

ANNUAL FINANCIAL REPORT

of

HARDIN COUNTY, TEXAS

For the Year Ended
September 30, 2016

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HARDIN COUNTY, TEXAS

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INTRODUCTORY SECTION

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HARDIN COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
September 30, 2016

COMMISSIONERS' COURT:

Wayne McDaniel	County Judge
L.W. Cooper, Jr	Commissioner, Precinct #1
Chris Kirkendall	Commissioner, Precinct #2
Ken Pelt	Commissioner, Precinct #3
Alvin Roberts	Commissioner, Precinct #4

JUDICIAL:

David Sheffield	District Attorney
Dana Hogg	District Clerk

LEGAL

Rebecca Walton	County Attorney
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COUNTY COURT

Glenda Alston	County Clerk
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JUSTICE COURTS:

Chris Ingram	Justice of Peace, Precinct #1
Charles Brewer	Justice of Peace, Precinct #2
Tommy "T.J." Hall	Justice of Peace, Precinct #3
Kent Walker	Justice of Peace, Precinct #4
Melissa Minton	Justice of Peace, Precinct #5
Jackie Werner	Justice of Peace, Precinct #6

LAW ENFORCEMENT:

Ed Cain	County Sheriff
"Red" Cooper	Constable, Precinct #1
Ben Hawthorne	Constable, Precinct #2
Bill Overstreet	Constable, Precinct #3
Mark Ames	Constable, Precinct #4
Greg Smith	Constable, Precinct #5
Tim Moody	Constable, Precinct #6

FINANCIAL ADMINISTRATION:

Shirley Stephens	Tax Assessor/Collector
Deborah McWilliams	County Treasurer
Angela Gore	County Auditor*

*Designated appointed official. All others are elected.

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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
Hardin 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 Hardin 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 introductory section and combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic 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.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
June 29, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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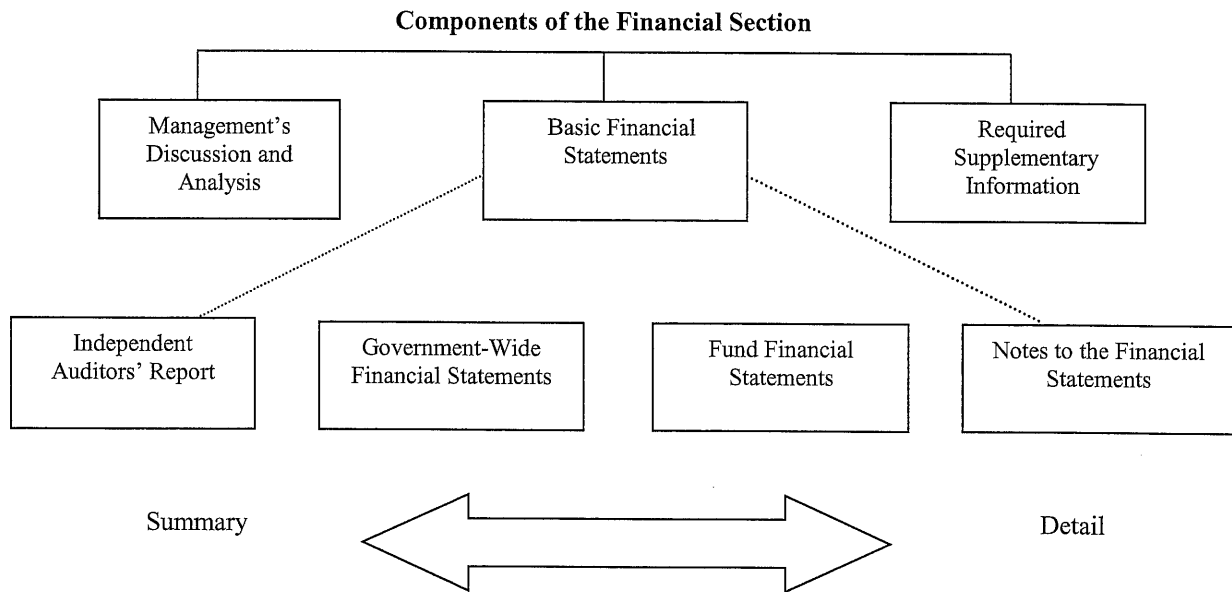
HARDIN COUNTY, TEXAS

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 Hardin 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 non financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered in order to assess the overall health of the County.

HARDIN 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 government, administration of justice, public transportation, public safety, health and human services, community enrichment, and tax administration. Interest payments on the County's debt are also reported here. Property tax, court fines, and other fees 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 two categories of County funds are governmental 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 45 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 and 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, and select special revenue funds. Budgetary comparison schedules have been provided for the general, road and bridge, and select special revenue funds to demonstrate compliance with their budgets.

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 County maintains two fiduciary funds. The County's fiduciary activities are reported in a separate statement of fiduciary net position.

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

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 and road and bridge funds, a schedule of changes in net pension liability and related ratios and schedule of contributions for the Texas County District Retirement System, and a schedule of funding progress for other post employment benefits. 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 \$13,048,673 as of September 30, 2016. This compares with \$13,127,266 from the prior fiscal year. A portion of the County's net position, 53 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.

HARDIN 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:

	Governmental Activities	
	2016	2015
Current and other assets	\$ 12,842,078	\$ 11,454,830
Capital assets, net	10,000,092	10,104,323
Total Assets	22,842,170	21,559,153
Deferred charge on refunding	34,595	39,537
Deferred outflows - pension	4,782,970	1,581,409
Total Deferred Outflows of Resources	4,817,565	1,620,946
Long-term liabilities	11,799,350	7,959,229
Other liabilities	2,472,891	2,093,604
Total Liabilities	14,272,241	10,052,833
Deferred revenue - grants	156,824	-
Deferred inflows - pension	181,997	-
Total Deferred Inflows of Resources	338,821	-
Net Position:		
Net investment in capital assets	6,902,826	7,785,502
Restricted	3,997,610	1,484,084
Unrestricted	2,148,237	3,857,680
Total Net Position	\$ 13,048,673	\$ 13,127,266

A portion of the County's net position, \$3,997,610 or 31 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$2,148,237 or 16 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

Overall net position was comparable to the prior year with an decrease of \$78,593 in total. Restricted net position increased from the prior year due to the issuance of debt to finance capital improvements. Total deferred outflows and total liabilities increased as a result of the issuance of debt and an increase in the County's pension liability.

HARDIN 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	\$ 4,171,042	\$ 4,764,948
Operating grants and contributions	3,600,605	3,354,010
General revenues:		
Taxes	15,894,010	16,164,367
Investment income	21,839	6,923
Other revenues	165,110	221,858
Total Revenues	23,852,606	24,512,106
Expenses		
General government	4,494,333	3,397,102
Administration of justice	5,038,347	-
Roads and bridges	5,055,571	3,413,073
Public safety	7,398,413	15,626,633
Health and human services	825,255	-
Community enrichment	133,478	120,466
Tax administration	868,788	-
Interest on long term debt	117,014	58,019
Total Expenses	23,931,199	22,615,293
Change in Net Position	(78,593)	1,896,813
Beginning net position	13,127,266	11,230,453
Ending Net Position	\$ 13,048,673	\$ 13,127,266

Overall, governmental activities revenue decreased \$659,500 primarily as a result of a decrease in charges for services and property tax revenue. These were offset by an increase in operating grants and contributions. Total expenses increased over the prior year by \$1,315,906. Road and bridges expenditures increased during the year which can be attributed to the increase of road improvements for the County.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

The County's governmental funds reflect a combined fund balance of \$8,517,960. Of this, \$4,262,358 is unassigned and available for day-to-day operations of the County, \$20,442 is restricted for debt service,

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

\$1,324,248 is restricted for road and bridge projects, and \$2,652,920 is restricted within the County's special revenue funds.

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 \$4,262,358. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29 percent of total general fund expenditures while total fund balance represents 31 percent of total general fund expenditures.

Fund balance in the general fund and the road and bridge fund experienced increases of \$160,597 and \$81,686, respectively. The increases to fund balances are the result of increases in revenue from fines and fees along with licenses and permits for the County. There was an increase in the combined fund balance of \$1,425,977 over the prior year, which can be attributed to debt proceeds received for the County annex construction.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were over final budgeted revenues by \$178,966 during the year. This net positive variance is attributable to fines and fees exceeding the anticipated amount in the original budget projections. General fund disbursements were under the final budget by \$3,026,175.

CAPITAL ASSETS

At the end of year 2016, the County had invested \$10,000,092 in a variety of capital assets and infrastructure (net of accumulated depreciation). Major capital asset events during the current year include the following:

- Six vehicles for public safety in the amount of \$235,914
- Road and bridge equipment in the amount of \$284,611

More detailed information on the County's capital assets can be found in note III.C. to the financial statements.

