

ANNUAL FINANCIAL REPORT

of

AUSTIN COUNTY, TEXAS

**For the Year Ended
September 30, 2016**

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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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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.

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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
August 14, 2017

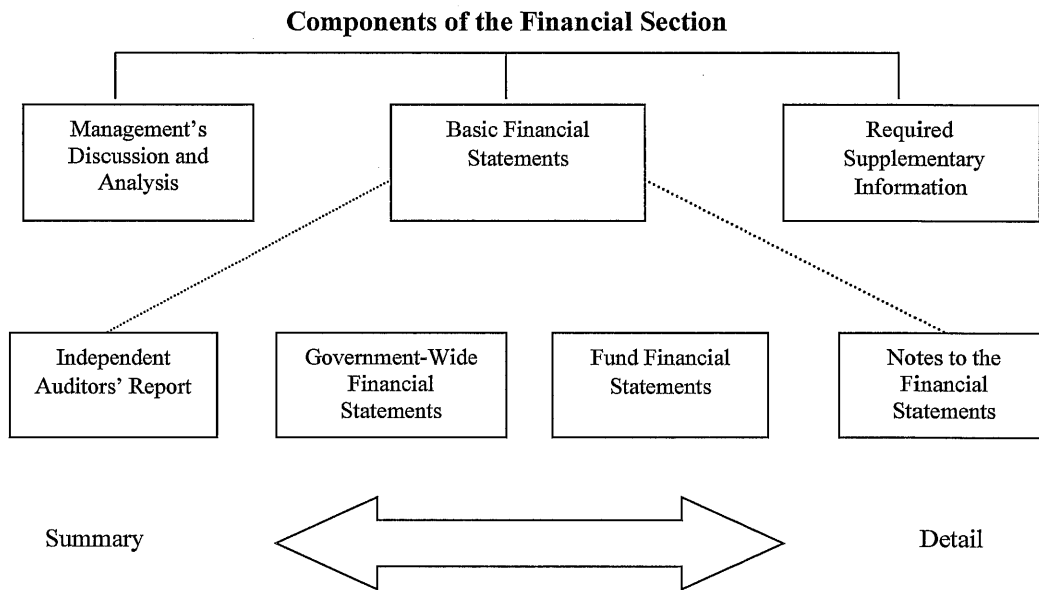
MANAGEMENT'S DISCUSSION AND ANALYSIS

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AUSTIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2016

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, 2016. 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 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 outflows/inflows 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 nonfinancial 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, 2016

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 funds, 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, 2016

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 \$29,921,560 as of September 30, 2016. This compares with \$29,663,417 from the prior fiscal year. A portion of the County's net position, 33 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, 2016

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 19,207,714	\$ 20,559,606
Capital assets, net	15,537,619	17,435,139
Net pension asset	-	117,878
Total Assets	<u>34,745,333</u>	<u>38,112,623</u>
Deferred outflows - pension	2,826,282	942,061
Total Deferred Outflows of Resources	<u>2,826,282</u>	<u>942,061</u>
Long-term liabilities	6,892,604	7,811,243
Other liabilities	725,700	1,519,468
Total Liabilities	<u>7,618,304</u>	<u>9,330,711</u>
Deferred inflows - pension	31,751	-
Total Deferred Inflows of Resources	<u>31,751</u>	<u>-</u>
Net Position:		
Net investment in capital assets	10,364,175	9,273,385
Restricted	7,297,235	6,595,415
Unrestricted	12,260,150	13,855,173
Total Net Position	<u>\$ 29,921,560</u>	<u>\$ 29,723,973</u>

A portion of the County's net position, \$7,297,235 or 24 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$12,260,150 or 41 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

The County's total net position increased by \$197,587 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, 2016

Statement of Activities

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

	Governmental Activities	
	2016	2015
Revenues		
Program revenues:		
Charges for services	\$ 4,154,138	\$ 3,782,489
Operating grants and contributions	446,517	532,117
General revenues:		
Property taxes	14,471,441	13,154,192
Sales taxes	1,563,261	1,749,727
Interest income	102,431	74,402
Other revenues	1,305,725	1,040,629
Total Revenues	22,043,513	20,333,556
Expenses		
General administration	3,455,771	2,603,338
Judicial	1,632,983	1,542,294
Legal	448,364	452,467
Financial administration	879,165	845,492
Public facilities	543,739	650,018
Public safety	7,719,807	7,118,237
Public transportation	6,505,064	5,777,162
Culture and recreation	139,820	138,873
Health and welfare	49,347	55,195
Conservation	140,666	135,691
Interest and fiscal agent fees	331,199	346,015
Total Expenses	21,845,926	19,664,782
Change in Net Position	197,587	668,774
Beginning net position	29,723,973	29,055,199
Ending Net Position	\$ 29,921,560	\$ 29,723,973

For the year ended September 30, 2016, revenues from governmental activities totaled \$22,043,513 compared with \$20,081,980 in the prior year. This net increase of \$1,709,957 occurred primarily as the result of an increase in charges for services, and property and sales taxes.

Governmental expenses increased by \$2,181,144. This increase is primarily due to increases in overall expenses during the year.

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.

AUSTIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2016

The County's governmental funds reflect a combined fund balance of \$14,218,616. Of this, \$6,926,833 is unassigned and available for day-to-day operations of the County, \$11,062 is restricted for debt service, \$3,202,659 is restricted for road and bridge, and \$3,238,254 is restricted for lateral road and bridge, and \$839,808 is restricted for special projects.

There was an increase in the combined fund balance of \$825,097 from the prior year. The road and bridge fund and lateral road and bridge fund experienced increases of \$449,302 and \$394,133, 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 \$6,926,833. 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 52 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 \$836,282 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 \$700,013 less than budgeted.

CAPITAL ASSETS

At the end of the year, the County's governmental funds had invested \$15,537,619 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$1,747,520.

Major capital asset events during the year included the following:

- New equipment and improvements for the County of \$641,871.
- Land of \$195,044.

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 \$5,173,444, 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.

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.

AUSTIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2016

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, 2016

	Governmental Activities
<u>Assets</u>	
Cash and cash equivalents	\$ 14,452,460
Receivables, net	4,755,254
	<u>19,207,714</u>
Capital assets:	
Nondepreciable	500,506
Depreciable capital assets, net	15,037,113
	<u>15,537,619</u>
Total Assets	<u>34,745,333</u>
<u>Deferred Outflows</u>	
Deferred outflows - pension	<u>2,826,282</u>
<u>Liabilities</u>	
Accounts payable	42,956
Accrued wages payable	140,062
Accrued interest	25,140
Long-term liabilities due within one year	517,542
	<u>725,700</u>
Noncurrent liabilities:	
Long-term debt due in more than one year	<u>6,892,604</u>
Total Liabilities	<u>7,618,304</u>
<u>Deferred Inflows of Resources</u>	
Deferred inflows - pension	<u>31,751</u>
<u>Net Position</u>	
Net investment in capital assets	10,364,175
Restricted for:	
Road and bridge	3,202,659
Lateral road and bridge	3,238,254
Debt service	16,514
Other governmental funds	839,808
Unrestricted	12,260,150
Total Net Position	<u>\$ 29,921,560</u>

See Notes to Financial Statements.

