, Closed	Level % of payroll 20 years, Closed
Remaining Amortization Period	period SAF: 5-yrs smoothed	period SAF: 5-yrs smoothed	period SAF: 10-yrs
Asset Valuation Method	value	value	smoothed value
Investment Rate of Return	8.0%	8.0%	8.0%
Projected Salary Increases	4.9%	5.4%	5.4%
Inflation	3.0%	3.0%	3.5%
Cost of Living Adjustments	n/a	n/a	n/a

**AUSTIN COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended September 30, 2015

	<b>2015</b>
Actuarial Valuation Date	12/31/2014
Actuarial Value of Assets	\$ 19,500,714
Actuarial Accrued Liability	\$ 21,518,319
Percentage Funded	90.6%
Unfunded Actuarial Accrued Liability (UAAL)	
Liability (UAAL)	\$ 2,017,605
Annual Covered Payroll	\$ 7,414,444
UAAL as a Percentage of Covered F	27.2%

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the plan was 90.4 percent funded. The actuarial accrued liability for benefits was \$21,518,319 and the actuarial value of assets was \$19,500,714, resulting in a UAAL of \$2,017,605. The covered payroll (annual payroll of active employees covered by the plan) was \$7,414,444 and the ratio of the UAAL to the covered payroll was 27.21 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

***REQUIRED SUPPLEMENTARY INFORMATION***

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**AUSTIN COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenue</b>				
Property taxes	\$ 9,542,290	\$ 9,542,290	\$ 9,552,650	\$ 10,360
Sales tax	1,010,000	1,010,000	1,498,151	488,151
Intergovernmental	100,700	100,700	502,264	401,564
Charges for services	838,000	838,000	851,785	13,785
Licenses and permits	53,000	53,000	56,480	3,480
Fines and forfeitures	1,290,502	1,290,502	1,064,086	(226,416)
Interest	31,010	31,010	55,008	23,998
Miscellaneous	409,533	409,533	630,886	221,353
<b>Total Revenues</b>	<u>13,275,035</u>	<u>13,275,035</u>	<u>14,211,310</u>	<u>936,275</u>
<b>Expenditures</b>				
Current:				
General administration	2,675,974	2,675,974	2,632,134	43,840
Judicial	1,554,453	1,554,453	1,400,339	154,114
Legal	357,032	357,032	373,602	(16,570)
Financial administration	812,154	812,154	836,590	(24,436)
Public facilities	993,439	993,439	766,725	226,714
Public safety	6,654,593	6,654,593	6,639,153	15,440
Culture and recreation	145,732	145,732	135,663	10,069
Health and welfare	233,887	233,887	44,690	189,197
Conservation	130,000	130,000	130,570	(570)
Miscellaneous	36,000	36,000	-	36,000
<b>Debt service:</b>				
Principal	45,000	44,500	56,374	(11,874)
Interest and fiscal agent fees	5,000	5,500	6,495	(995)
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<u>13,643,264</u>	<u>13,643,264</u>	<u>13,022,335</u>	<u>620,929</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>				
	<u>(368,229)</u>	<u>(368,229)</u>	<u>1,188,975</u>	<u>1,557,204</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	41,000	41,000	-	(41,000)
Transfers (out)	-	-	(30,000)	(30,000)
<b>Total Other Financing Sources (Uses)</b>	<u>41,000</u>	<u>41,000</u>	<u>(30,000)</u>	<u>(71,000)</u>
<b>Net Change in Fund Balance</b>				
	<u>\$ (327,229)</u>	<u>\$ (327,229)</u>	<u>1,158,975</u>	<u>\$ 1,486,204</u>
Beginning fund balance			<u>7,041,997</u>	
<b>Ending Fund Balance</b>			<u>\$ 8,200,972</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**AUSTIN COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND**  
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,613,524	\$ 1,613,524	\$ 1,627,225	\$ 13,701
Permits and licenses	745,000	745,000	773,885	28,885
Fines and forfeitures	130,000	130,000	148,632	18,632
Interest	6,501	6,501	10,455	3,954
Miscellaneous	10,150	10,150	11,403	1,253
<b>Total Revenues</b>	2,505,175	2,505,175	2,571,600	66,425
<b>Expenditures</b>				
<b>Current:</b>				
Public transportation	2,505,175	2,505,175	2,011,776	493,399
<b>Debt service:</b>				
Principal	-	-	26,135	(26,135)
Interest and fiscal agent fees	-	-	4,344	(4,344)
Capital outlay	-	-	7,500	(7,500)
<b>Total Expenditures</b>	2,505,175	2,505,175	2,049,755	455,420
<b>Net Change in Fund Balance</b>	\$ -	\$ -	521,845	\$ 521,845
Beginning fund balance			2,231,512	
<b>Ending Fund Balance</b>			\$ 2,753,357	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).