LONG-TERM DEBT

At the end of the year, the County reported total certificates of obligation and capital leases of \$3,021,334. The County issued \$1,065,000 in certificates of obligation and \$135,000 in capital lease obligations during fiscal year 2016.

More detailed information on the County's long-term liabilities can be found in note III.D. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County has continued to experience decreased ad valorem revenue during current year; however there is a projected increase of ad valorem taxes in the 2017 fiscal budget. This is due to an increase in the tax rate of .0162000% as well as an increase in the tax roll base. The consolidated adopted rate for fiscal year 2017 is .5762000%.

HARDIN 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 finances of the County. Questions concerning this report or requests for additional financial information should be directed to Hardin County Auditor, Hardin County, 300 W. Monroe, P.O. Box 2996, Hardin County, Texas, 77625; telephone 409-246-5130.

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BASIC FINANCIAL STATEMENTS

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HARDIN COUNTY, TEXAS

STATEMENT OF NET POSITION

September 30, 2016

	<u>Primary Government Governmental Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 10,151,937
Receivables, net	2,431,501
Prepays	257,992
Due from other units	648
Total Current Assets	12,842,078
Capital assets:	
Non-depreciable	632,064
Net depreciable capital assets	9,368,028
Total Noncurrent Assets	10,000,092
Total Assets	22,842,170
<u>Deferred Outflows of Resources</u>	
Deferred charge on refunding	34,595
Deferred outflows - pension	4,782,970
Total Deferred Outflows of Resources	4,817,565
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued liabilities	1,857,186
Accrued interest payable	16,892
Due from other governments	2,913
Unearned revenue	595,900
	<u>2,472,891</u>
Noncurrent liabilities:	
Long-term liabilities due within one year	740,660
Long-term liabilities due in more than one year	11,058,690
	<u>11,799,350</u>
Total Liabilities	14,272,241
<u>Deferred Inflows of Resources</u>	
Deferred revenue - grants	156,824
Deferred inflows - pension	181,997
Total Deferred Inflows of Resources	338,821
<u>Net Position</u>	
Net investment in capital assets	6,902,826
Restricted for:	
Road and bridge	1,324,248
Debt service	20,442
Other purposes	2,652,920
Unrestricted	2,148,237
Total Net Position	\$ 13,048,673

See Notes to Financial Statements.

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HARDIN 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:				
General government	\$ 4,494,333	\$ 1,607,853	\$ 3,600,605	\$ 714,125
Administration of justice	5,038,347	213,541	-	(4,824,806)
Roads and bridges	5,055,571	2,349,648	-	(2,705,923)
Public safety	7,398,413	-	-	(7,398,413)
Health and human services	825,255	-	-	(825,255)
Community enrichment	133,478	-	-	(133,478)
Tax administration	868,788	-	-	(868,788)
Interest and fiscal charges	117,014	-	-	(117,014)
Total Governmental Activities	\$ 23,931,199	\$ 4,171,042	\$ 3,600,605	(16,159,552)
General Revenues:				
				15,894,010
				21,839
				165,110
			Total General Revenues	16,080,959
			Change in Net Position	(78,593)
			Beginning net position	13,127,266
			Ending Net Position	\$ 13,048,673

See Notes to Financial Statements.

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HARDIN COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2016

	<u>General</u>	<u>Road and Bridge</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 5,935,349	\$ 1,313,954	\$ 2,902,634	\$ 10,151,937
Receivables, net	1,447,089	397,809	586,603	2,431,501
Prepays	257,992	-	-	257,992
Due from other funds	657,645	511,745	888,847	2,058,237
Due from other units	-	-	648	648
Total Assets	<u>\$ 8,298,075</u>	<u>\$ 2,223,508</u>	<u>\$ 4,378,732</u>	<u>\$ 14,900,315</u>
<u>Liabilities</u>				
Accounts payable	\$ 648,666	\$ 399,063	\$ 213,472	\$ 1,261,201
Salary and fringe benefits payable	491,800	104,185	-	595,985
Due to other funds	1,400,592	-	657,645	2,058,237
Due to other governments	-	-	2,913	2,913
Unearned revenue	-	-	595,900	595,900
Total Liabilities	<u>2,541,058</u>	<u>503,248</u>	<u>1,469,930</u>	<u>4,514,236</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grant	-	-	156,824	156,824
Unavailable revenue - property taxes	1,236,667	396,012	78,616	1,711,295
Total Deferred Inflows of Resources	<u>1,236,667</u>	<u>396,012</u>	<u>235,440</u>	<u>1,868,119</u>
<u>Fund Balances</u>				
Nonspendable				
Prepays	257,992	-	-	257,992
Restricted:				
Road and bridge	-	1,324,248	-	1,324,248
Debt service	-	-	20,442	20,442
Special revenue funds	-	-	2,652,920	2,652,920
Unassigned	4,262,358	-	-	4,262,358
Total Fund Balances	<u>4,520,350</u>	<u>1,324,248</u>	<u>2,673,362</u>	<u>8,517,960</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,298,075</u>	<u>\$ 2,223,508</u>	<u>\$ 4,378,732</u>	<u>\$ 14,900,315</u>

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

Fund balances - total governmental funds	\$	8,517,960
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, not reported in the governmental funds.		
Nondepreciable capital assets		632,064
Depreciable capital assets, net		9,368,028
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Deferred inflows - property taxes		1,711,295
Deferred outflows and deferred inflows related to pension activity are not current financial resources and, therefore, not reported in the governmental funds.		
Deferred outflows - pension		4,782,970
Deferred inflows - pension		(181,997)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable		(16,892)
Deferred charge on refunding		34,595
Long-term liabilities due within one year		(740,660)
Long-term liabilities due in more than one year		(11,058,690)
Net Position of Governmental Activities	\$	<u>13,048,673</u>

See Notes to Financial Statements.

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HARDIN COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

	<u>General</u>	<u>Road and Bridge</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 13,421,414	\$ 2,256,346	\$ 791,828	\$ 16,469,588
Intergovernmental	-	-	3,600,605	3,600,605
Fines and fees	1,278,733	437,856	409,023	2,125,612
Licenses and permits	133,638	1,911,792	-	2,045,430
Investment income	20,778	-	1,061	21,839
Other revenues	80,015	-	85,095	165,110
Total Revenues	<u>14,934,578</u>	<u>4,605,994</u>	<u>4,887,612</u>	<u>24,428,184</u>
Expenditures				
General government	3,963,514	-	434,480	4,397,994
Administration of justice	3,412,937	-	1,616,349	5,029,286
Public transportation	-	4,308,816	581,519	4,890,335
Public safety	5,518,315	-	1,781,701	7,300,016
Health and human services	823,771	-	-	823,771
Community enrichment	133,238	-	-	133,238
Tax administration	873,120	-	-	873,120
Debt service:				
Principal	-	210,245	240,000	450,245
Interest	-	5,247	52,890	58,137
Debt issuance cost	-	-	59,615	59,615
Capital outlay	-	135,000	51,450	186,450
Total Expenditures	<u>14,724,895</u>	<u>4,659,308</u>	<u>4,818,004</u>	<u>24,202,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	209,683	(53,314)	69,608	225,977
Other Financing Sources (Uses)				
Debt issuance	-	135,000	1,065,000	1,200,000
Transfers in	-	-	49,086	49,086
Transfers (out)	(49,086)	-	-	(49,086)
Total Other Financing Sources (Uses)	<u>(49,086)</u>	<u>135,000</u>	<u>1,114,086</u>	<u>1,200,000</u>
Net Change in Fund Balances	160,597	81,686	1,183,694	1,425,977
Beginning fund balances	<u>4,359,753</u>	<u>1,242,562</u>	<u>1,489,668</u>	<u>7,091,983</u>
Ending Fund Balances	<u>\$ 4,520,350</u>	<u>\$ 1,324,248</u>	<u>\$ 2,673,362</u>	<u>\$ 8,517,960</u>

See Notes to Financial Statements.

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HARDIN 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

Net changes in fund balances – total governmental funds \$ 1,425,977

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	694,329
Depreciation expense	(798,560)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred revenue	(575,578)
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Net pension liability and deferred outflows and deferred inflows related to the net pension liability are not reported in the governmental funds.

Net pension liability	(3,061,807)
Deferred outflows	3,229,831
Deferred inflows	(210,267)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal payments	450,245
Debt issued	(1,200,000)
Changes to bond premiums	10,847
Amortization of deferred charges	(4,942)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This adjustment reflects the net change in the OPEB obligation and compensated absences.

Accrued interest payable	738
Net OPEB obligation	(26,472)
Compensated absences	(12,934)

Change in Net Position of Governmental Activities	\$ <u>(78,593)</u>
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See Notes to Financial Statements.