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AUSTIN COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental Activities				
General administration	\$ 3,455,771	\$ 936,991	\$ 416,696	\$ (2,102,084)
Judicial	1,632,983	2,068,908	-	435,925
Legal	448,364	-	-	(448,364)
Financial administration	879,165	-	-	(879,165)
Public facilities	543,739	-	-	(543,739)
Public safety	7,719,807	-	-	(7,719,807)
Public transportation	6,505,064	919,696	29,821	(5,555,547)
Culture and recreation	139,820	-	-	(139,820)
Health and welfare	49,347	-	-	(49,347)
Conservation	140,666	-	-	(140,666)
Miscellaneous	-	228,543	-	228,543
Interest and fiscal agent fees	331,199	-	-	(331,199)
Total Governmental Activities	21,845,926	4,154,138	446,517	(17,245,271)
Total Primary Government	\$ 21,845,926	\$ 4,154,138	\$ 446,517	(17,245,271)
General Revenues:				
				14,471,441
				1,563,261
				102,431
				1,305,725
			Total General Revenues	17,442,858
			Change in Net Position	197,587
			Beginning net position	29,723,973
			Ending Net Position	\$ 29,921,560

See Notes to Financial Statements.

AUSTIN COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2016

	General	Road and Bridge	Lateral Road and Bridge	Debt Service
<u>Assets</u>				
Cash and cash equivalents	\$ 6,792,778	\$ 3,219,463	\$ 3,276,954	\$ 11,062
Receivables, net	527,493	50,342	60,730	51,149
Due from other funds	-	2,504	-	-
Total Assets	\$ 7,320,271	\$ 3,272,309	\$ 3,337,684	\$ 62,211
<u>Liabilities</u>				
Accounts payable	\$ 3,355	\$ 538	\$ 38,700	\$ -
Accrued wages payable	121,292	18,770	-	-
Due to other funds	2,504	-	-	-
Total Liabilities	127,151	19,308	38,700	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	266,287	50,342	60,730	51,149
<u>Fund Balances</u>				
Restricted:				
Debt service fund	-	-	-	11,062
Road and bridge fund	-	3,202,659	-	-
Lateral road and bridge fund	-	-	3,238,254	-
Other governmental funds	-	-	-	-
Unassigned:				
General fund	6,926,833	-	-	-
Total Fund Balances	6,926,833	3,202,659	3,238,254	11,062
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,320,271	\$ 3,272,309	\$ 3,337,684	\$ 62,211

See Notes to Financial Statements.

<u>Non Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 839,886	\$ 14,140,143
285	689,999
-	2,504
<u>\$ 840,171</u>	<u>\$ 14,832,646</u>
\$ 363	\$ 42,956
-	140,062
-	2,504
<u>363</u>	<u>185,522</u>
<u>-</u>	<u>428,508</u>
-	11,062
-	3,202,659
-	3,238,254
839,808	839,808
-	6,926,833
<u>839,808</u>	<u>14,218,616</u>
<u>\$ 840,171</u>	<u>\$ 14,832,646</u>

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

Total fund balances for governmental funds		\$ 14,218,616
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Nondepreciable capital assets	500,506	
Depreciable capital assets	98,740,110	
Accumulated depreciation	<u>(83,702,997)</u>	
		15,537,619
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	4,065,255	
Unavailable revenue - property taxes	<u>428,508</u>	
		4,493,763
Deferred outflows and deferred inflows related to the net pension liability(asset) are not reported in the governmental funds.		
Deferred inflows - pension	(31,751)	
Deferred outflows - pension	2,826,282	2,794,531
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.		
		312,317
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	(517,542)	
Long-term debt due in more than one year	(4,824,979)	
Accrued interest payable	(25,140)	
Net pension liability (asset)	(1,766,604)	
Compensated absences	<u>(301,021)</u>	
		<u>(7,435,286)</u>
	Governmental Activities Net Position	\$ <u>29,921,560</u>

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, 2016

	General	Road and Bridge	Lateral Road and Bridge	Debt Service
Revenues				
Property taxes	\$ 9,663,634	\$ 1,774,273	\$ 2,111,842	\$ 879,251
Sales tax	1,563,261	-	-	-
Intergovernmental	416,696	-	29,821	-
Charges for services	936,991	-	-	-
Fines and forfeitures	1,104,919	125,037	-	-
Interest	72,826	15,943	11,412	774
Permits and licenses	61,330	821,128	37,238	-
Miscellaneous	653,833	239,215	290,982	-
Total Revenues	14,473,490	2,975,596	2,481,295	880,025
Expenditures				
Current:				
General administration	2,492,388	-	-	-
Judicial	1,493,144	-	-	-
Legal	387,571	-	-	-
Financial administration	870,832	-	-	-
Public facilities	726,020	-	-	-
Public safety	6,930,335	-	-	-
Public transportation	-	2,466,316	1,917,153	-
Culture and recreation	136,610	-	-	-
Health and welfare	40,420	-	-	-
Conservation	140,666	-	-	-
Debt service:				
Principal	65,514	50,602	137,979	3,010,000
Interest and fiscal agent fees	4,744	5,376	10,530	317,787
Capital outlay	142,216	116,690	44,165	-
Total Expenditures	13,430,460	2,638,984	2,109,827	3,327,787
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	1,043,030	336,612	371,468	(2,447,762)
Other Financing Sources (Uses)				
Transfers in	32,538	-	-	2,434,650
Transfers (out)	(2,742,511)	-	-	(6,171)
Capital leases	142,216	112,690	22,665	-
Total Other Financing Sources (Uses)	(2,567,757)	112,690	22,665	2,428,479
Net Change in Fund Balances	(1,524,727)	449,302	394,133	(19,283)
Beginning fund balances	8,451,560	2,753,357	2,844,121	30,345
Ending Fund Balances	\$ 6,926,833	\$ 3,202,659	\$ 3,238,254	\$ 11,062

See Notes to Financial Statements.