**AUSTIN COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**LATERAL ROAD AND BRIDGE FUND**  
For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 1,946,392	\$ 1,946,392	\$ 1,974,019	\$ 27,627
Licenses and permits	-	-	34,945	34,945
Intergovernmental	26,000	16,316	29,853	13,537
Interest income	4,000	4,000	7,879	3,879
Miscellaneous	8,000	86,398	365,564	279,166
<b>Total Revenues</b>	<u>1,984,392</u>	<u>2,053,106</u>	<u>2,412,260</u>	<u>359,154</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public transportation	1,984,392	4,214,646	1,762,096	2,452,550
<b>Debt service:</b>				
Principal	-	-	103,172	(103,172)
Interest and fiscal agent fees	-	-	6,542	(6,542)
<b>Capital outlay</b>	-	-	177,884	(177,884)
<b>Total Expenditures</b>	<u>1,984,392</u>	<u>4,214,646</u>	<u>2,049,694</u>	<u>2,164,952</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>-</u>	<u>(2,161,540)</u>	<u>362,566</u>	<u>2,524,106</u>
<b>Other Financing Sources</b>				
<b>(Uses)</b>				
Capital leases	-	-	131,284	131,284
<b>Total Other Financing</b>				
<b>Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>131,284</u>	<u>131,284</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (2,161,540)</u>	493,850	<u>\$ 2,655,390</u>
Beginning fund balance			<u>2,350,271</u>	
<b>Ending Fund Balance</b>			<u>\$ 2,844,121</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).



**AUSTIN COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
For the Year Ended September 30, 2015

	<u>Measurement Year*</u> <u>2014</u>
<b>Total Pension Liability</b>	
Service cost	\$ 832,613
Interest (on the total pension liability)	2,204,104
Difference between expected and actual experience	258,063
Benefit payments, including refunds of employee contributions	(1,087,601)
<b>Net Change in Total Pension Liability</b>	<u>2,207,179</u>
Beginning total pension liability	27,336,176
<b>Ending Total Pension Liability</b>	<u><u>\$ 29,543,355</u></u>
 <b>Plan Fiduciary Net Position</b>	
Contributions - employer	\$ 636,162
Contributions - employee	519,123
Net investment income	1,919,505
Benefit payments, including refunds of employee contributions	(1,087,601)
Administrative expense	(22,071)
Other	87,228
<b>Net Change in Plan Fiduciary Net Position</b>	<u>2,052,346</u>
Beginning plan fiduciary net position	27,608,887
<b>Ending Plan Fiduciary Net Position</b>	<u><u>\$ 29,661,233</u></u>
<b>Net Pension Liability (Asset)</b>	<u><u>\$ (117,878)</u></u>
 <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	100%
 <b>Covered Employee Payroll</b>	\$ 7,414,444
 <b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	-2%

\*Only one year of information is currently available. The County will build this schedule over the next nine-year period.

**AUSTIN COUNTY, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
For the Year Ended September 30, 2015

	<b>Fiscal Year*</b>	
	<b>2014</b>	<b>2015</b>
Actuarially determined contribution	\$ 636,162	\$ 659,251
Contributions in relation to the actuarially determined contribution	<u>636,162</u>	<u>659,251</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered employee payroll	 \$ 7,414,444	 \$ 8,059,307
 Contributions as a percentage of covered employee payroll	 9%	 8%

\*Only two years of information is currently available. The County will build this schedule over the next eight-year period.

**Notes to Required Supplementary Information:**

There were no benefit changes during the year.

**AUSTIN COUNTY, TEXAS**  
**SCHEDULE OF FUNDING PROGRESS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
For the Year Ended September 30, 2015

The County's annual covered payroll and pension costs are actuarially valued on a calendar year basis. Because the County makes all the annually required contributions, no net pension obligation (NPO) exists. The information presented below represents the County's schedule of funding progress.