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

		<u>Total Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents		\$ 2,858,995
	Total Assets	<u>\$ 2,858,995</u>
 <u>Liabilities</u>		
Due to other units		\$ 2,858,995
	Total Liabilities	<u>\$ 2,858,995</u>

See Notes to Financial Statements.

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HARDIN COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Hardin County, Texas (the "County") is an independent government entity created in 1858 from Jefferson and Liberty Counties 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's financial statements include the accounts of all County operations. The County provides a vast array of services including administration of general government, justice, road and bridges, public safety, health and human services, community enrichment, and tax administration.

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.

The County's basic financial statements include the primary government only. The County has no oversight responsibility for any other entities since they are not considered financially accountable to the County. Financial accountability is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing body.

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*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The County has no business-type activities.

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. Separate financial statements are provided for governmental 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.

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

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 and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial transactions not accounted for and reported in another fund. The principal sources of receipts include local property taxes, fees, fines and forfeitures, and charges for services. Disbursements include general government, administration of justice, public safety, health and human services, community enrichment, and tax administration. The general fund is always considered a major fund for reporting purposes.

The *interest and sinking 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 expenditures for specified purposes other than debt service or capital projects. The following special revenue fund is considered a major fund 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.

The remaining special revenue funds are considered nonmajor funds for reporting purposes.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of the County annex and other capital assets. The capital projects fund is considered a nonmajor fund for reporting purposes.

Additionally, the County reports the following fund types:

Fiduciary funds are used to account for and report resources held for the benefit of parties outside the County. The County maintains one type of fiduciary fund, 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.

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 funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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

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 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.

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.

The County maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and cash equivalents."

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

2. Investments

The Public Funds Investment Act, Chapter 2256, Texas Government Code authorizes the County to 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) collateral mortgage obligations, although significantly limited;
- (d) 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;
- (e) obligations of state, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than "A" or its equivalent;
- (f) certificates of deposit issued by state and national banks or savings and loan domiciled in Texas in accordance with specific criteria;
- (g) fully collateralized repurchase agreements, bankers' acceptances, commercial paper, mutual funds, and investment pools all of which are required to meet certain restrictive criteria.

3. Inventories and Prepaid Items

The costs of governmental fund 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 columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. 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.

HARDIN 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:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Equipment	3 to 30 years
Buildings and improvements	20 to 50 years
Improvements	15 to 20 years
Infrastructure	5 to 40 years

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 four items that qualify for reporting in this category on 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 earnings 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 two items 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 benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. Additionally, the County has received some grant funds that are for the next fiscal year. At the fund level, the County has two items, which arise only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the items, unavailable revenue, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grants and property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. Compensated Employee Absences

The vacation, compensatory time, and holiday time policy of the County provides for the accumulation of various specified days earned, depending on tenure with the County, with such leave being fully vested when earned. Although employees are encouraged to take vacation in the year earned, payment of accrued vacation time is eligible to employees who separated from the County. For the County's government-wide statements, an expense and a liability for compensated

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

absences and the salary-related payments are recorded as the leave is earned. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The County's sick leave policy provides for a specified accumulation of earned sick leave. Accumulated sick leave is not compensated upon resignation, retirement, or dismissal. Since the County does not have any obligation of accumulated sick leave until it is taken, no accruals for sick leave have been made.

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, jury, and interest and sinking 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 and road and bridge funds 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

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

which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

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

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

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 County Judge may also assign fund balance as is done when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. 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.

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

HARDIN 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 Jan 31
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, jury, and interest and sinking 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

The original budget is adopted by the Commissioners' Court prior to the beginning of the year. The legal level of control is the department level as defined by State statute. Management is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total disbursements of any fund must be approved by the Commissioners' Court.

Budgets are adopted on a budgetary basis for all budgeted funds and are not consistent with generally accepted accounting principles (GAAP). The County does budget for some accruals, however it does not budget for payroll accruals at year end. Several supplemental budget appropriations were made for the year ended September 30, 2016.

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

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>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 2,511,121	0.00
Portfolio weighted average maturity		0.00

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the stated maturity of its investment portfolio to no more than 12 months.

Credit risk. State law limit 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. As of September 30, 2016, the County’s investments in TexPool were rated “AAAm” by Standard & Poor’s.

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, the market values of pledged securities and FDIC insurance exceed bank balances.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rates TexPool “AAAm”. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool’s authority may only impose restrictions on redemptions in the event of a general suspension of trading on major national markets, general banking moratorium, or a national state of emergency that affects TexPool’s liquidity.

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

B. Receivables

Amounts are aggregated into a single accounts receivable line (net of allowance for uncollectibles) for certain funds and aggregated columns. Below is the detail of receivables for the general fund, road and bridge fund, and non major governmental funds including the applicable allowances for uncollectible accounts:

	<u>General</u>	<u>Road and Bridge</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Property taxes	\$ 1,999,585	\$ 404,094	\$ 109,668	\$ 2,513,347
Other receivables	210,423	1,797	507,987	720,207
Allowance for uncollectible	(762,919)	(8,082)	(31,052)	(802,053)
	<u>\$ 1,447,089</u>	<u>\$ 397,809</u>	<u>\$ 586,603</u>	<u>\$ 2,431,501</u>

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

C. Capital Assets

A summary of changes in capital assets for the year end is as follows:

	Beginning Balance*	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 491,917	\$ 50,000	\$ -	\$ 541,917
Construction in progress	9,280	80,867	-	90,147
Total capital assets not being depreciated	501,197	130,867	-	632,064
Other capital assets:				
Equipment	9,235,603	555,031	(197,190)	9,593,444
Buildings	8,708,517	8,431	-	8,716,948
Improvements	816,163	-	-	816,163
Infrastructure	22,135,468	-	-	22,135,468
Total other capital assets	40,895,751	563,462	(197,190)	41,262,023
Less accumulated depreciation for:				
Equipment	(6,412,423)	(557,417)	197,190	(6,772,650)
Buildings and improvements	(5,175,582)	(115,306)	-	(5,290,888)
Improvements	(404,618)	(40,235)	-	(444,853)
Infrastructure	(19,300,002)	(85,602)	-	(19,385,604)
Total accumulated depreciation	(31,292,625)	(798,560)	197,190	(31,893,995)
Other capital assets, net	9,603,126	(235,098)	-	9,368,028
Governmental Activities Capital Assets, Net	\$ 10,104,323	\$ (104,231)	\$ -	10,000,092
			Less associated debt	(3,097,266)
			Net Investment in Capital Assets	\$ 6,902,826

*Beginning balances have been restated.

Depreciation was charged to governmental functions as follows:

General government	\$ 136,857
Roads and bridges	380,335
Public safety	281,368
Total Governmental Activities Depreciation Expense	\$ 798,560

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

D. Long-Term Debt

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2016. In general, the County uses the general and road and bridge funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and capital leases:					
General obligation	\$ 2,125,000	\$ 1,065,000	\$ (240,000)	\$ 2,950,000	\$ 275,000
Obligations under capital lease	146,579	135,000	(210,245)	71,334	42,295
Less deferred amounts:					
Premium	86,779	-	(10,847)	75,932	-
	<u>2,358,358</u>	<u>1,200,000</u>	<u>(461,092)</u>	<u>3,097,266</u>	<u>* 317,295</u>
Other:					
Compensated absences	457,472	1,036,204	(1,023,270)	470,406	423,365
Net pension liability	4,813,801	3,061,807	-	7,875,608	-
Net OPEB obligation	329,598	26,472	-	356,070	-
	<u>5,600,871</u>	<u>4,124,483</u>	<u>(1,023,270)</u>	<u>8,702,084</u>	<u>423,365</u>
Total Governmental Activities	<u>\$ 7,959,229</u>	<u>\$ 5,324,483</u>	<u>\$ (1,484,362)</u>	<u>\$ 11,799,350</u>	<u>\$ 740,660</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 11,058,690</u>
				* Debt associated with capital assets	<u>\$ 3,097,266</u>

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. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Long-term debt as of September 30, 2016 was comprised of the following debt issues:

	<u>Interest Rate Percentage</u>	<u>Original Amount</u>	<u>Balance</u>
General Obligation			
Refunding Bonds, Series 2014	2.00-3.00	\$ 2,390,000	\$ 1,885,000
Series 2016	1.33	\$ 1,065,000	1,065,000
			<u>2,950,000</u>
Capital Leases			
Bankcorp South Corporation	3.54	\$ 273,310	\$ 71,334
			<u>71,334</u>
		Total	<u>\$ 3,021,334</u>

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

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

Year Ending Sept. 30	Governmental Activities			
	General Obligation		Capital Leases	
	Principal	Interest	Principal	Interest
2017	\$ 275,000	\$ 57,454	\$ 42,295	\$ 1,843
2018	280,000	52,022	29,039	387
2019	295,000	44,040	-	-
2020	300,000	35,691	-	-
2021	310,000	29,892	-	-
2022-2026	1,490,000	64,329	-	-
Total	\$ 2,950,000	\$ 283,428	\$ 71,334	\$ 2,230

Machinery and equipment acquired under current capital lease obligations totaled \$273,100 and accumulated depreciation totaled \$214,743.