<u>Non Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 14,429,000
-	1,563,261
-	446,517
228,543	1,165,534
357,444	1,587,400
1,476	102,431
-	919,696
121,695	1,305,725
<u>709,158</u>	<u>21,519,564</u>
376,226	2,868,614
131,481	1,624,625
60,793	448,364
-	870,832
-	726,020
449,857	7,380,192
-	4,383,469
-	136,610
8,927	49,347
-	140,666
-	3,264,095
-	338,437
87,890	390,961
<u>1,115,174</u>	<u>22,622,232</u>
<u>(406,016)</u>	<u>(1,102,668)</u>
284,494	2,751,682
(3,000)	(2,751,682)
-	277,571
<u>281,494</u>	<u>277,571</u>
(124,522)	(825,097)
<u>964,330</u>	<u>15,043,713</u>
<u>\$ 839,808</u>	<u>\$ 14,218,616</u>

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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, 2016

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

Net changes in fund balances - total government funds	\$	(825,097)
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		761,913
Depreciation expense		(2,659,433)
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.		
		(573,228)
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		42,441
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 liability (asset)		(1,884,482)
Deferred outflows - pension		1,852,470
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		(277,571)
Principal payments		3,287,934
Changes in accrued interest expense		5,452
Changes in compensated absences		(14,320)
Change in Net Position of Governmental Activities	\$	<u>197,587</u>

See Notes to Financial Statements.

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AUSTIN COUNTY, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2016

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 312,317
Total Assets	<u>312,317</u>
<u>Net Position</u>	
Unrestricted	312,317
Total Net Position	<u>\$ 312,317</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, 2016

	Governmental Activities
	Internal Service
<u>Operating Revenues</u>	
Charges for services	\$ 1,917,231
Total Operating Revenues	1,917,231
 <u>Operating Expenses</u>	
Administration	316,903
Claims	1,937,107
Premiums	238,150
Total Operating Expenses	2,492,160
Operating (Loss)	(574,929)
 <u>Nonoperating Revenues (Expenses)</u>	
Investment income	1,701
Total Nonoperating Revenues	1,701
Change in Net Position	(573,228)
Beginning net position	885,545
Ending Net Position	\$ 312,317

See Notes to Financial Statements.

AUSTIN COUNTY, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended September 30, 2016

	<u>Governmental Activities</u> <u>Internal Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from premium revenues	\$ 1,917,231
Payments for other expenses	(238,150)
Payments for claims	(1,937,107)
Payments for administration fees	(316,903)
Net Cash Used by Operating Activities	<u>(574,929)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on investments	<u>1,701</u>
Net Cash Provided by Investing Activities	<u>1,701</u>
Net (Decrease) in Cash and Cash Equivalents	(573,228)
Beginning cash and cash equivalents	<u>885,545</u>
Ending Cash and Cash Equivalents	<u><u>\$ 312,317</u></u>

See Notes to Financial Statements.

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AUSTIN COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2016

	Total Fiduciary Funds
<u>Assets</u>	
Cash and cash equivalents	\$ 3,516,171
Receivables	7,297
Total Assets	\$ 3,523,468
 <u>Liabilities</u>	
Accounts payable	\$ 4,353
Due to others	3,519,115
Total Liabilities	\$ 3,523,468

See Notes to Financial Statements.

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AUSTIN COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2016

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. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, 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, 2016

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, 2016

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, 2016

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 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.

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

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

Asset Description	Estimated Useful Life
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 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. A deferred outflow of resources is recognized as a result of the change in actuarial assumptions related to the County's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of the pension plan members. Another deferred charge has been recognized for the difference between the projected and actual investment earning on the pension plan assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

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 one item that qualifies for reporting in this category in the government-wide Statement of Net Position. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience related to the County's defined pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. At the fund level, 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.

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

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

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, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities 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.

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 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,

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

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.

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, 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 liability (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 TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. 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.

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

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.

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.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted account principles. 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 general fund and fund level for all other funds. Management may not amend the budget without the approval of Commissioners' Court.

The final amended budget is used in this report. Budgets are adopted for the general fund, road and bridge, lateral road and bridge, and debt service fund. All funds that adopted a budget did so in accordance with general accepted accounting principles. Several supplemental budget appropriations were made for the year ended September 30, 2016.

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

A. Expenditures in Excess of Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control as follows:

General Fund:	
Legal	\$ 16,869
Financial administration	55,994
Public facilities	13,809
 Debt Service Fund	 \$ 2,428,478

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2016, 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	\$ 4,827	-	AAAm
Total fair value	<u><u>\$ 4,827</u></u>		
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, 2016, 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 (the “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 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.

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

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.

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>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
Intergovernmental	\$ 261,206	\$ -	\$ -	\$ -	\$ 285	\$ 261,491
Taxes receivable	266,287	50,342	60,730	51,149	-	428,508
	<u>\$ 527,493</u>	<u>\$ 50,342</u>	<u>\$ 60,730</u>	<u>\$ 51,149</u>	<u>\$ 285</u>	<u>\$ 689,999</u>

C. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2016 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases / Reclassifications</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 305,462	\$ 195,044	\$ -	\$ 500,506
Construction in process	75,000	-	75,000	-
Total capital assets not being depreciated	<u>380,462</u>	<u>195,044</u>	<u>75,000</u>	<u>500,506</u>
Other capital assets:				
Buildings and improvements	10,896,584	208,896	-	11,105,480
Infrastructure	75,731,039	-	-	75,731,039
Intangibles	12,470	-	-	12,470
Machinery and equipment	11,458,147	432,973	-	11,891,120
Total other capital assets	<u>98,098,240</u>	<u>641,869</u>	<u>-</u>	<u>98,740,109</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,757,743)	(214,505)	-	(5,972,248)
Infrastructure	(66,072,645)	(1,690,559)	-	(67,763,204)
Intangibles	(7,126)	(1,781)	-	(8,907)
Machinery and equipment	(9,206,050)	(752,588)	-	(9,958,638)
Total accumulated depreciation	<u>(81,043,564)</u>	<u>(2,659,433)</u>	<u>-</u>	<u>(83,702,997)</u>
Other capital assets, net	<u>17,054,676</u>	<u>(2,017,564)</u>	<u>-</u>	<u>15,037,112</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,435,138</u>	<u>\$ (1,822,520)</u>	<u>\$ 75,000</u>	<u>15,537,619</u>
			Less associated debt	<u>(5,173,444)</u>
			Net Investment in Capital Assets	<u>\$ 10,364,175</u>

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

Depreciation was charged to governmental functions as follows:

General administration	\$	12,702
Judicial		8,358
Financial administration		8,333
Public facilities		26,615
Public safety		478,620
Public transportation		2,121,595
Culture and recreation		3,210
		\$ 2,659,433

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, 2016. In general, the County uses the general and debt service funds to liquidate governmental long-term liabilities.