<b>Fiscal Year</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Actuarial Valuation Date	12/31/2014	12/31/2013	12/31/2012
Actuarial Value of Assets	\$ 19,500,714	\$ 19,005,599	\$ 17,601,883
Actuarial Accrued Liability	\$ 21,518,319	\$ 21,034,808	\$ 19,779,866
Percentage Funded	90.62%	90.35%	88.99%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,017,605	\$ 2,029,209	\$ 2,177,983
Annual Covered Payroll	\$ 7,414,444	\$ 6,652,456	\$ 6,328,404
UAAL % of Covered Payroll	27.21%	30.50%	34.42%
Net Pension Obligation (NPO)			
at the Beginning of Period	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	647,743	617,625	566,186
Contributions Made	647,743	617,625	566,186
<b>NPO at the End of Period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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***COMBINING STATEMENTS  
AND SCHEDULES***

**AUSTIN COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**CERTIFICATES OF OBLIGATION SERIES 2007**  
**For the Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 447,779	\$ 447,779	\$ 56,317	\$ (391,462)
Interest	-	-	156	156
<b>Total Revenues</b>	<u>447,779</u>	<u>447,779</u>	<u>56,473</u>	<u>(391,306)</u>
<b>Expenditures</b>				
<b>Debt service:</b>				
Principal	330,000	330,000	330,000	-
Interest and fiscal agent fees	117,779	117,779	116,703	1,076
<b>Total Expenditures</b>	<u>447,779</u>	<u>447,779</u>	<u>446,703</u>	<u>1,076</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	(390,230)	<u>\$ (390,230)</u>
Beginning fund balance			<u>406,475</u>	
<b>Ending Fund Balance</b>			<u>\$ 16,245</u>	



**AUSTIN COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**TAX ROAD BONDS SERIES 2009**  
**For the Year Ended September 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 443,843	\$ 443,843	\$ 128,458	\$ (315,385)
Interest	3,336	3,336	317	(3,019)
<b>Total Revenues</b>	<u>447,179</u>	<u>447,179</u>	<u>128,775</u>	<u>(318,404)</u>
<b>Expenditures</b>				
<b>Debt service:</b>				
Principal	230,000	230,000	230,000	-
Interest and fiscal agent fees	217,179	217,179	216,019	1,160
<b>Total Expenditures</b>	<u>447,179</u>	<u>447,179</u>	<u>446,019</u>	<u>1,160</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	(317,244)	<u>\$ (317,244)</u>
Beginning fund balance			<u>331,344</u>	
<b>Ending Fund Balance</b>			<u>\$ 14,100</u>	

**AUSTIN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 1 of 4)**  
September 30, 2015

Special Revenue Funds				
	2007 PSIC Grant	Abandoned Vehicles	ARRA JAG Grant	CDA Law Enforcement
<b>Assets</b>				
Cash and cash equivalents	\$ (70,769)	\$ 1,015	\$ 320	\$ 140,649
Receivables, net	214,907	-	-	-
Due from other funds	-	-	-	-
<b>Total Assets</b>	\$ 144,138	\$ 1,015	\$ 320	\$ 140,649
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	-	-	-	-
<b>Fund Balances</b>				
Restricted	144,138	1,015	320	140,649
<b>Total Fund Balances</b>	144,138	1,015	320	140,649
<b>Total Liabilities and Fund Balances</b>	\$ 144,138	\$ 1,015	\$ 320	\$ 140,649

**Special Revenue Funds**

<b>CC &amp; DC Technology</b>	<b>Collection Fee/Estray</b>	<b>Courthouse Security</b>	<b>Reporter Service</b>	<b>CDA Hot Check</b>
\$ 4,325	\$ 1,115	\$ 97,859	\$ 42,121	\$ 1,593
-	-	-	284	-
-	-	140	93	1
<u>\$ 4,325</u>	<u>\$ 1,115</u>	<u>\$ 97,999</u>	<u>\$ 42,498</u>	<u>\$ 1,594</u>
\$ -	\$ -	\$ 26	\$ -	\$ 115
-	-	3,293	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>3,319</u>	<u>-</u>	<u>115</u>
4,325	1,115	94,680	42,498	1,479
<u>4,325</u>	<u>1,115</u>	<u>94,680</u>	<u>42,498</u>	<u>1,479</u>
<u>\$ 4,325</u>	<u>\$ 1,115</u>	<u>\$ 97,999</u>	<u>\$ 42,498</u>	<u>\$ 1,594</u>

