

Reed, McKee & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

County Judge and Commissioner's Court
County of Coleman
Coleman, Texas 76834

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 the County of Coleman (the County) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Coleman as of September 30, 2015, and the respective changes in financial position and respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The County adopted new accounting guidance as prescribed by GASB #68 as it applies to the County's participation in a defined benefit pension plan. Because GASB #68 implements new measurement criteria and reporting provisions, significant information has been added to the government-wide financial statements. The Statement of Net Position includes the County's net pension asset as well as deferred resource outflows related to the pension plan. Footnote 4 provides disclosure information and two new required supplementary information schedules are also included. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements as well as the Schedule of Changes in Net Position Liability and Related Ratios and Schedule of Employer Contributions on pages 38 and 39. 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 an opinion on the financial statements that collectively comprise the County of Coleman's basic financial statements. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Road & Bridge fund and Other Governmental funds are prepared for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information noted above and on pages 41 through 45 is the responsibility of management and is derived from and relates 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 statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Reed, McKee & Co. P.C.

Reed, McKee & Co., P.C.
Certified Public Accountants

July 12, 2016

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED**

This section of the County of Coleman's annual financial report presents our discussion and analysis of the County's financial performance for the fiscal year ended September 30, 2015. Please read it in conjunction with the Independent Auditor's Report and the County's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

The County's net position as presented on the statement of net position, increased by \$211,166 as a result of this year's operations and by another \$465,884 as a result of adopting new pension accounting standards. The County's net position consists of unrestricted assets of \$1,663,539 which may be used to meet the County's ongoing obligations and net position invested in capital assets net of related debt of \$1,156,002 which represent the County's depreciable assets net of notes payable. Restricted net assets consist mainly of funds restricted for specific use of state fees collected by the county and the asset created by the pension accounting standard. Total assets increased \$629,366 over the prior year, with a corresponding \$201,141 increase in total liabilities. A portion of the increase in assets and liabilities is due to two new capital leases and the overall increase due to this year's operations. Again as a result of the new pension accounting standards a deferred outflow of resources account was created. This is further explained in the footnotes.

As shown in the statement of activities the County has charges for services of \$795,728 and revenues from operating grants of \$142,570 which were used to fund total expenses of \$4,104,037. The net result of this is \$3,165,739 of expenses that were funded by \$3,376,905 of general revenues to create a \$211,166 increase in net position. As shown in Table II to this management's discussion, property taxes were up \$158,390 due to some property value increases. The only other revenue increase was in miscellaneous due to sale of assets and a gross weight tax fee from the state comptroller. Total expenses increased \$154,541 as compared to the prior year with the largest increase being in the Road and Bridge funds as the County did some resurfacing of county roads.

Comparing the balance sheet for the current year to the prior year, the following items were noted. Total assets for all governmental funds are \$1,900,012 which is an increase of \$57,045 compared to the prior year. Total cash and certificates of deposit in the governmental funds increased slightly by \$42,845. The increase in liabilities of \$53,420 is primarily in accounts payable as the county increases costs of buying road material and the hauling charges related to this. Total fund balance decreased from \$1,561,971 to \$1,548,217 as a result of current operations as shown in the statement of revenues, expenditures, and changes in fund balance. The overall decrease of \$13,754 represents a combination of an overall increase in the general fund of \$176,990, with decreases of \$191,887 in the road and bridge fund and a small increase of \$1,143 in all the other funds combined. A comparison of individual funds shows that general fund revenues increased \$71,389 mainly due to tax revenue while general fund expenses increased by \$129,499 as vehicles and other capital assets were acquired in the public safety expenses. Road and Bridge revenues increased over the prior year by \$88,738 while expenses increased \$495,274 due to the purchase of equipment in the current year. A portion of this increase could be offset by the capital lease proceeds of \$197,896, but this still represents a large increase again mainly due to new resurfacing of county roads. Salaries and benefits for all funds totaled \$2,340,643 or 52% of total expenses.