E. Interfund Transfers

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

Transfers in	Transfers out	Amounts
Nonmajor governmental funds	General fund	\$ 49,086

Amounts transferred between funds relate to amounts collected by general, road and bridge, and special revenue funds for various governmental disbursements.

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

Due to	Due from	Amounts
General fund	Nonmajor governmental funds	\$ 657,645
Road and bridge fund	General fund	511,745
Nonmajor governmental funds	General fund	888,847
	Total	\$ 2,058,237

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

F. Restatement of Net Position

The County has restated beginning net position due to the addition of capital assets and associated depreciation at the government-wide level as required by generally accepted accounting principles. The beginning net position was restated as follows:

	Governmental Activities
Beginning net position - as reported	\$ 12,850,775
Change in reporting of capital assets	1,715,873
Change in reporting of depreciation	(1,439,382)
Beginning Net Position - Restated	\$ 13,127,266

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"). The 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 in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

B. Contingent Liabilities

Amounts received or receivable from granting 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 amounts 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 several lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's management that resolution of these matters will not have a material adverse effect of 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 claims are reported at year end.

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

C. Pension Plan

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 Board of Directors 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 the plan.

Benefits Provided

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

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

The Commissioner's 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.

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

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	185
Inactive employees entitled to, but not yet receiving, benefits	154
Active employees	259
Total	598

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 a 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.

Employees 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 13.99 percent and 14.05 percent in calendar years 2015 and 2016, respectively. The County’s contributions to TCDRS for the fiscal year ended September 30, 2016 were \$1,557,017 and were equal to the required contributions.

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 January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

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

Following are the key assumptions and methods used in the December 31, 2015 actuarial valuation:

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
Amortization Method	Straight-line amortization over expected working life
Asset Valuation Method	
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	8.10%
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.

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

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	5.45%
International Equities - Emerging	MSCI World Ex USA (net)	8.00%	6.45%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	1.00%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Master Limited Partnerships (MLP)	Alerian MLP Index	3.00%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%

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

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.

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 1,451,685	\$ -	\$ 1,451,685
Interest	3,822,589	-	3,822,589
Change of benefit terms	(255,140)	-	(255,140)
Difference between expected and actual experience	(242,663)	-	(242,663)
Changes of assumptions	583,967	-	583,967
Contributions - employer	-	1,477,162	(1,477,162)
Contributions - employee	-	739,107	(739,107)
Net investment income	-	(28,615)	28,615
Benefit payments, including refunds of employee contributions	(2,717,397)	(2,717,397)	-
Administrative expense	-	(30,680)	30,680
Other changes	-	141,657	(141,657)
Net changes	2,643,041	(418,766)	3,061,807
Balance at December 31, 2014	47,651,785	42,837,984	4,813,801
Balance at December 31, 2015	\$ 50,294,826	\$ 42,419,218	\$ 7,875,608

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the County, calculated using the discount rate of 8.1 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 (7.1%) or one percentage point higher (9.1%) than the current rate:

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
County's Net Pension Liability (Asset)	\$ 13,911,618	\$ 7,875,608	\$ 2,810,202

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

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended September 30, 2016, the County recognized pension expense of \$1,599,263.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 84,810	\$ 181,997
Changes in actuarial assumptions	437,975	-
Difference between projected and actual investment earnings	3,107,774	-
Contributions subsequent to the measurement date	1,152,411	-
Total	\$ 4,782,970	\$ 181,997

\$1,152,411 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 NPL 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:

Year Ended September 30:	Pension Expense
2017	\$ 915,276
2018	915,276
2019	915,276
2020	702,734
2021	-
Thereafter	-
Total	\$ 3,448,562

D. Other Post Employment Benefits

Plan Description

The County provides medical benefits to eligible retirees on a cost sharing basis. The County pays 50% (75% for eligible retirees with at least 30 years of service) of the monthly premium for individual and dependent medical coverage for retirees meeting certain eligibility requirements. (Dependent medical coverage is not subsidized by the County if the retiree was hired on or after December 1, 2004). All active employees who retire directly from the County and meet the eligibility criteria may participate. Eligibility requirements for County employees that retire after age 60 with 8 years of service or with 30 years of service or the sum of age plus service equals 75. The retiree must be receiving a retirement annuity payment or qualified to receive a retirement annuity payment under the Texas County & District Retirement System.

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

The County also offers dental benefits and life insurance benefits to retirees on a fully contributory basis through an insured group plan.

Funding Policy

The County has elected to finance the County's Plan on a pay-as-you-go basis.

Annual OPEB Cost

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed 30 years.

The County's annual OPEB cost for the fiscal year ending September 30, 2016 is as follows:

Annual required contribution	\$	117,082
Interest on OPEB obligation		16,480
Adjustment to ARC		<u>(20,924)</u>
Annual OPEB cost (expense) end of year		112,638
Net estimated employer contributions		<u>(86,166)</u>
Increase in net OPEB obligation		26,472
Net OPEB obligation - as of beginning of the year		<u>329,598</u>
Net OPEB obligation - as of end of the year	\$	<u><u>356,070</u></u>

The County's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the County's Plan, and the net OPEB obligation for fiscal year ending September 30, 2016 and the preceding two fiscal years were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Amount</u> <u>Contributed</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2014	\$ 102,645	\$ 62,501	60.9%	\$ 285,468
2015	\$ 102,103	\$ 57,973	56.8%	\$ 329,598
2016	\$ 112,638	\$ 86,166	76.5%	\$ 356,070

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

Funded Status

The funded status of the Plan under GASB Statement No. 45 as of September 30, 2016 is as follows:

Actuarial Valuation Date as of	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (d)	Ratio of UAAL to Annual Covered Payroll (b-a)/d
10/1/11	\$ -	\$712,050	\$712,050	0.0%	\$9,398,971	7.6%
10/1/13	\$ -	\$851,222	\$851,222	0.0%	\$8,606,588	9.9%
10/1/15	\$ -	\$989,124	\$989,124	0.0%	\$9,804,100	10.1%

Under the reporting parameters, the County's Plan is zero percent funded with an estimated actuarial accrued liability exceeding actuarial assets by \$989,124 at 10/1/2015. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 10.1 percent.

Actuarial Methods and Assumptions

The Projected Unit Credit Cost Method is used to calculate the GASB ARC for the County's Plan. Using the Plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the County's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Inflation rate	3.00% per annum
Investment rate of return	5.0 % net of expenses
Actuarial cost method	Projected unit credit cost method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year level
Healthcare cost trend rate	Level 5%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the County's Plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as RSI provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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REQUIRED SUPPLEMENTARY INFORMATION

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)
GENERAL FUND
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Difference
	Original	Final		
Revenues				
Taxes	\$ 13,486,741	\$ 13,486,741	\$ 13,425,354	\$ (3,940)
Fines and fees	1,046,529	1,075,219	1,277,211	1,522
Licenses and permits	103,517	103,517	133,638	-
Investment income	10,545	11,640	20,772	6
Other revenues	42,200	79,873	78,981	1,034
Total Revenues	14,689,532	14,756,990	14,935,956	(1,378)
Expenditures				
General Government:				
General services	149,768	149,768	131,063	1,456
Purchasing	238,028	238,028	206,240	1,856
County judge	197,562	197,562	181,978	2,336
County treasurer	199,539	199,539	184,446	2,522
County auditor	333,910	333,910	326,872	4,219
County clerk	512,379	512,379	476,600	4,387
Commissioners' court	3,793,829	3,793,829	1,564,408	-
Collection improvement	26,965	23,618	16,041	-
Building maintenance	740,812	742,324	740,177	3,127
Election expense	50,000	50,000	45,226	-
Human resources	67,313	70,660	69,305	1,255
	6,310,105	6,311,617	3,942,356	21,158
Administration of Justice:				
Justice of the peace	901,035	901,035	858,562	10,074
County attorney	580,330	581,055	537,047	4,893
District attorney	581,038	581,038	578,895	7,106
356th District judge	303,227	303,227	283,434	3,670
88th District judge	224,610	224,610	191,301	3,366
Juvenile detention	622,906	622,906	562,526	5,980
District clerk	386,284	405,284	361,377	4,706
	3,599,430	3,619,155	3,373,142	39,795
Public Safety:				
DPS	100	100	90	-
Sheriff's department	3,246,308	3,277,218	3,060,111	35,006
Sheriff's department operations	2,063,461	2,063,461	2,023,660	20,517
Constables	383,625	383,625	375,071	3,860
	5,693,494	5,724,404	5,458,932	59,383
Health and Human Services:				
Veterans services	24,341	24,341	13,236	363
Health unit	148,667	151,917	139,337	784
Indigent care	680,403	680,403	623,220	2,130
Senior services	43,000	45,597	45,597	-
	896,411	902,258	821,390	3,277