**AUSTIN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 2 of 4)**  
September 30, 2015

Special Revenue Funds				
	CDA Forfeiture	Donations LEPC	E-Waste Collection	EMS/ Special
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 1,747	\$ 1,873	\$ -	\$ 49,918
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
<b>Total Assets</b>	\$ 1,747	\$ 1,873	\$ -	\$ 49,918
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 750
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	-	-	-	750
<b><u>Fund Balances</u></b>				
Restricted	1,747	1,873	-	49,168
<b>Total Fund Balances</b>	1,747	1,873	-	49,168
<b>Total Liabilities and Fund Balances</b>	\$ 1,747	\$ 1,873	\$ -	\$ 49,918

**Special Revenue Funds**

<b>Environmental</b>	<b>Estray</b>	<b>Indigent Healthcare</b>	<b>Justice Court Building Security</b>	<b>Justice Court Technology</b>	<b>Juvenile Probation Parental Support</b>
\$ 925	\$ 9,156	\$ (35,154)	\$ 37,256	\$ 22,683	\$ 4,441
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 925</u>	<u>\$ 9,156</u>	<u>\$ (35,154)</u>	<u>\$ 37,256</u>	<u>\$ 22,683</u>	<u>\$ 4,441</u>
\$ -	\$ 150	\$ 3,658	\$ -	\$ 1,245	\$ -
-	-	-	-	-	-
-	-	325	-	-	-
<u>-</u>	<u>150</u>	<u>3,983</u>	<u>-</u>	<u>1,245</u>	<u>-</u>
925	9,006	(39,137)	37,256	21,438	4,441
925	9,006	(39,137)	37,256	21,438	4,441
<u>\$ 925</u>	<u>\$ 9,156</u>	<u>\$ (35,154)</u>	<u>\$ 37,256</u>	<u>\$ 22,683</u>	<u>\$ 4,441</u>

**AUSTIN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 3 of 4)**  
**September 30, 2015**

<u>Special Revenue Funds</u>				
	<u>Law Library</u>	<u>POD Grant</u>	<u>Records Management County</u>	<u>Records Management Fees</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 9,160	\$ 6,650	\$ 19,260	\$ 46,803
Receivables, net	-	-	-	-
Due from other funds	588	-	172	382
<b>Total Assets</b>	<b>\$ 9,748</b>	<b>\$ 6,650</b>	<b>\$ 19,432</b>	<b>\$ 47,185</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 3,253	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>3,253</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Restricted	6,495	6,650	19,432	47,185
<b>Total Fund Balances</b>	<b>6,495</b>	<b>6,650</b>	<b>19,432</b>	<b>47,185</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,748</b>	<b>\$ 6,650</b>	<b>\$ 19,432</b>	<b>\$ 47,185</b>

**Special Revenue Funds**

<b>Sheriff's Forfeiture</b>	<b>Special Donations/ Sheriff</b>	<b>Special Library Knox Library</b>	<b>Special Library W.E. Library</b>	<b>Tax Increment Finance Zone No. 1</b>
\$ 133,292	\$ 2,381	\$ 24,591	\$ 11,416	\$ (25,791)
-	-	-	-	-
-	-	-	-	-
<u>\$ 133,292</u>	<u>\$ 2,381</u>	<u>\$ 24,591</u>	<u>\$ 11,416</u>	<u>\$ (25,791)</u>
\$ -	\$ -	\$ -	\$ 18	\$ -
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>-</u>
133,292	2,381	24,591	11,398	(25,791)
<u>133,292</u>	<u>2,381</u>	<u>24,591</u>	<u>11,398</u>	<u>(25,791)</u>
<u>\$ 133,292</u>	<u>\$ 2,381</u>	<u>\$ 24,591</u>	<u>\$ 11,416</u>	<u>\$ (25,791)</u>