The County's budget comparison for the general fund and road and bridge fund is included in the financial statements for further analysis. Actual revenues of the general fund were \$120,327 less than the final budgeted amounts. As can be seen from looking at the budget comparison, taxes made up \$59,957 of this decrease with a decrease of approximately \$50,000 in fines and fees. Total expenditures in the general fund were \$306,389 less than budgeted amounts. This again is partially due to not spending as many funds on permanent improvements as originally budgeted and less in each of the other functional categories. This shows that the County is staying within budgeted amounts. The original budget for the general fund projected an increase in fund balance for the general fund of \$38,970. The amended budget projected a decrease in fund balance of \$5,392. The actual amount of increase in fund balance of \$176,990 is due to controlled expenses as noted above.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

A comparison of the Road and Bridge budget to actual shows the following information. Actual revenues were \$94,119 less than budgeted. Taxes were less than anticipated by \$28,175 while fees from registrations were down substantially as compared to budget in the amount of \$59,264. The miscellaneous amounts were related to sale of equipment. Actual expenses were \$151,176 less than budgeted. The original budget showed an anticipated increase in fund balance of \$9,162 and was subsequently amended to show a decrease of \$251,748. As can be seen, the actual decrease in fund balance was \$191,887.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial report of a business enterprise.

Fund financial statements report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statement of fiduciary net assets provides financial information about activities for each of the County offices and represents funds that have not been remitted to the Treasurer as of year end.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The supplementary information includes information for further analysis.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the County's overall financial condition and operations begins with the statement of net position and statement of activities. The primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided from charges for services such as fees and fines collected in each of the various county offices. Operating grants and contributions are separate grants for specific purposes. All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

These two statements report the County's net position and changes in position. The County's net position (the difference between the sum of assets and deferred outflows less liabilities and deferred inflows) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net position is one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider non financial factors as well, such as changes in the County's property tax base and the condition of the County's equipment and facilities.

In the Statement of Net Position and the Statement of Activities, we present all the activities of the County as one governmental activity which is defined below.

Governmental activities—Most of the County's basic services are reported here, including the costs of running the individual offices of the County including the tax assessor-collector, district clerk, county clerk, county judge, county treasurer, sheriff's office and other general activities. Also included within the governmental activities would be the road and bridge activities as well as each of the precincts.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the County as a whole. Laws and contracts require the County to establish some funds, such as grants and other funds for specific fines mandated by the state. The fund financial statements reflect the general fund and separate columns for all major funds as defined by GASB 34 and all other funds combined in a column referred to as all other funds. All these funds are determined to be governmental funds as defined below.

Governmental funds—Most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for money raised by the individual offices in the courthouse and jail area until those funds are remitted to the Treasurer. At the time the monthly fees are collected by the individual offices they are considered the revenues of the County in the various funds. A total of \$28,182 was due to the treasurer as of September 30, 2015 representing these revenues not remitted yet. All of the County's fiduciary activities are reported in the separate Statement of Fiduciary Net Position. We exclude these resources from the County's other financial statements because the County cannot use these assets to finance its operations until received from these offices.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position of the County's governmental activities increased from \$2,761,757 to \$3,438,807. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – are \$1,663,539 at September 30, 2015.

Table I - NET POSITION

	Governmental Activities 2015	Governmental Activities 2014	Increase (Decrease)
Current and other assets	\$ 2,225,120	\$ 1,842,967	\$ 382,153
Capital assets, net	1,817,012	1,569,799	247,213
Total assets	4,042,132	3,412,766	629,366
Deferred outflows of resources	248,825	0	248,825
Long-term liabilities	661,010	515,171	145,839
Other liabilities	191,140	135,838	55,302
Total liabilities	852,150	651,009	201,141
Net Position:			
Invested in capital assets, net of related debt	1,156,002	1,054,628	101,374
Restricted	619,266	46,061	573,205
Unrestricted	1,663,539	1,661,068	2,471
Total Net Position	\$ 3,438,807	\$ 2,761,757	\$ 677,050

The increases and decreases in the individual categories have been discussed previously in the financial highlights section of this discussion and analysis. As can be seen the increase in total assets of \$629,366 consists of an increase in current assets of \$382,153 with an increase in net capital assets of \$247,213. The increase in the net assets mainly due to new capital leases which are reflected in the increase in liabilities.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

Table II - CHANGES IN NET POSITION

	Governmental Activities 2015	Governmental Activities 2014	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for services	\$ 795,728	\$ 832,280	\$ (36,552)
Operating grants and contributions	142,570	147,269	(4,699)
General Revenues:			
Property taxes – maintenance and operations	2,284,971	2,175,294	109,677
Property taxes – roads and bridges	988,301	939,588	48,713
Investment earnings	5,639	5,435	204
Miscellaneous and intermediate revenue	97,994	39,942	58,052
Total Revenue	4,315,203	4,139,808	175,395
Expenses:			
General government	1,349,772	1,339,627	10,145
Roads and bridges	1,585,559	1,479,173	106,386
Justice system	314,622	335,560	(20,938)
Public safety	667,608	680,511	(12,903)
Public health and welfare	186,476	114,625	71,851
Total Expenses	4,104,037	3,949,496	154,541
Increase (Decrease) in net position	211,166	190,312	20,854
Prior period adjustment	465,884	0	465,884
Net position – beginning	2,761,757	2,571,445	190,312
Net position – Ending	\$ 3,438,807	\$ 2,761,757	\$ 677,050

This table is provided to show the increases and decreases as compared to the prior year. All significant changes have been previously discussed in the financial highlights section of the discussion and analysis.