Actual Amounts GAAP Basis	Variance with Actual Amounts Budgetary Basis Positive (Negative)
\$ 13,421,414	\$ (61,387)
1,278,733	201,992
133,638	30,121
20,778	9,132
80,015	(892)
<u>14,934,578</u>	<u>178,966</u>
132,519	18,705
208,096	31,788
184,314	15,584
186,968	15,093
331,091	7,038
480,987	35,779
1,564,408	2,229,421
16,041	7,577
743,304	2,147
45,226	4,774
70,560	1,355
<u>3,963,514</u>	<u>2,369,261</u>
868,636	42,473
541,940	44,008
586,001	2,143
287,104	19,793
194,667	33,309
568,506	60,380
366,083	43,907
<u>3,412,937</u>	<u>246,013</u>
90	10
3,095,117	217,107
2,044,177	39,801
378,931	8,554
<u>5,518,315</u>	<u>265,472</u>
13,599	11,105
139,225	12,580
625,350	57,183
45,597	-
<u>823,771</u>	<u>80,868</u>

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)
GENERAL FUND

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Difference
	Original	Final		
<u>Expenditures (continued)</u>				
Community Enrichment				
Historical commission	\$ 29,657	29,657	14,227	-
Culture and recreation	124,076	143,540	118,139	872
	<u>153,733</u>	<u>173,197</u>	<u>132,366</u>	<u>872</u>
Tax Administration				
Tax assessor collector	886,743	886,743	863,013	10,107
	<u>886,743</u>	<u>886,743</u>	<u>863,013</u>	<u>10,107</u>
Total Expenditures	<u>17,539,916</u>	<u>17,617,374</u>	<u>14,591,199</u>	<u>134,592</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,850,384)</u>	<u>(2,860,384)</u>	<u>344,757</u>	<u>(135,970)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(58,000)	(58,000)	(48,190)	-
Total Other Financing (Uses)	<u>(58,000)</u>	<u>(58,000)</u>	<u>(48,190)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (2,908,384)</u>	<u>\$ (2,918,384)</u>	296,567	(135,970)
Beginning fund balance			<u>4,716,961</u>	<u>(357,208)</u>
Ending Fund Balance			<u>\$ 5,013,528</u>	<u>\$ (493,178)</u>

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a budgetary basis and are not consistent with generally accepted accounting principles (GAAP).
2. Reconciliation of general fund balance to fund financial statements:

Salary and fringe benefits	(493,178)
	<u>\$ 4,520,350</u>

Actual Amounts GAAP Basis	Variance with Actual Amounts Budgetary Basis Positive (Negative)
14,227	15,430
<u>119,011</u>	<u>25,401</u>
<u>133,238</u>	<u>40,831</u>
873,120	23,730
<u>873,120</u>	<u>23,730</u>
<u>14,724,895</u>	<u>3,026,175</u>
<u>209,683</u>	<u>3,205,141</u>
<u>(49,086)</u>	<u>9,810</u>
<u>(49,086)</u>	<u>9,810</u>
160,597	<u><u>\$ 3,214,951</u></u>
<u>4,359,753</u>	
<u><u>\$ 4,520,350</u></u>	

HARDIN 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

	Budgeted Amounts		Actual	Budget to
	Original	Final	Amounts Budgetary Basis	GAAP Difference
Revenues				
Property taxes	\$ 2,260,410	\$ 2,260,410	\$ 2,256,346	\$ -
Fines and fees	422,707	422,707	437,856	-
Licenses and permits	1,632,846	1,632,846	1,911,792	-
Total Revenues	<u>4,315,963</u>	<u>4,315,963</u>	<u>4,605,994</u>	<u>-</u>
Expenditures				
General	473,038	473,038	466,905	5,695
Precinct 1	987,460	987,460	597,421	4,328
Precinct 2	1,434,494	1,434,494	1,422,257	7,669
Precinct 3	1,445,711	1,445,711	1,150,702	7,258
Precinct 4	810,326	810,326	642,021	4,560
Debt Service:				
Principal	210,246	210,246	210,245	-
Interest	5,247	5,247	5,247	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>5,366,522</u>	<u>5,366,522</u>	<u>4,494,798</u>	<u>29,510</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,050,559)</u>	<u>(1,050,559)</u>	<u>111,196</u>	<u>(29,510)</u>
Other Financing Sources (Uses)				
Capital leases	-	-	-	-
Net Change in Fund Balance	<u>\$ (1,050,559)</u>	<u>\$ (1,050,559)</u>	<u>111,196</u>	<u>\$ (29,510)</u>
Beginning fund balance			<u>1,317,238</u>	<u>(74,676)</u>
Ending Fund Balance			<u>\$ 1,428,434</u>	<u>\$ (104,186)</u>

Notes to Required Supplementary Information:

- Annual budgets are adopted on a budgetary basis and are not consistent with generally accepted accounting principles (GAAP).
- Reconciliation of general fund balance to fund financial statements:

Salary and fringe benefits	<u>(104,186)</u>
	<u>\$ 1,324,248</u>

Actual Amounts GAAP Basis	Variance with Actual Amounts Budgetary Basis Positive (Negative)
\$ 2,256,346	\$ (4,064)
437,856	15,149
1,911,792	278,946
<u>4,605,994</u>	<u>290,031</u>
472,600	6,133
601,749	390,039
1,429,926	12,237
1,157,959	295,009
646,582	168,305
210,245	1
5,247	-
135,000	-
<u>4,659,308</u>	<u>871,724</u>
<u>(53,314)</u>	<u>1,161,755</u>
<u>135,000</u>	<u>-</u>
81,686	<u>\$ 1,161,755</u>
<u>1,242,562</u>	
<u>\$ 1,324,248</u>	

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HARDIN 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

	Measurement Year*	
	2014	2015
Total Pension Liability		
Service cost	\$ 1,439,621	\$ 1,451,685
Interest (on the total pension liability)	3,586,023	3,822,589
Changes of benefit terms	-	(255,140)
Difference between expected and actual experience	141,350	(242,663)
Change of assumptions	-	583,967
Benefit payments, including refunds of employee contributions	(2,121,314)	(2,717,397)
Net Change in Total Pension Liability	3,045,680	2,643,041
Beginning total pension liability	44,606,105	47,651,785
Ending Total Pension Liability	\$ 47,651,785	\$ 50,294,826
Plan Fiduciary Net Position		
Contributions - employer	\$ 1,429,402	\$ 1,477,162
Contributions - employee	715,212	739,107
Net investment income	2,783,050	(28,615)
Benefit payments, including refunds of employee contributions	(2,121,314)	(2,717,397)
Administrative expense	(31,943)	(30,680)
Other	(24,721)	141,657
Net Change in Plan Fiduciary Net Position	2,749,686	(418,766)
Beginning plan fiduciary net position	40,088,298	42,837,984
Ending Plan Fiduciary Net Position	\$ 42,837,984	\$ 42,419,218
Net Pension Liability	\$ 4,813,801	\$ 7,875,608
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.90%	84.34%
Covered Employee Payroll	\$ 10,217,310	\$ 10,558,673
Net Pension Liability as a Percentage of Covered Employee Payroll	47.11%	74.59%

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

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

	Fiscal Year*	
	2015	2016
Actuarially determined contribution	\$ 1,468,527	\$ 1,557,017
Contributions in relation to the actuarially determined contribution	<u>1,468,527</u>	<u>1,557,017</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered employee payroll	 \$ 10,496,814	 \$ 11,094,321
 Contributions as a percentage of covered employee payroll	 13.99%	 14.03%

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

Notes to Required Supplementary Information:

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

There were no benefit changes during the year.

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HARDIN COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT HEALTHCARE BENEFITS¹
For the Year Ended September 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
10/01/11	\$ -	\$ 712,050	\$ 712,050	0.0%	\$ 9,398,971	7.6%
10/01/13	\$ -	\$ 851,222	\$ 851,222	0.0%	\$ 8,606,588	9.9%
10/01/15	\$ -	\$ 989,124	\$ 989,124	0.0%	\$ 9,804,100	10.1%

¹Valuations are performed every two years in accordance with GASB Statement No. 45 parameters.