**AUSTIN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 4 of 4)**  
September 30, 2015

		Special Revenue Funds		
		Capital Fund Grant	Tobacco Litigation/ Settlement	Traffic Fees/ Justice Court
<b><u>Assets</u></b>				
Cash and cash equivalents	\$	-	\$ 77,346	\$ 4,492
Receivables, net		50,000	-	-
Due from other funds		-	-	-
<b>Total Assets</b>	<b>\$</b>	<b>50,000</b>	<b>\$ 77,346</b>	<b>\$ 4,492</b>
 <b><u>Liabilities</u></b>				
Accounts payable	\$	-	\$ -	\$ 691
Accrued payroll		-	-	-
Due to other funds		-	-	-
<b>Total Liabilities</b>		<b>-</b>	<b>-</b>	<b>691</b>
 <b><u>Fund Balances</u></b>				
Restricted		50,000	77,346	3,801
<b>Total Fund Balances</b>		<b>50,000</b>	<b>77,346</b>	<b>3,801</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$</b>	<b>50,000</b>	<b>\$ 77,346</b>	<b>\$ 4,492</b>



<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Total Nonmajor Governmental Funds</u>
<u>Video/Court Costs</u>	<u>Juvenile Case Management</u>	<u>Certificates of Obligation Series 2007</u>	<u>Tax Road Bonds Series 2009</u>	
\$ 6,724	\$ 84,819	\$ 16,245	\$ 14,100	\$ 742,561
-	-	-	-	265,191
21	10	-	-	1,407
<u>\$ 6,745</u>	<u>\$ 84,829</u>	<u>\$ 16,245</u>	<u>\$ 14,100</u>	<u>\$ 1,009,159</u>
\$ -	\$ -	\$ -	\$ -	\$ 9,906
-	-	-	-	3,293
-	-	-	-	325
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,524</u>
6,745	84,829	16,245	14,100	995,635
<u>6,745</u>	<u>84,829</u>	<u>16,245</u>	<u>14,100</u>	<u>995,635</u>
<u>\$ 6,745</u>	<u>\$ 84,829</u>	<u>\$ 16,245</u>	<u>\$ 14,100</u>	<u>\$ 1,009,159</u>

**AUSTIN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (page 1 of 4)**  
September 30, 2015

Special Revenue Funds				
	2007 PSIC Grant	Abandoned Vehicles	ARRA JAG Grant	CDA Law Enforcement
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	216
Miscellaneous	-	-	-	12,064
<b>Total Revenues</b>	-	-	-	12,280
<b>Expenditures</b>				
<b>Current:</b>				
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	21,182
Health and welfare	-	-	-	-
Conservation	-	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
<b>Total Expenditures</b>	-	-	-	21,182
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	-	(8,902)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
<b>Total Other Financing (Uses)</b>	-	-	-	-
<b>Net Change in Fund Balances</b>	-	-	-	(8,902)
Beginning fund balances	144,138	1,015	320	149,551
<b>Ending Fund Balances</b>	\$ 144,138	\$ 1,015	\$ 320	\$ 140,649

**Special Revenue Funds**

<u>CC &amp; DC Technology</u>	<u>Collection Fee/Estray</u>	<u>Courthouse Security</u>	<u>Reporter Service</u>	<u>CDA Hot Check</u>
\$ 2,035	\$ -	\$ 24,601	\$ 5,935	\$ 56,842
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,035</u>	<u>-</u>	<u>24,601</u>	<u>5,935</u>	<u>56,842</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	53,692
-	-	72,136	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>72,136</u>	<u>-</u>	<u>53,692</u>
2,035	-	(47,535)	5,935	3,150
-	-	-	-	-
-	-	-	-	-
2,035	-	(47,535)	5,935	3,150
2,290	1,115	142,215	36,563	(1,671)
<u>\$ 4,325</u>	<u>\$ 1,115</u>	<u>\$ 94,680</u>	<u>\$ 42,498</u>	<u>\$ 1,479</u>

**AUSTIN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (page 2 of 4)**  
September 30, 2015

Special Revenue Funds				
	CDA Forfeiture	Donations LEPC	E-Waste Collection	EMS/ Special
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ 4,617	\$ 4,350
Property taxes	-	-	-	-
Fines and forfeitures	538	-	-	-
Investment income	9	-	-	-
Miscellaneous	310	-	(3,000)	7,889
<b>Total Revenues</b>	857	-	1,617	12,239
<b>Expenditures</b>				
<b>Current:</b>				
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	10,549	-	-	4,558
Health and welfare	-	-	-	-
Conservation	-	-	1,913	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
<b>Total Expenditures</b>	10,549	-	1,913	4,558
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(9,692)	-	(296)	7,681
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
<b>Total Other Financing (Uses)</b>	-	-	-	-
<b>Net Change in Fund Balances</b>	(9,692)	-	(296)	7,681
Beginning fund balances	11,439	1,873	296	41,487
<b>Ending Fund Balances</b>	\$ 1,747	\$ 1,873	\$ -	\$ 49,168