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.

A summary of the County's debt service requirements, including interest rates, are as follows:

	Percentage Interest Rate	Balance
2009 Unlimited Tax Road Bonds	4.625%	\$ 4,550,000
Total Certificates of Obligation		\$ 4,550,000
Capital Leases		
Caterpillar Pct. 4	3.70%	\$ 57,842
Caterpillar Pct. 3	3.70%	16,757
Caterpillar Pct. 1	3.70%	43,287
2016 Tahoes	3.72%	105,459
Volvo Grader	2.48%	44,577
Chevrolet Silverado	5.39%	10,352
Motor Grader Pct. 4	3.20%	23,617
Compactor Roller Pct.4	3.20%	17,122
Wheel Loader Pct. 4	3.20%	16,235
Caterpillar Dozer Pct. 4	3.27%	12,726
Chip Spreader Pct. 4	3.27%	36,349
Tractor Scraper Pct. 4	3.28%	12,345
Tractor Scraper Pct. 4	3.28%	12,345
JD Tractor Pct. 4	3.33%	28,035
Asphalt Zipper Pct. 3	3.28%	112,690
Rotary Cut Mower Pct. 4	4.25%	17,992
Total Capital Leases		\$ 567,730

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

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

Fiscal Year	Governmental Activities		
	General Obligations Bonds		
	Principal	Interest	Total
2017	\$ 255,000	\$ 284,479	\$ 539,479
2018	270,000	259,687	529,687
2019	280,000	233,622	513,622
2020	295,000	205,850	500,850
2021	310,000	175,806	485,806
2022-2026	1,815,000	24,744	1,839,744
2027-2031	1,325,000	93,741	1,418,741
Total	\$ 4,550,000	\$ 1,277,928	\$ 5,827,928

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

Fiscal Year	Governmental Activities		
	Capital Leases		
	Principal	Interest	Total
2017	\$ 240,489	\$ 17,583	\$ 258,072
2018	172,133	9,667	181,800
2019	95,936	5,291	101,227
2020	35,279	1,930	37,209
2021	23,893	788	24,681
Total	\$ 567,730	\$ 35,259	\$ 602,989

Machinery and equipment acquired under current capital lease obligations totaled \$277,571.

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.

E. Interfund Transactions

Operating transfers between primary governmental funds during the year were as follows:

	Transfer Out	Transfer In
General fund	\$ 2,742,511	\$ -
Debt service fund	-	2,428,479
Other governmental funds	-	(2,143,985)
	\$ 2,742,511	\$ 284,494

These transfers are for a wide variety of reasons, some of which are for operations within the various funds and salary subsidies.

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

The composition of interfund balances as of September 30, 2016 was as follows:

	Due From	Due To
General fund	\$ -	\$ 2,504
Road and bridge fund	2,504	-
	\$ 2,504	\$ 2,504

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 beginning net position/fund balance was restated as follows:

	Governmental Activities	General Fund	Recycling Program
Beginning net position/fund balance - as reported	\$ 29,663,417	\$ 8,200,972	\$ -
Restatement - Deferred outflows	(189,072)	-	-
Restatement - Prior year sales tax	251,576	251,576	-
Restatement - Beginning fund balance	(1,948)	(988)	(960)
Beginning net position/fund balance - restated	\$ 29,723,973	\$ 8,451,560	\$ (960)

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 the Pool, 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 plan provides the first dollar coverage of claims up to the casualty insurance policy's deductible amounts. 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 2014, 2015, and 2016, respectively.

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

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 that 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. TCDRS 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 TCDRS 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. TCDRS issues a publicly available comprehensive annual financial report that can be obtained at www.tcdrs.org.

All eligible employees (except temporary staff) of the County must be enrolled in TCDRS.

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 TCDRS 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.

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

Benefit amounts are determined by the sum of the employee's contribution to TCDRS, 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 2016. 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, 2015 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	509

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.

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 8.18 percent and 8.07 percent in calendar years 2015 and 2016, respectively. The County contributions to TCDRS for the fiscal year ended September 30, 2016 were \$705,530 and were equal to the required contributions.

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2015 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, 2015 were based on the results of an actuarial experience study for the period of January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

Key assumptions used in the December 31, 2015 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	Level of percentage of payroll, closed
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career, including inflation
Investment Rate of Return	8.0%
Cost of Living Adjustments	Cost of living adjustments for the County 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, 2016

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	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, 2016

Changes in the NPL

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 918,709	\$ -	\$ 918,709
Interest	2,384,025	-	2,384,025
Change of benefit terms	(133,185)	-	(133,185)
Difference between expected and actual experience	(214,376)	-	(214,376)
Changes of assumptions	327,037	-	327,037
Contributions - employer	-	656,924	(656,924)
Contributions - employee	-	562,162	(562,162)
Net investment income	-	103,366	(103,366)
Benefit payments, including refunds of employee contributions	(1,338,866)	(1,338,866)	-
Administrative expense	-	(21,387)	21,387
Other changes	-	96,664	(96,664)
Net Changes	1,943,344	58,863	1,884,481
Balance at December 31, 2014	29,543,355	29,661,233	(117,878)
Balance at December 31, 2015	\$ 31,486,699	\$ 29,720,096	\$ 1,766,603

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the County, calculated using the discount rate of 8.10 percent, as well as what the County's NPL would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or one percentage point higher (9.10%) than the current rate:

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
County's Net Pension Liability	\$ 5,703,445	\$ 1,766,603	\$ (1,520,319)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TCDRS financial report. The report may be obtained on the Internet at www.tcdrs.org.

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

For the fiscal year end September 30, 2016, the County recognized pension expense of \$735,206.