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***COMBINING STATEMENTS
AND SCHEDULES***

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 5)
September 30, 2016

Special Revenue Funds

	<u>Interest and Sinking</u>	<u>Emergency Management Services</u>	<u>District Clerk Preservation Fees</u>	<u>County Clerk Preservation Fees</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 106,214	\$ -	\$ 77,765	\$ 53,503
Receivables, net	19,778	37,317	-	-
Due from other funds	-	-	-	284,835
Due from other units	-	-	-	-
Total Assets	<u>\$ 125,992</u>	<u>\$ 37,317</u>	<u>\$ 77,765</u>	<u>\$ 338,338</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 70	\$ -	\$ -
Due to other funds	85,999	37,247	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>85,999</u>	<u>37,317</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	19,551	-	-	-
Total Deferred Inflows of Resources	<u>19,551</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>				
Restricted:				
Debt service	20,442	-	-	-
Special revenue funds	-	-	77,765	338,338
Total Fund Balances	<u>20,442</u>	<u>-</u>	<u>77,765</u>	<u>338,338</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 125,992</u>	<u>\$ 37,317</u>	<u>\$ 77,765</u>	<u>\$ 338,338</u>

Special Revenue Funds

	Constitutional					
Law Library	County Attorney Supplement	County Judge Supplement	Court Security Fees	Jail Commissary	Jury	
\$ -	\$ 70,000	\$ 5,000	\$ -	\$ 44,094	\$ 320,294	
-	-	-	-	-	72,971	
7,852	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 7,852</u>	<u>\$ 70,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 44,094</u>	<u>\$ 393,265</u>	
\$ 1,500	\$ -	\$ -	\$ -	\$ 131	\$ 30,099	
-	-	-	-	3,870	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,001</u>	<u>30,099</u>	
-	70,000	5,000	-	-	-	
-	-	-	-	-	59,065	
-	<u>70,000</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>59,065</u>	
-	-	-	-	-	-	
6,352	-	-	-	40,093	304,101	
<u>6,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,093</u>	<u>304,101</u>	
\$ 7,852	\$ 70,000	\$ 5,000	\$ -	\$ 44,094	\$ 393,265	

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 5)
September 30, 2016

Special Revenue Funds

	Special Revenue Funds			
	Dispatchers	Lateral Roads	Justice Court Technology	Dare Program
Assets				
Cash and cash equivalents	\$ -	\$ 288,444	\$ -	\$ 7,892
Receivables, net	5,295	-	-	-
Due from other funds	-	-	-	-
Due from other units	-	-	-	-
Total Assets	\$ 5,295	\$ 288,444	\$ -	\$ 7,892
Liabilities				
Accounts payable	\$ -	\$ 53,778	\$ -	\$ -
Due to other funds	5,295	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	5,295	53,778	-	-
Deferred Inflows of Resources				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted:				
Debt service	-	-	-	-
Special revenue funds	-	234,666	-	7,892
Total Fund Balances	-	234,666	-	7,892
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,295	\$ 288,444	\$ -	\$ 7,892

Special Revenue Funds

HAVA Grant	County Attorney Overdrawn Check	District Attorney Overdrawn Check	LEPC	Emergency Family Services	Health Services Grant
\$ 29,941	\$ -	\$ 889	\$ 2,871	\$ -	\$ 12,133
-	181	-	-	-	87,303
-	-	-	-	-	-
-	648	-	-	-	-
<u>\$ 29,941</u>	<u>\$ 829</u>	<u>\$ 889</u>	<u>\$ 2,871</u>	<u>\$ -</u>	<u>\$ 99,436</u>
\$ -	\$ 212	\$ -	\$ -	\$ -	\$ 12,133
-	615	-	-	-	87,303
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,436</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
29,941	2	889	2,871	-	-
<u>29,941</u>	<u>2</u>	<u>889</u>	<u>2,871</u>	<u>-</u>	<u>-</u>
<u>\$ 29,941</u>	<u>\$ 829</u>	<u>\$ 889</u>	<u>\$ 2,871</u>	<u>\$ -</u>	<u>\$ 99,436</u>

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 5)
September 30, 2016

	Special Revenue Funds			
	Drug Forfeiture Rehab	County Attorney Forfeiture	District Attorney Drug Forfeiture	Sheriff Drug Forfeiture
Assets				
Cash and cash equivalents	\$ 3,985	\$ 1,756	\$ 8,220	\$ 35,241
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other units	-	-	-	-
Total Assets	\$ 3,985	\$ 1,756	\$ 8,220	\$ 35,241
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted:				
Debt service	-	-	-	-
Special revenue funds	3,985	1,756	8,220	35,241
Total Fund Balances	3,985	1,756	8,220	35,241
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,985	\$ 1,756	\$ 8,220	\$ 35,241

Special Revenue Funds

District and County Attorney Longevity Pay	District Attorney Supplemental	Sheriff Federal Equitable Sharing	LEOSE	VOCA Juror Donations	Disaster Incident Fund Cash
\$ -	\$ 327	\$ 33,224	\$ 31,244	\$ 57,742	\$ -
-	-	-	283	887	-
-	-	-	-	-	595,900
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 327</u>	<u>\$ 33,224</u>	<u>\$ 31,527</u>	<u>\$ 58,629</u>	<u>\$ 595,900</u>
\$ -	\$ -	\$ -	\$ 31,527	\$ 1,514	\$ -
-	-	-	-	2,032	-
-	-	-	-	-	-
-	-	-	-	-	595,900
-	-	-	31,527	3,546	595,900
-	327	-	-	-	-
-	-	-	-	-	-
-	327	-	-	-	-
-	-	-	-	-	-
-	-	33,224	-	55,083	-
-	-	33,224	-	55,083	-
<u>\$ -</u>	<u>\$ 327</u>	<u>\$ 33,224</u>	<u>\$ 31,527</u>	<u>\$ 58,629</u>	<u>\$ 595,900</u>

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 5)
September 30, 2016

	Special Revenue Funds			
	CTIF County Transportation Infrastructure	DR 4223 Severe Storms 2015	DR 4272 Severe Storms 2016	Hurricane Ike Debris Removal
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,578
Receivables, net	-	154,929	24,973	27,367
Due from other funds	-	-	-	-
Due from other units	-	-	-	-
Total Assets	\$ -	\$ 154,929	\$ 24,973	\$ 29,945
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 29,945
Due to other funds	-	154,929	24,973	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	-	154,929	24,973	29,945
Deferred Inflows of Resources				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted:				
Debt service	-	-	-	-
Special revenue funds	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 154,929	\$ 24,973	\$ 29,945

Special Revenue Funds

District Attorney VAWA Grant	Title IV - E	Juvenile Probation	ATPA Grant	Public Safety Grant	Crime Victim Grant
\$ -	\$ -	\$ 207,481	\$ -	\$ -	\$ -
21,950	6,473	7,731	11,656	28,549	30,065
-	-	260	-	-	-
-	-	-	-	-	-
<u>\$ 21,950</u>	<u>\$ 6,473</u>	<u>\$ 215,472</u>	<u>\$ 11,656</u>	<u>\$ 28,549</u>	<u>\$ 30,065</u>
\$ -	\$ -	\$ 5,576	\$ 289	\$ -	\$ 334
21,950	6,473	109,479	11,367	28,549	26,818
-	-	-	-	-	2,913
-	-	-	-	-	-
<u>21,950</u>	<u>6,473</u>	<u>115,055</u>	<u>11,656</u>	<u>28,549</u>	<u>30,065</u>
-	-	53,109	-	-	-
-	-	-	-	-	-
-	-	<u>53,109</u>	-	-	-
-	-	-	-	-	-
-	-	47,308	-	-	-
-	-	<u>47,308</u>	-	-	-
<u>\$ 21,950</u>	<u>\$ 6,473</u>	<u>\$ 215,472</u>	<u>\$ 11,656</u>	<u>\$ 28,549</u>	<u>\$ 30,065</u>

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HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 5)
September 30, 2016

	Special Revenue Funds		Capital Project Funds	Total Nonmajor Governmental Funds
	Health Department Grant	Adult Probation	Capital Projects	
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 533,088	\$ 968,708	\$ 2,902,634
Receivables, net	48,822	-	73	586,603
Due from other funds	-	-	-	888,847
Due from other units	-	-	-	648
Total Assets	\$ 48,822	\$ 533,088	\$ 968,781	\$ 4,378,732
<u>Liabilities</u>				
Accounts payable	\$ 504	\$ 31,160	\$ 14,700	\$ 213,472
Due to other funds	48,318	2,428	-	657,645
Due to other governments	-	-	-	2,913
Unearned revenue	-	-	-	595,900
Total Liabilities	48,822	33,588	14,700	1,469,930
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grant	-	28,388	-	156,824
Unavailable revenue - property taxes	-	-	-	78,616
Total Deferred Inflows of Resources	-	28,388	-	235,440
<u>Fund Balances</u>				
Restricted:				
Debt service	-	-	-	20,442
Special revenue funds	-	471,112	954,081	2,652,920
Total Fund Balances	-	471,112	954,081	2,673,362
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 48,822	\$ 533,088	\$ 968,781	\$ 4,378,732

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 5)
For the Year Ended September 30, 2016