**Special Revenue Funds**

<u>Environmental</u>	<u>Estray</u>	<u>Indigent Healthcare</u>	<u>Justice Court Building Security</u>	<u>Justice Court Technology</u>	<u>Juvenile Probation Parental Support</u>
\$ 5	\$ 5,637	\$ -	\$ 4,728	\$ 19,034	\$ -
-	-	-	-	-	-
-	-	-	-	-	2,524
-	-	-	-	-	6
-	-	-	-	-	-
<u>5</u>	<u>5,637</u>	<u>-</u>	<u>4,728</u>	<u>19,034</u>	<u>2,530</u>
-	-	-	-	-	-
-	-	69,140	975	41,931	4,191
-	-	-	-	-	-
-	2,056	-	-	-	-
-	-	-	-	-	-
3,208	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,208</u>	<u>2,056</u>	<u>69,140</u>	<u>975</u>	<u>41,931</u>	<u>4,191</u>
<u>(3,203)</u>	<u>3,581</u>	<u>(69,140)</u>	<u>3,753</u>	<u>(22,897)</u>	<u>(1,661)</u>
-	-	30,000	-	-	-
-	-	30,000	-	-	-
(3,203)	3,581	(39,140)	3,753	(22,897)	(1,661)
4,128	5,425	3	33,503	44,335	6,102
<u>\$ 925</u>	<u>\$ 9,006</u>	<u>\$ (39,137)</u>	<u>\$ 37,256</u>	<u>\$ 21,438</u>	<u>\$ 4,441</u>

**AUSTIN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (page 3 of 4)**  
September 30, 2015

	<b>Special Revenue Funds</b>			
	<b>Law Library</b>	<b>POD Grant</b>	<b>Records Management County</b>	<b>Records Management Fees</b>
<b>Revenues</b>				
Charges for services	\$ 31,660	\$ -	\$ 18,714	\$ 55,980
Property taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	46
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>31,660</b>	<b>-</b>	<b>18,714</b>	<b>56,026</b>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	-	-	9,150	54,317
Judicial	-	-	-	-
Legal	25,173	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Conservation	-	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
<b>Total Expenditures</b>	<b>25,173</b>	<b>-</b>	<b>9,150</b>	<b>54,317</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>6,487</b>	<b>-</b>	<b>9,564</b>	<b>1,709</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
<b>Total Other Financing (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>6,487</b>	<b>-</b>	<b>9,564</b>	<b>1,709</b>
Beginning fund balances	8	6,650	9,868	45,476
<b>Ending Fund Balances</b>	<b>\$ 6,495</b>	<b>\$ 6,650</b>	<b>\$ 19,432</b>	<b>\$ 47,185</b>

**Special Revenue Funds**

<b>Sheriff's Forfeiture</b>	<b>Special Donations/ Sheriff</b>	<b>Special Library Knox Library</b>	<b>Special Library W.E. Library</b>	<b>Tax Increment Finance Zone No. 1</b>
\$ -	\$ 2,350	\$ -	\$ -	\$ -
-	-	-	-	-
94,205	-	-	-	-
227	-	18	-	-
-	-	8,642	6,871	-
<u>94,432</u>	<u>2,350</u>	<u>8,660</u>	<u>6,871</u>	<u>-</u>
-	-	-	-	25,791
-	-	-	-	-
-	-	-	-	-
197,329	435	-	-	-
-	-	6,092	4,413	-
-	-	-	-	-
-	-	-	-	-
<u>197,329</u>	<u>435</u>	<u>6,092</u>	<u>4,413</u>	<u>25,791</u>
<u>(102,897)</u>	<u>1,915</u>	<u>2,568</u>	<u>2,458</u>	<u>(25,791)</u>
-	-	-	-	-
-	-	-	-	-
(102,897)	1,915	2,568	2,458	(25,791)
236,189	466	22,023	8,940	-
<u>\$ 133,292</u>	<u>\$ 2,381</u>	<u>\$ 24,591</u>	<u>\$ 11,398</u>	<u>\$ (25,791)</u>