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

At September 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 31,750
Changes of assumptions	245,278	-
Difference between projected and actual investment earnings	2,061,547	-
Contributions subsequent to the measurement date	519,456	-
Total	<u><u>\$ 2,826,281</u></u>	<u><u>\$ 31,750</u></u>

\$519,456 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended September 30:</u>	<u>Pension Expense</u>
2017	\$ 625,276
2018	625,276
2019	560,760
2020	463,763
Total	<u><u>\$ 2,275,075</u></u>

Annual Pension Costs

The required contribution was determined as part of the December 31, 2015 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2015 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, 2015 was 14.1 years.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarial Valuation Date	12/31/2015	12/31/2014	12/31/2013
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	Level % of payroll	Level % of payroll	Level % of payroll
Remaining Amortization Period	13.7 years, Closed period	14.1 years, Closed period	20 years, Closed period
Asset Valuation Method	SAF: 5-yrs smoothed value	SAF: 5-yrs smoothed value	SAF: 5-yrs smoothed value
Investment Rate of Return	8.0%	8.0%	8.0%
Projected Salary Increases	4.9%	4.9%	5.4%
Inflation	3.0%	3.0%	3.0%
Cost of Living Adjustments	n/a	n/a	n/a

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2016

	2016
Actuarial Valuation Date	12/31/2015
Actuarial Value of Assets	\$ 20,075,675
Actuarial Accrued Liability	\$ 22,452,187
Percentage Funded	89.4%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,376,512
Annual Covered Payroll	\$ 7,699,506
UAAL as a Percentage of Covered Payroll	30.9%

Funded Status and Funding Progress

As of December 31, 2015, the most recent actuarial valuation date, the plan was 89.4 percent funded. The actuarial accrued liability for benefits was \$22,452,187 and the actuarial value of assets was \$20,075,675, resulting in a UAAL of \$2,376,512. The covered payroll (annual payroll of active employees covered by the plan) was \$7,699,506 and the ratio of the UAAL to the covered payroll was 30.9 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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Property taxes	\$ 9,477,220	\$ 9,477,220	\$ 9,663,634	\$ 186,414
Sales tax	1,260,000	1,260,000	1,563,261	303,261
Intergovernmental	369,802	369,802	416,696	46,894
Charges for services	820,000	820,000	936,991	116,991
Licenses and permits	53,000	53,000	61,330	8,330
Fines and forfeitures	1,277,572	1,277,572	1,104,919	(172,653)
Interest	31,000	31,000	72,826	41,826
Miscellaneous	276,858	348,614	653,833	305,219
Total Revenues	13,565,452	13,637,208	14,473,490	836,282
Expenditures				
Current:				
General administration	3,008,974	3,021,844	2,492,388	529,456
Judicial	1,518,319	1,673,560	1,493,144	180,416
Legal	370,702	370,702	387,571	(16,869) *
Financial administration	814,839	814,839	870,832	(55,994) *
Public facilities	683,470	712,212	726,020	(13,809) *
Public safety	7,089,644	7,132,572	6,930,335	202,237
Culture and recreation	138,516	139,176	136,610	2,566
Health and welfare	56,297	56,297	40,420	15,877
Conservation	141,933	141,273	140,666	607
Debt service:				
Principal	66,000	66,000	65,514	486
Interest and fiscal agent fees	2,000	2,000	4,744	(2,744)
Capital outlay	-	-	142,216	(142,216)
Total Expenditures	13,890,693	14,130,473	13,430,460	700,013
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(325,241)	(493,266)	1,043,030	1,536,296
Other Financing Sources (Uses)				
Transfers in	41,000	41,000	32,538	(8,462)
Transfers (out)	-	-	(2,742,511)	(2,742,511)
Capital leases	-	-	142,216	142,216
Total Other Financing Sources (Uses)	41,000	41,000	(2,567,757)	(2,608,757)
Net Change in Fund Balance				
	\$ (284,241)	\$ (452,266)	(1,524,727)	\$ (1,072,461)
Beginning fund balance			8,451,560	
Ending Fund Balance			\$ 6,926,833	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. *Expenditures exceeded appropriations at the legal level of control.

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	130,000	130,000	125,037	(4,963)
Interest	8,500	8,500	15,943	7,443
Miscellaneous	2,000	2,000	239,215	237,215
Total Revenues	<u>2,645,033</u>	<u>2,645,033</u>	<u>2,975,596</u>	<u>330,563</u>
Expenditures				
Current:				
Public transportation	2,645,033	4,524,541	2,466,316	2,058,225
Debt service:				
Principal	-	-	50,602	(50,602)
Interest and fiscal agent fees	-	-	5,376	(5,376)
Capital outlay	-	-	116,690	(116,690)
Total Expenditures	<u>2,645,033</u>	<u>4,524,541</u>	<u>2,638,984</u>	<u>1,885,557</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,879,508)	336,612	2,216,120
Other Financing Sources (Uses)				
Capital leases	-	-	112,690	112,690
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>112,690</u>	<u>112,690</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,879,508)</u>	449,302	<u>\$ 2,328,810</u>
Beginning fund balance			<u>2,753,357</u>	
Ending Fund Balance			<u>\$ 3,202,659</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
LATERAL ROAD AND BRIDGE FUND
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 2,095,523	\$ 2,095,523	\$ 2,111,842	\$ 16,319
Licenses and permits	-	8,959	37,238	28,279
Intergovernmental	26,000	29,821	29,821	-
Interest income	6,500	6,500	11,412	4,912
Miscellaneous	8,500	258,967	290,982	32,015
Total Revenues	<u>2,136,523</u>	<u>2,399,770</u>	<u>2,481,295</u>	<u>81,525</u>
Expenditures				
Current:				
Public transportation	2,136,523	5,030,567	1,917,153	3,113,414
Debt service:				
Principal	-	-	137,979	(137,979)
Interest and fiscal agent fees	-	-	10,530	(10,530)
Capital outlay	-	-	44,165	(44,165)
Total Expenditures	<u>2,136,523</u>	<u>5,030,567</u>	<u>2,109,827</u>	<u>2,920,740</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,630,797)</u>	<u>371,468</u>	<u>3,002,265</u>
Other Financing Sources (Uses)				
Transfers in	-	-	29,821	29,821
Transfers (out)	-	-	(29,821)	(29,821)
Capital leases	-	-	22,665	22,665
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>22,665</u>	<u>22,665</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (2,630,797)</u>	<u>394,133</u>	<u>\$ 3,024,930</u>
Beginning fund balance			<u>2,844,121</u>	
Ending Fund Balance			<u>\$ 3,238,254</u>	

Notes to Required Supplementary Information:

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

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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, 2016