A comparison of the governmental activities expenses by function shows that there was an increase in overall expenses of \$154,541. As shown above there were increases in most functions with the largest increase being in the road and bridge funds due to concerted efforts to resurface county roads. General government expenses and the road and bridge expenses totaled to be approximately 70% of total expenses both in the current year and prior year. Public safety expenses were at 16% of expenses with the remaining percentages spent on the justice system and public health and welfare.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$1,548,217 compared to a balance of \$1,561,971 in the prior year. This represents a \$13,754 decrease in the fund balance as previously explained.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the County had \$3,253,128 invested in a broad range of capital assets, including facilities and equipment for general operations of the County and road and bridge repair. Accumulated depreciation related to these assets was \$1,436,116. Total additions of \$447,738 consisted of two new capital leases for equipment as well as vehicles and safety equipment.

Debt

At the end of the current year, the County had total long term debt outstanding of \$661,010. This debt consisted of seven notes to a finance company also secured by equipment. For more information refer to the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County has adopted a budget for 2016 which left the general fund tax rate at 56 cents and the road and bridge tax rate at 24.71 cents.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. If there are questions concerning any of the information provided in this report or a request for additional financial information, please contact the County Treasurer at the County of Coleman, 100 W Liveoak Suite 203, Coleman, TX 76834.

BASIC FINANCIAL STATEMENTS

COUNTY OF COLEMAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$ 1,349,772	\$ 274,402	\$ 26,551	\$ (1,048,819)
Roads and Bridges	1,585,559	439,092	29,737	(1,116,730)
Justice System	314,622	63,959	86,282	(164,381)
Public Safety	667,608	18,275	-	(649,333)
Public Health and Welfare	186,476	-	-	(186,476)
Total Governmental Activities	\$ 4,104,037	\$ 795,728	\$ 142,570	(3,165,739)
General Revenues:				
Property Taxes - Maintenance and Operations				2,284,971
Property Taxes - Roads and Bridges				988,301
Investment Earnings				5,639
Miscellaneous				97,994
Total General Revenues				3,376,905
Change in Net Position				211,166
Prior Period Adjustment				465,884
Net Position - Beginning				2,761,757
Net Position - Ending				\$ 3,438,807

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Governmental Activities
ASSETS	
Cash	\$ 393,389
Certificates of Deposit	1,282,131
Due from Other Funds	28,182
Accounts Receivable	13,375
Delinquent Taxes Receivable, Net of Allowance	182,935
Capital Assets, Net of Accumulated Depreciation	1,817,012
Net Pension Asset	325,108
Total Assets	4,042,132
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to TCDRS	248,825
 LIABILITIES	
Accounts Payable	148,804
Other Payables	20,056
Compensated Absences Payable	22,280
Notes Payable	661,010
Total Liabilities	852,150
 NET POSITION	
Invested in Capital Assets, Net of Related Debt	1,156,002
Restricted	619,266
Unrestricted	1,663,539
Total Net Position	\$ 3,438,807

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
BALANCE SHEET
SEPTEMBER 30, 2015

	General	Road & Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 74,789	\$ 199,145	\$ 119,455	\$ 393,389
Certificates of Deposit	1,213,147	68,984	-	1,282,131
Due from Other Funds	23,643	-	4,539	28,182
Accounts Receivable	9,659	3,716	-	13,375
Delinquent Taxes Receivable	262,019	99,400	-	361,419
Allowance for Uncollectible Taxes	(132,263)	(46,221)	-	(178,484)
Total Assets	1,450,994	325,024	123,994	1,900,012
LIABILITIES				
Accounts Payable	36,817	110,029	1,958	148,804
Other Payables	20,056	-	-	20,056
Total Liabilities	56,873	110,029	1,958	168,860
DEFERRED INFLOWS OF RESOURCES				
Unavailable Resources - Property Taxes	129,756	53,179	-	182,935
Total Deferred Inflows of Resources	129,756	53,179	-	182,935
FUND BALANCES				
Restricted	-	-	45,333	45,333
Committed	-	161,816	76,703	238,519
Unassigned	1,264,365	-	-	1,264,365
Total Fund Balances	1,264,365	161,816	122,036	1,548,217
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,450,994	\$ 325,024	\$ 123,994	\$ 1,900,012