**AUSTIN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (page 4 of 4)**  
September 30, 2015

Special Revenue Funds			
	Capital Fund Grant	Tobacco Litigation/ Settlement	Traffic Fees/ Justice Court
<b>Revenues</b>			
Charges for services	\$ -	\$ -	\$ 12,783
Property taxes	-	-	-
Fines and forfeitures	-	23,073	-
Investment income	-	65	-
Miscellaneous	-	-	-
<b>Total Revenues</b>	-	23,138	12,783
<b>Expenditures</b>			
<b>Current:</b>			
General administration	-	-	-
Judicial	-	16,760	-
Legal	-	-	-
Public safety	-	-	30,274
Health and welfare	-	-	-
Conservation	-	-	-
<b>Debt service:</b>			
Principal	-	-	-
Interest and fiscal agent fees	-	-	-
<b>Total Expenditures</b>	-	16,760	30,274
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	6,378	(17,491)
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	-
<b>Total Other Financing (Uses)</b>	-	-	-
<b>Net Change in Fund Balances</b>	-	6,378	(17,491)
Beginning fund balances	50,000	70,968	21,292
<b>Ending Fund Balances</b>	\$ 50,000	\$ 77,346	\$ 3,801



<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Total</u>
<u>Video/Court</u>	<u>Juvenile</u>	<u>Certificates</u>	<u>Tax Road</u>	<u>Nonmajor</u>
<u>Costs</u>	<u>Case</u>	<u>of Obligation</u>	<u>Bonds</u>	<u>Governmental</u>
	<u>Management</u>	<u>Series 2007</u>	<u>Series 2009</u>	<u>Funds</u>
\$ 427	\$ -	\$ -	\$ -	\$ 249,698
-	-	56,317	128,458	184,775
-	1,130	-	-	121,470
-	-	156	317	1,060
-	-	-	-	32,776
<u>427</u>	<u>1,130</u>	<u>56,473</u>	<u>128,775</u>	<u>589,779</u>
-	-	-	-	89,258
-	-	-	-	132,997
-	-	-	-	78,865
-	-	-	-	338,519
-	-	-	-	10,505
-	-	-	-	5,121
-	-	330,000	230,000	560,000
-	-	116,703	216,019	332,722
<u>-</u>	<u>-</u>	<u>446,703</u>	<u>446,019</u>	<u>1,547,987</u>
<u>427</u>	<u>1,130</u>	<u>(390,230)</u>	<u>(317,244)</u>	<u>(958,208)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
427	1,130	(390,230)	(317,244)	(928,208)
6,318	83,699	406,475	331,344	1,923,843
<u>\$ 6,745</u>	<u>\$ 84,829</u>	<u>\$ 16,245</u>	<u>\$ 14,100</u>	<u>\$ 995,635</u>

**AUSTIN COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
September 30, 2015

	<b>Juvenile Probation State</b>	<b>Drainage District No. 1</b>	<b>Court Costs</b>	<b>Bellville ISD Truancy</b>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 42,668	\$ 60,939	\$ 285,731	\$ 1,060
Receivables	-	-	7,297	-
<b>Total Assets</b>	<b>\$ 42,668</b>	<b>\$ 60,939</b>	<b>\$ 293,028</b>	<b>\$ 1,060</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 7,620	\$ -	\$ 112,180	\$ -
Due to others	35,048	60,939	180,848	1,060
<b>Total Liabilities</b>	<b>\$ 42,668</b>	<b>\$ 60,939</b>	<b>\$ 293,028</b>	<b>\$ 1,060</b>

See Notes to Financial Statements.

<b>Sealy ISD Truancy</b>	<b>New Ulm WWTR Rehabilitation</b>	<b>County Officer Monies</b>	<b>Total Fiduciary Funds</b>
\$ 122	\$ (6,887)	\$ 2,765,258	\$ 3,148,891
-	-	-	7,297
<u>\$ 122</u>	<u>\$ (6,887)</u>	<u>\$ 2,765,258</u>	<u>\$ 3,156,188</u>
\$ -	\$ -	\$ -	\$ 119,800
122	(6,887)	2,765,258	3,036,388
<u>\$ 122</u>	<u>\$ (6,887)</u>	<u>\$ 2,765,258</u>	<u>\$ 3,156,188</u>