	<u>Measurement Year*</u>	
	<u>2014</u>	<u>2015</u>
Total Pension Liability		
Service cost	\$ 832,613	\$ 918,709
Interest (on the total pension liability)	2,204,104	2,384,025
Changes of benefit terms	-	(133,185)
Difference between expected and actual experience	258,063	(214,376)
Change of assumptions	-	327,037
Benefit payments, including refunds of employee contributions	(1,087,601)	(1,338,866)
Net Change in Total Pension Liability	<u>2,207,179</u>	<u>1,943,344</u>
Beginning total pension liability	<u>27,336,176</u>	<u>29,543,355</u>
Ending Total Pension Liability	<u><u>\$ 29,543,355</u></u>	<u><u>\$ 31,486,699</u></u>
 Plan Fiduciary Net Position		
Contributions - employer	\$ 636,162	\$ 656,924
Contributions - employee	519,123	562,162
Net investment income	1,919,505	103,366
Benefit payments, including refunds of employee contributions	(1,087,601)	(1,338,866)
Administrative expense	(22,071)	(21,387)
Other	87,228	96,664
Net Change in Plan Fiduciary Net Position	<u>2,052,346</u>	<u>58,863</u>
Beginning plan fiduciary net position	<u>27,608,887</u>	<u>29,661,233</u>
Ending Plan Fiduciary Net Position	<u><u>\$ 29,661,233</u></u>	<u><u>\$ 29,720,096</u></u>
Net Pension Liability (Asset)	<u><u>\$ (117,878)</u></u>	<u><u>\$ 1,766,603</u></u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 100%	 94%
 Covered Employee Payroll	 \$ 7,414,444	 \$ 10,677,523
 Net Pension Liability as a Percentage of Covered Employee Payroll	 -2%	 17%

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

AUSTIN COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2016

	Fiscal Year*		
	2016	2015	2014
Actuarially determined contribution	\$ 705,530	\$ 647,743	\$ 636,162
Contributions in relation to the actuarially determined contribution	705,530	647,743	636,162
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 8,452,955	\$ 7,847,807	\$ 7,414,444
Contributions as a percentage of covered employee payroll	8%	8%	9%

*Only three years of information is currently available. The County will build this schedule over the next seven-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, 2016

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.

Fiscal Year	2016	2015	2014	2013
Actuarial Valuation Date	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Actuarial Value of Assets	\$ 20,075,675	\$ 19,500,714	\$ 19,005,599	\$ 17,601,883
Actuarial Accrued Liability	\$ 22,452,187	\$ 21,518,319	\$ 21,034,808	\$ 19,779,866
Percentage Funded	89.42%	90.62%	90.35%	88.99%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,376,512	\$ 2,017,605	\$ 2,029,209	\$ 2,177,983
Annual Covered Payroll	\$ 7,699,506	\$ 7,414,444	\$ 6,652,456	\$ 6,328,404
UAAL % of Covered Payroll	30.87%	27.21%	30.50%	34.42%
Net Pension Obligation (NPO) at the Beginning of Period	\$ -	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	705,530	647,743	617,625	566,186
Contributions Made	705,530	647,743	617,625	566,186
NPO at the End of Period	\$ -	\$ -	\$ -	\$ -

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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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 437,891	\$ 437,891	\$ 437,476	\$ (415)
Interest	9,899	9,899	239	(9,660)
Total Revenues	<u>447,790</u>	<u>447,790</u>	<u>437,715</u>	<u>(10,075)</u>
Expenditures				
Debt service:				
Principal	345,000	345,000	2,765,000	(2,420,000)
Interest and fiscal agent fees	102,790	102,790	111,268	(8,478)
Total Expenditures	<u>447,790</u>	<u>447,790</u>	<u>2,876,268</u>	<u>(2,428,478) *</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	-	-	(2,438,553)	(2,438,553)
Other Financing Sources (Uses)				
Transfers in	-	-	2,428,479	2,428,479
Transfers (out)	-	-	(6,171)	(6,171)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>2,422,308</u>	<u>2,422,308</u>
Net Change in Fund Balance				
	<u>\$ -</u>	<u>\$ -</u>	(16,245)	<u>\$ (16,245)</u>
Beginning fund balance			<u>16,245</u>	
Ending Fund Balance			<u>\$ -</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. *Expenditures exceeded appropriations at the legal level of control.

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 437,891	\$ 437,891	\$ 441,775	\$ 3,884
Interest	13,628	13,628	535	(13,093)
Total Revenues	<u>451,519</u>	<u>451,519</u>	<u>442,310</u>	<u>(9,209)</u>
Expenditures				
Debt service:				
Principal	245,000	245,000	245,000	-
Interest and fiscal agent fees	206,519	206,519	206,519	-
Total Expenditures	<u>451,519</u>	<u>451,519</u>	<u>451,519</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	-	-	(9,209)	(9,209)
Other Financing Sources (Uses)				
Transfers in	-	-	6,171	6,171
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>6,171</u>	<u>6,171</u>
Net Change in Fund Balance				
	<u>\$ -</u>	<u>\$ -</u>	(3,038)	<u>\$ (3,038)</u>
Beginning fund balance			<u>14,100</u>	
Ending Fund Balance			<u>\$ 11,062</u>	

Notes to Required Supplementary Information:

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

AUSTIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 4)
September 30, 2016

Special Revenue Funds				
	2007 PSIC Grant	Abandoned Vehicles	ARRA JAG Grant	CDA Law Enforcement
<u>Assets</u>				
Cash and cash equivalents	\$ (70,769)	\$ 1,015	\$ 320	\$ 189,887
Receivables, net	-	-	-	-
Total Assets	\$ (70,769)	\$ 1,015	\$ 320	\$ 189,887
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
<u>Fund Balances</u>				
Restricted	(70,769)	1,015	320	189,887
Total Fund Balances	(70,769)	1,015	320	189,887
Total Liabilities and Fund Balances	\$ (70,769)	\$ 1,015	\$ 320	\$ 189,887

Special Revenue Funds

CC & DC Technology	Collection Fee/Estray	Courthouse Security	Reporter Service	CDA Hot Check	CDA Forfeiture
\$ 5,598	\$ 1,115	\$ 40,282	\$ 49,741	\$ 5,656	\$ 1,724
-	-	-	285	-	-
<u>\$ 5,598</u>	<u>\$ 1,115</u>	<u>\$ 40,282</u>	<u>\$ 50,026</u>	<u>\$ 5,656</u>	<u>\$ 1,724</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,598</u>	<u>1,115</u>	<u>40,282</u>	<u>50,026</u>	<u>5,656</u>	<u>1,724</u>
<u>5,598</u>	<u>1,115</u>	<u>40,282</u>	<u>50,026</u>	<u>5,656</u>	<u>1,724</u>
<u>\$ 5,598</u>	<u>\$ 1,115</u>	<u>\$ 40,282</u>	<u>\$ 50,026</u>	<u>\$ 5,656</u>	<u>\$ 1,724</u>

AUSTIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 4)
September 30, 2016

Special Revenue Funds				
	Donations LEPC	EMS/ Special	Environmental	Estray
<u>Assets</u>				
Cash and cash equivalents	\$ 1,873	\$ 57,123	\$ 925	\$ 8,966
Receivables, net	-	-	-	-
Total Assets	\$ 1,873	\$ 57,123	\$ 925	\$ 8,966
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
<u>Fund Balances</u>				
Restricted	1,873	57,123	925	8,966
Total Fund Balances	1,873	57,123	925	8,966
Total Liabilities and Fund Balances	\$ 1,873	\$ 57,123	\$ 925	\$ 8,966