<u>Special Revenue Funds</u>				
	<u>Interest and Sinking</u>	<u>Emergency Management Services</u>	<u>District Clerk Preservation Fees</u>	<u>County Clerk Preservation Fees</u>
Revenues				
Taxes	\$ 293,638	\$ -	\$ -	\$ -
Intergovernmental	-	91,101	-	-
Fines and fees	-	-	32,034	195,482
Investment income	165	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>293,803</u>	<u>91,101</u>	<u>32,034</u>	<u>195,482</u>
Expenditures				
General government	400	91,101	-	84,051
Administration of justice	-	-	29,772	-
Public transportation	-	-	-	-
Public safety	-	-	-	-
Debt service:				
Principal	240,000	-	-	-
Interest	52,890	-	-	-
Debt issuance cost	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>293,290</u>	<u>91,101</u>	<u>29,772</u>	<u>84,051</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>513</u>	<u>-</u>	<u>2,262</u>	<u>111,431</u>
Other Financing Sources (Uses)				
Debt issuance	-	-	-	-
Transfers in	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	513	-	2,262	111,431
Beginning fund balances	<u>19,929</u>	<u>-</u>	<u>75,503</u>	<u>226,907</u>
Ending Fund Balances	<u>\$ 20,442</u>	<u>\$ -</u>	<u>\$ 77,765</u>	<u>\$ 338,338</u>

Special Revenue Funds

	Constitutional					
Law Library	County Attorney Supplement	County Judge Supplement	Court Security Fees	Jail Commissary	Jury	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498,190	
-	79,191	33,861	-	-	-	
-	-	-	23,095	-	98,790	
-	-	-	-	28	-	
27,229	-	-	-	37,690	8,215	
<u>27,229</u>	<u>79,191</u>	<u>33,861</u>	<u>23,095</u>	<u>37,718</u>	<u>605,195</u>	
-	-	-	-	-	-	
20,877	99,945	33,861	-	-	438,989	
-	-	-	-	-	-	
-	-	-	60,831	19,055	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>20,877</u>	<u>99,945</u>	<u>33,861</u>	<u>60,831</u>	<u>19,055</u>	<u>438,989</u>	
6,352	(20,754)	-	(37,736)	18,663	166,206	
-	-	-	-	-	-	
-	-	-	37,736	-	-	
-	-	-	37,736	-	-	
6,352	(20,754)	-	-	18,663	166,206	
-	20,754	-	-	21,430	137,895	
<u>\$ 6,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,093</u>	<u>\$ 304,101</u>	

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 5)
For the Year Ended September 30, 2016

<u>Special Revenue Funds</u>				
	<u>Dispatchers</u>	<u>Lateral Roads</u>	<u>Justice Court Technology</u>	<u>Dare Program</u>
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	142,865	36,624	6,173	-
Fines and fees	-	-	-	-
Investment income	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	142,865	36,624	6,173	-
<u>Expenditures</u>				
General government	-	-	-	-
Administration of justice	-	-	16,627	-
Public transportation	-	65,383	-	-
Public safety	142,865	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance cost	-	-	-	-
Capital outlay				
	-	-	-	-
Total Expenditures	142,865	65,383	16,627	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(28,759)	(10,454)	-
<u>Other Financing Sources (Uses)</u>				
Debt issuance	-	-	-	-
Transfers in	-	-	10,454	-
Total Other Financing Sources	-	-	10,454	-
Net Change in Fund Balances	-	(28,759)	-	-
Beginning fund balances	-	263,425	-	7,892
Ending Fund Balances	\$ -	\$ 234,666	\$ -	\$ 7,892

Special Revenue Funds

HAVA Grant	County Attorney Overdrawn Check	District Attorney Overdrawn Check	LEPC	Emergency Family Services	Health Services Grant
\$ -	\$ -	-	\$ -	\$ -	\$ -
8,550	-	-	-	-	415,902
-	-	-	-	-	-
-	-	-	3	-	-
-	2,154	-	625	5,000	-
<u>8,550</u>	<u>2,154</u>	<u>-</u>	<u>628</u>	<u>5,000</u>	<u>415,902</u>
-	-	-	-	-	-
208	18,733	-	-	-	-
-	-	-	1,500	-	416,798
-	-	-	-	5,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>208</u>	<u>18,733</u>	<u>-</u>	<u>1,500</u>	<u>5,000</u>	<u>416,798</u>
<u>8,342</u>	<u>(16,579)</u>	<u>-</u>	<u>(872)</u>	<u>-</u>	<u>(896)</u>
-	-	-	-	-	-
-	-	-	-	-	896
-	-	-	-	-	896
8,342	(16,579)	-	(872)	-	-
<u>21,599</u>	<u>16,581</u>	<u>889</u>	<u>3,743</u>	<u>-</u>	<u>-</u>
<u>\$ 29,941</u>	<u>\$ 2</u>	<u>\$ 889</u>	<u>\$ 2,871</u>	<u>\$ -</u>	<u>\$ -</u>

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 5)
For the Year Ended September 30, 2016

	Special Revenue Funds			
	Drug Forfeiture Rehab	County Attorney Forfeiture	District Attorney Drug Forfeiture	Sheriff Drug Forfeiture
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and fees	-	-	-	-
Investment income	-	2	7	28
Other revenues	-	-	-	3,293
Total Revenues	-	2	7	3,321
Expenditures				
General government	-	-	-	-
Administration of justice	-	-	-	-
Public transportation	-	-	-	-
Public safety	-	-	-	2,380
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance cost	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	2,380
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	-	2	7	941
Other Financing Sources (Uses)				
Debt issuance	-	-	-	-
Transfers in	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	-	2	7	941
Beginning fund balances	3,985	1,754	8,213	34,300
Ending Fund Balances	\$ 3,985	\$ 1,756	\$ 8,220	\$ 35,241

Special Revenue Funds

District and County Attorney Longevity Pay	District Attorney Supplemental	Sheriff Federal Equitable Sharing	LEOSE	VOCA Juror Donations	Disaster Incident Fund Cash
-	\$ -	\$ -	\$ -	\$ -	\$ -
10,628	3,918	-	-	-	-
-	-	-	-	21,098	-
-	-	30	-	46	-
-	-	-	-	-	-
<u>10,628</u>	<u>3,918</u>	<u>30</u>	<u>-</u>	<u>21,144</u>	<u>-</u>
-	-	-	-	-	-
10,628	3,918	-	-	9,722	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,628</u>	<u>3,918</u>	<u>-</u>	<u>-</u>	<u>9,722</u>	<u>-</u>
-	-	30	-	11,422	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	30	-	11,422	-
-	-	33,194	-	43,661	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,224</u>	<u>\$ -</u>	<u>\$ 55,083</u>	<u>\$ -</u>

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 5)
For the Year Ended September 30, 2016

	Special Revenue Funds			
	CTIF County Transportation Infrastructure	DR 4223 Severe Storms 2015	DR 4272 Severe Storms 2016	Hurricane Ike Debris Removal
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	97,838	15,527	24,973	263,474
Fines and fees	-	-	-	-
Investment income	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	97,838	15,527	24,973	263,474
Expenditures				
General government	-	-	-	-
Administration of justice	-	-	-	-
Public transportation	97,838	-	-	-
Public safety	-	15,527	24,973	263,474
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance cost	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	97,838	15,527	24,973	263,474
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Debt issuance	-	-	-	-
Transfers in	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Beginning fund balances	-	-	-	-
Ending Fund Balances	\$ -	\$ -	\$ -	\$ -

Special Revenue Funds

District Attorney VAWA Grant	Title IV - E	Juvenile Probation	ATPA Grant	Public Safety Grant	Crime Victim Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
149,924	8,371	567,424	100,633	173,153	236,689
-	-	7,775	-	-	-
-	-	162	-	-	-
-	-	-	-	-	-
<u>149,924</u>	<u>8,371</u>	<u>575,361</u>	<u>100,633</u>	<u>173,153</u>	<u>236,689</u>
149,924	8,371	-	100,633	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	574,612	-	173,153	236,689
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>149,924</u>	<u>8,371</u>	<u>574,612</u>	<u>100,633</u>	<u>173,153</u>	<u>236,689</u>
-	-	749	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	749	-	-	-
-	-	46,559	-	-	-
-	-	\$ 47,308	\$ -	\$ -	-

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 5)
For the Year Ended September 30, 2016