Special Revenue Funds

Indigent Healthcare	Justice Court Building Security	Justice Court Technology	Juvenile Probation Parental Support	Law Library	POD Grant
\$ 76,513	\$ 41,424	\$ 13,208	\$ 6,705	\$ 12,395	\$ 6,650
-	-	-	-	-	-
<u>\$ 76,513</u>	<u>\$ 41,424</u>	<u>\$ 13,208</u>	<u>\$ 6,705</u>	<u>\$ 12,395</u>	<u>\$ 6,650</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>76,513</u>	<u>41,424</u>	<u>13,208</u>	<u>6,705</u>	<u>12,395</u>	<u>6,650</u>
<u>76,513</u>	<u>41,424</u>	<u>13,208</u>	<u>6,705</u>	<u>12,395</u>	<u>6,650</u>
<u>\$ 76,513</u>	<u>\$ 41,424</u>	<u>\$ 13,208</u>	<u>\$ 6,705</u>	<u>\$ 12,395</u>	<u>\$ 6,650</u>

AUSTIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 4)
September 30, 2016

Special Revenue Funds				
	Records Management County	Records Management Fees	Sheriff's Forfeiture	Special Donations/ Sheriff
<u>Assets</u>				
Cash and cash equivalents	\$ 22,824	\$ 36,806	\$ 70,667	\$ 1,844
Receivables, net	-	-	-	-
Total Assets	\$ 22,824	\$ 36,806	\$ 70,667	\$ 1,844
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
<u>Fund Balances</u>				
Restricted	22,824	36,806	70,667	1,844
Total Fund Balances	22,824	36,806	70,667	1,844
Total Liabilities and Fund Balances	\$ 22,824	\$ 36,806	\$ 70,667	\$ 1,844

Special Revenue Funds

Special Library Knox Library	Special Library W.E. Library	Tax Increment Finance Zone No. 1	Capital Fund Grant	Tobacco Litigation/ Settlement	Traffic Fees/ Justice Court
\$ 29,441	\$ 14,650	\$ 25,791	\$ -	\$ 68,284	\$ 13,760
-	-	-	-	-	-
<u>\$ 29,441</u>	<u>\$ 14,650</u>	<u>\$ 25,791</u>	<u>\$ -</u>	<u>\$ 68,284</u>	<u>\$ 13,760</u>
\$ -	\$ 363	\$ -	\$ -	\$ -	\$ -
-	363	-	-	-	-
29,441	14,287	25,791	-	68,284	13,760
29,441	14,287	25,791	-	68,284	13,760
<u>\$ 29,441</u>	<u>\$ 14,650</u>	<u>\$ 25,791</u>	<u>\$ -</u>	<u>\$ 68,284</u>	<u>\$ 13,760</u>

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AUSTIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 4)
September 30, 2016

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Austin County Recycling Program	Video/Court Costs	Juvenile Case Management	
<u>Assets</u>				
Cash and cash equivalents	\$ 13,212	\$ 6,582	\$ 85,674	\$ 839,886
Receivables, net	-	-	-	285
Total Assets	\$ 13,212	\$ 6,582	\$ 85,674	\$ 840,171
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 363
Total Liabilities	-	-	-	363
<u>Fund Balances</u>				
Restricted	13,212	6,582	85,674	839,808
Total Fund Balances	13,212	6,582	85,674	839,808
Total Liabilities and Fund Balances	\$ 13,212	\$ 6,582	\$ 85,674	\$ 840,171

AUSTIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 4)
September 30, 2016

<u>Special Revenue Funds</u>				
	<u>2007 PSIC Grant</u>	<u>Abandoned Vehicles</u>	<u>ARRA JAG Grant</u>	<u>CDA Law Enforcement</u>
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	767
Miscellaneous	-	-	-	88,543
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,310</u>
Expenditures				
Current:				
General administration	214,907	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	37,072
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
Capital outlay				
	-	-	-	-
Total Expenditures	<u>214,907</u>	<u>-</u>	<u>-</u>	<u>37,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(214,907)</u>	<u>-</u>	<u>-</u>	<u>52,238</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(3,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,000)</u>
Net Change in Fund Balances	<u>(214,907)</u>	<u>-</u>	<u>-</u>	<u>49,238</u>
Beginning fund balances	<u>144,138</u>	<u>1,015</u>	<u>320</u>	<u>140,649</u>
Ending Fund Balances	<u>\$ (70,769)</u>	<u>\$ 1,015</u>	<u>\$ 320</u>	<u>\$ 189,887</u>

Special Revenue Funds

CC & DC Technology	Collection Fee/Estray	Courthouse Security	Reporter Service	CDA Hot Check	CDA Forfeiture
\$ 2,133	\$ -	\$ 22,879	\$ 7,527	\$ 38,381	\$ -
-	-	-	-	-	-
-	-	-	-	-	6,654
-	-	-	-	7	13
-	-	-	-	-	-
<u>2,133</u>	<u>-</u>	<u>22,879</u>	<u>7,527</u>	<u>38,388</u>	<u>6,667</u>
-	-	-	-	-	-
860	-	-	-	-	-
-	-	-	-	34,211	-
-	-	77,277	-	-	9,690
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>860</u>	<u>-</u>	<u>77,277</u>	<u>-</u>	<u>34,211</u>	<u>9,690</u>
1,273	-	(54,398)	7,527	4,177	(3,023)
-	-	-	-	-	3,000
-	-	-	-	-	-
-	-	-	-	-	3,000
1,273	-	(54,398)	7,527	4,177	(23)
<u>4,325</u>	<u>1,115</u>	<u>94,680</u>	<u>42,499</u>	<u>1,479</u>	<u>1,747</u>
<u>\$ 5,598</u>	<u>\$ 1,115</u>	<u>\$ 40,282</u>	<u>\$ 50,026</u>	<u>\$ 5,656</u>	<u>\$ 1,724</u>

AUSTIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 4)
September 30, 2016

Special Revenue Funds				
	Donations LEPC	EMS/ Special	Environmental	Estray
Revenues				
Charges for services	\$ -	\$ 1,560	\$ -	\$ 2,486
Property taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	14,981	-	-
Total Revenues	-	16,541	-	2,486
Expenditures				
Current:				
General administration	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	8,586	-	2,526
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
Capital outlay				
	-	-	-	-
Total Expenditures	-	8,586	-	2,526
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	7,955	-	(40)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	7,955	-	(40)
Beginning fund balances	1,873	49,168	925	9,006
Ending Fund Balances	\$ 1,873	\$ 57,123	\$ 925	\$ 8,966

Special Revenue Funds

Indigent Healthcare	Justice Court Building Security	Justice Court Technology	Juvenile Probation Parental Support	Law Library	POD Grant
\$ -	\$ 4,168	\$ 16,782	\$ -	\$ 32,482	\$ -
-	-	-	-	-	-
-	-	-	2,253	-	-
-	-	-	11	-	-
1,553	-	-	-	-	-
<u>1,553</u>	<u>4,168</u>	<u>16,782</u>	<u>2,264</u>	<u>32,482</u>	<u>-</u>
-	-	-	-	-	-
85,902	-	25,012	-	-	-
-	-	-	-	26,582	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>85,902</u>	<u>-</u>	<u>25,012</u>	<u>-</u>	<u>26,582</u>	<u>-</u>
(84,349)	4,168	(8,230)	2,264	5,900	-
200,000	-	-	-	-	-
-	-	-	-	-	-
<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
115,651	4,168	(8,230)	2,264	5,900	-
(39,138)	37,256	21,438	4,441	6,495	6,650
<u>\$ 76,513</u>	<u>\$ 41,424</u>	<u>\$ 13,208</u>	<u>\$ 6,705</u>	<u>\$ 12,395</u>	<u>\$ 6,650</u>

AUSTIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 4)
September 30, 2016

	Special Revenue Funds			
	Records Management County	Records Management Fees	Sheriff's Forfeiture	Special Donations/ Sheriff
Revenues				
Charges for services	\$ 18,292	\$ 56,022	\$ -	\$ 700
Property taxes	-	-	-	-
Fines and forfeitures	-	-	320,807	-
Investment income	-	106	372	-
Miscellaneous	-	-	-	-
Total Revenues	18,292	56,128	321,179	700
Expenditures				
Current:				
General administration	14,900	66,507	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	312,539	1,237
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
Capital outlay	-	-	71,265	-
Total Expenditures	14,900	66,507	383,804	1,237
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	3,392	(10,379)	(62,625)	(537)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	3,392	(10,379)	(62,625)	(537)
Beginning fund balances	19,432	47,185	133,292	2,381
Ending Fund Balances	\$ 22,824	\$ 36,806	\$ 70,667	\$ 1,844

Special Revenue Funds

Special Library Knox Library	Special Library W.E. Library	Tax Increment Finance Zone No. 1	Capital Fund Grant	Tobacco Litigation/ Settlement	Traffic Fees/ Justice Court
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,889
-	-	-	-	-	-
-	-	-	-	26,885	-
48	-	-	-	152	-
8,780	7,838	-	-	-	-
<u>8,828</u>	<u>7,838</u>	<u>-</u>	<u>-</u>	<u>27,037</u>	<u>10,889</u>
-	-	29,912	50,000	-	-
-	-	-	-	19,474	-
-	-	-	-	-	-
-	-	-	-	-	930
3,978	4,949	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	16,625	-
<u>3,978</u>	<u>4,949</u>	<u>29,912</u>	<u>50,000</u>	<u>36,099</u>	<u>930</u>
<u>4,850</u>	<u>2,889</u>	<u>(29,912)</u>	<u>(50,000)</u>	<u>(9,062)</u>	<u>9,959</u>
-	-	81,494	-	-	-
-	-	-	-	-	-
-	-	81,494	-	-	-
4,850	2,889	51,582	(50,000)	(9,062)	9,959
<u>24,591</u>	<u>11,398</u>	<u>(25,791)</u>	<u>50,000</u>	<u>77,346</u>	<u>3,801</u>
<u>\$ 29,441</u>	<u>\$ 14,287</u>	<u>\$ 25,791</u>	<u>\$ -</u>	<u>\$ 68,284</u>	<u>\$ 13,760</u>

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AUSTIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 4)
September 30, 2016

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Austin County Recycling Program	Video/Court Costs	Juvenile Case Management	
Revenues				
Charges for services	\$ 14,172	\$ 70	\$ -	\$ 228,543
Property taxes	-	-	-	-
Fines and forfeitures	-	-	845	357,444
Investment income	-	-	-	1,476
Miscellaneous	-	-	-	121,695
Total Revenues	<u>14,172</u>	<u>70</u>	<u>845</u>	<u>709,158</u>
Expenditures				
Current:				
General administration	-	-	-	376,226
Judicial	-	233	-	131,481
Legal	-	-	-	60,793
Public safety	-	-	-	449,857
Health and welfare	-	-	-	8,927
Debt service:				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
Capital outlay				
	-	-	-	87,890
Total Expenditures	<u>-</u>	<u>233</u>	<u>-</u>	<u>1,115,174</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>14,172</u>	<u>(163)</u>	<u>845</u>	<u>(406,016)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	284,494
Transfers (out)	-	-	-	(3,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,494</u>
Net Change in Fund Balances	14,172	(163)	845	(124,522)
Beginning fund balances	(960)	6,745	84,829	964,330
Ending Fund Balances	<u>\$ 13,212</u>	<u>\$ 6,582</u>	<u>\$ 85,674</u>	<u>\$ 839,808</u>

AUSTIN COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2016

	<u>Juvenile Probation State</u>	<u>Drainage District No. 1</u>	<u>Court Costs</u>	<u>Bellville ISD Truancy</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 29,505	\$ 61,156	\$ 195,898	\$ 1,132
Receivables	-	-	7,297	-
Total Assets	<u>\$ 29,505</u>	<u>\$ 61,156</u>	<u>\$ 203,195</u>	<u>\$ 1,132</u>
<u>Liabilities</u>				
Accounts payable	\$ 4,353	\$ -	\$ -	\$ -
Due to others	25,152	61,156	203,195	1,132
Total Liabilities	<u>\$ 29,505</u>	<u>\$ 61,156</u>	<u>\$ 203,195</u>	<u>\$ 1,132</u>

See Notes to Financial Statements.

Sealy ISD Truancy	New Ulm WWTR Rehabilitation	County Officer Monies	Total Fiduciary Funds
\$ 233	\$ (6,887)	\$ 3,235,134	\$ 3,516,171
-	-	-	7,297
<u>\$ 233</u>	<u>\$ (6,887)</u>	<u>\$ 3,235,134</u>	<u>\$ 3,523,468</u>
\$ -	\$ -	\$ -	\$ 4,353
233	(6,887)	3,235,134	3,519,115
<u>\$ 233</u>	<u>\$ (6,887)</u>	<u>\$ 3,235,134</u>	<u>\$ 3,523,468</u>

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