	<u>Special Revenue Funds</u>		<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Health Department Grant</u>	<u>Adult Probation</u>	<u>Capital Projects</u>	
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ 791,828
Intergovernmental	263,142	870,644	-	3,600,605
Fines and fees	-	30,749	-	409,023
Investment income	-	444	146	1,061
Other revenues	-	889	-	85,095
Total Revenues	<u>263,142</u>	<u>902,726</u>	<u>146</u>	<u>4,887,612</u>
<u>Expenditures</u>				
General government	-	-	-	434,480
Administration of justice	-	933,069	-	1,616,349
Public transportation	-	-	-	581,519
Public safety	263,142	-	-	1,781,701
Debt service:				
Principal	-	-	-	240,000
Interest	-	-	-	52,890
Debt issuance cost	-	-	59,615	59,615
Capital outlay	-	-	51,450	51,450
Total Expenditures	<u>263,142</u>	<u>933,069</u>	<u>111,065</u>	<u>4,818,004</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(30,343)</u>	<u>(110,919)</u>	<u>69,608</u>
<u>Other Financing Sources (Uses)</u>				
Debt issuance	-	-	1,065,000	1,065,000
Transfers in	-	-	-	49,086
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1,065,000</u>	<u>1,114,086</u>
Net Change in Fund Balances	<u>-</u>	<u>(30,343)</u>	<u>954,081</u>	<u>1,183,694</u>
Beginning fund balances	-	501,455	-	1,489,668
Ending Fund Balances	<u>\$ -</u>	<u>\$ 471,112</u>	<u>\$ 954,081</u>	<u>\$ 2,673,362</u>

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HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INTEREST AND SINKING

For the Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 293,240	\$ 293,240	\$ 293,638	\$ 398
Investment income	150	150	165	15
Total Revenues	<u>293,390</u>	<u>293,390</u>	<u>293,803</u>	<u>413</u>
<u>Expenditures</u>				
General government	500	500	400	100
Debt service				
Principal	240,000	240,000	240,000	-
Interest	52,890	52,890	52,890	-
Total Expenditures	<u>293,390</u>	<u>293,390</u>	<u>293,290</u>	<u>100</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	513	<u>\$ 513</u>
Beginning fund balance			<u>19,929</u>	
Ending Fund Balance			<u>\$ 20,442</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK PRESERVATION FEES
For the Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Fines and fees	\$ 28,635	\$ 28,635	\$ 32,034	\$ 3,399
Total Revenues	<u>28,635</u>	<u>28,635</u>	<u>32,034</u>	<u>3,399</u>
<u>Expenditures</u>				
Administration of justice	31,572	31,572	29,772	1,800
Total Expenditures	<u>31,572</u>	<u>31,572</u>	<u>29,772</u>	<u>1,800</u>
Net Change in Fund Balance	<u>\$ (2,937)</u>	<u>\$ (2,937)</u>	2,262	<u>\$ 5,199</u>
Beginning fund balance			<u>75,503</u>	
Ending Fund Balance			<u>\$ 77,765</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK PRESERVATION FEES

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Fines and fees	\$ 109,336	\$ 109,336	\$ 195,482	\$ 86,146
Total Revenues	109,336	109,336	195,482	86,146
<u>Expenditures</u>				
General government	109,336	109,336	84,051	25,285
Total Expenditures	109,336	109,336	84,051	25,285
Net Change in Fund Balance	\$ -	\$ -	111,431	\$ 111,431
Beginning fund balance			226,907	
Ending Fund Balance			\$ 338,338	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Other revenues	\$ 11,492	\$ 11,492	\$ 27,229	\$ 15,737
Total Revenues	<u>11,492</u>	<u>11,492</u>	<u>27,229</u>	<u>15,737</u>
<u>Expenditures</u>				
Administration of justice	26,470	26,470	20,877	5,593
Total Expenditures	<u>26,470</u>	<u>26,470</u>	<u>20,877</u>	<u>5,593</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,978)</u>	<u>(14,978)</u>	<u>6,352</u>	<u>21,330</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	14,978	14,978	-	(14,978)
Total Other Financing Sources	<u>14,978</u>	<u>14,978</u>	<u>-</u>	<u>(14,978)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>6,352</u>	<u>\$ 6,352</u>
Beginning fund balance			-	
Ending Fund Balance			<u>\$ 6,352</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY FEES
For the Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Fines and fees	\$ 28,328	\$ 28,328	\$ 23,095	\$ (5,233)
Total Revenues	<u>28,328</u>	<u>28,328</u>	<u>23,095</u>	<u>(5,233)</u>
<u>Expenditures</u>				
Public safety	61,328	61,328	60,831	497
Total Expenditures	<u>61,328</u>	<u>61,328</u>	<u>60,831</u>	<u>497</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(33,000)</u>	<u>(33,000)</u>	<u>(37,736)</u>	<u>(4,736)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	33,000	33,000	37,736	4,736
Total Other Financing Sources	<u>33,000</u>	<u>33,000</u>	<u>37,736</u>	<u>4,736</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ -</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JURY FUND

For the Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 503,632	\$ 503,632	\$ 498,190	\$ (5,442)
Fines and fees	81,246	81,246	98,790	17,544
Other revenues	-	7,480	8,215	735
Total Revenues	<u>584,878</u>	<u>592,358</u>	<u>605,195</u>	<u>12,837</u>
<u>Expenditures</u>				
Administration of justice	584,878	592,358	438,989	153,369
Total Expenditures	<u>584,878</u>	<u>592,358</u>	<u>438,989</u>	<u>153,369</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	166,206	<u>\$ 166,206</u>
Beginning fund balance			<u>137,895</u>	
Ending Fund Balance			<u>\$ 304,101</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISPATCHERS

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 178,203	\$ 178,203	\$ 142,865	\$ (35,338)
Total Revenues	<u>178,203</u>	<u>178,203</u>	<u>142,865</u>	<u>(35,338)</u>
Expenditures				
Public safety	178,203	178,203	142,865	35,338
Total Expenditures	<u>178,203</u>	<u>178,203</u>	<u>142,865</u>	<u>35,338</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Beginning fund balance			-	
Ending Fund Balance			<u>\$ -</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LATERAL ROADS

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 36,352	\$ 36,352	\$ 36,624	\$ 272
Total Revenues	<u>36,352</u>	<u>36,352</u>	<u>36,624</u>	<u>272</u>
Expenditures				
Public transportation	263,477	263,477	65,383	198,094
Total Expenditures	<u>263,477</u>	<u>263,477</u>	<u>65,383</u>	<u>198,094</u>
Net Change in Fund Balance	<u>\$ (227,125)</u>	<u>\$ (227,125)</u>	(28,759)	<u>\$ 198,366</u>
Beginning fund balance			<u>263,425</u>	
Ending Fund Balance			<u>\$ 234,666</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Intergovernmental	\$ 9,161	\$ 9,161	\$ 6,173	\$ (2,988)
Total Revenues	9,161	9,161	6,173	(2,988)
<u>Expenditures</u>				
Administration of justice	18,350	18,350	16,627	1,723
Total Expenditures	18,350	18,350	16,627	1,723
(Deficiency) of Revenues				
(Under) Expenditures	(9,189)	(9,189)	(10,454)	(1,265)
<u>Other Financing Sources (Uses)</u>				
Transfers in	9,189	9,189	10,454	1,265
Total Other Financing Sources	9,189	9,189	10,454	1,265
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Beginning fund balance			-	
Ending Fund Balance			\$ -	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HAVA GRANT

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ -	\$ 8,550	\$ 8,550	\$ -
Total Revenues	<u>-</u>	<u>8,550</u>	<u>8,550</u>	<u>-</u>
<u>Expenditures</u>				
Administration of justice	-	8,550	208	8,342
Total Expenditures	<u>-</u>	<u>8,550</u>	<u>208</u>	<u>8,342</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	8,342	<u>\$ 8,342</u>
Beginning fund balance			<u>21,599</u>	
Ending Fund Balance			<u>\$ 29,941</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Investment income	\$ -	\$ 500	\$ 146	\$ (354)
Total Revenues	-	500	146	(354)
<u>Expenditures</u>				
Debt service				
Debt issuance cost	59,615	59,615	59,615	-
Capital outlay	1,905,885	1,905,885	51,450	1,854,435
Total Expenditures	1,965,500	1,965,500	111,065	1,854,435
(Deficiency) of Revenues (Under) Expenditures	(1,965,500)	(1,965,000)	(110,919)	1,854,081
<u>Other Financing Sources (Uses)</u>				
Debt issued	1,065,000	1,065,000	1,065,000	-
Transfers in	900,000	900,000	-	(900,000)
Total Other Financing Sources	1,965,000	1,965,000	1,065,000	(900,000)
Net Change in Fund Balance	\$ (500)	\$ -	954,081	\$ 954,081
Beginning fund balance			-	
Ending Fund Balance			\$ 954,081	

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

	<u>Elected Officials</u>	<u>District Attorney Seizure</u>	<u>Total All Agency Funds</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 2,746,614	\$ 112,381	\$ 2,858,995
Total Assets	\$ 2,746,614	\$ 112,381	\$ 2,858,995
<u>Liabilities</u>			
Due to other units	\$ 2,746,614	\$ 112,381	\$ 2,858,995
Total Liabilities	\$ 2,746,614	\$ 112,381	\$ 2,858,995

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