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total fund balances of governmental funds	\$ 1,548,217
Net capital assets used in governmental activities are recognized in the Statement of Net Position.	1,817,012
Net pension asset is recognized in the Statement of Net Position.	325,108
Deferred outflows related to TCDRS are recognized in the Statement of Net Position.	248,825
Net delinquent property taxes receivable are deferred in the fund financial statements.	182,935
Compensated absences payable are recognized in the Statement of Net Position.	(22,280)
Notes payable are recognized in the Statement of Net Position.	<u>(661,010)</u>
Total net position of governmental activities	<u><u>\$ 3,438,807</u></u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General	Road & Bridge	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 2,273,224	\$ 982,669	\$ -	\$ 3,255,893
Fees	206,472	439,092	60,998	706,562
Fines	89,166	-	-	89,166
Intergovernmental	112,833	29,737	-	142,570
Interest	4,856	783	-	5,639
Miscellaneous	8,460	94,592	2,500	105,552
Total Revenues	2,695,011	1,546,873	63,498	4,305,382
EXPENDITURES				
General Government	1,288,168	-	74,760	1,362,928
Roads and Bridges	-	1,928,064	-	1,928,064
Justice System	312,066	-	10,694	322,760
Public Safety	721,040	-	673	721,713
Public Health and Welfare	181,567	-	-	181,567
Total Expenditures	2,502,841	1,928,064	86,127	4,517,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	192,170	(381,191)	(22,629)	(211,650)
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	-	197,896	-	197,896
Transfers In	-	4,596	23,772	28,368
Transfers Out	(15,180)	(13,188)	-	(28,368)
Total Other Financing Sources (Uses)	(15,180)	189,304	23,772	197,896
Net Change in Fund Balances	176,990	(191,887)	1,143	(13,754)
Fund Balances - Beginning	1,087,375	353,703	120,893	1,561,971
Fund Balances - Ending	\$ 1,264,365	\$ 161,816	\$ 122,036	\$ 1,548,217

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2015

Total net change in fund balances of governmental funds	\$ (13,754)
Capital outlays are capitalized in the government-wide financial statements.	447,738
Depreciation of capital assets is recognized in the government-wide financial statements.	(192,967)
The remaining undepreciated basis in capital assets sold is written off against the sales proceeds in the Statement of Activities.	(7,558)
Pension contributions paid to TCDRS during the year have either been recognized in the computation of the Net Pension Asset or included in Deferred Outflows Related to TCDRS in the government-wide financial statements.	231,410
Pension expense as determined under GASB 68 is recognized in the Statement of Activities.	(123,361)
Net delinquent property taxes receivable are not deferred in the government-wide financial statements. The current year increase has been recognized in the Statement of Activities.	17,379
Compensated absences payable are reported in the government-wide financial statements. The current year increase has been recognized in the Statement of Activities.	(1,882)
Proceeds from capital leases are reported as an increase in liabilities in the government-wide financial statements.	(197,896)
Repayments of principal on notes payable are reported as a decrease in liabilities in the government-wide financial statements.	<u>52,057</u>
Change in net position of governmental activities	<u>\$ 211,166</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Ad Valorem Taxes-Current	\$ 2,228,092	\$ 2,228,092	\$ 2,168,135	\$ (59,957)
Ad Valorem Taxes-Delinquent	50,000	74,475	74,475	-
Penalty and Interest Taxes	30,000	30,614	30,614	-
Total Taxes	2,308,092	2,333,181	2,273,224	(59,957)
Fees				
Alcoholic Beverages	4,000	5,040	5,040	-
Law Library	5,000	5,000	4,095	(905)
Jury Fees	350	350	170	(180)
9-1-95 to 8-31-97 Fees	1	1	-	(1)
Defensive Driving Fees	1,000	1,000	799	(201)
Bail Bond Fee	200	215	215	-
D.P.S. Arrest Fees	2,000	2,000	1,988	(12)
T.P.W. Arrest Fees	300	749	749	-
9-1-01 to 12-31-03 Fees	1	1	-	(1)
Indigent Legal Services Fee	100	100	64	(36)
Judicial Support Fee	400	418	418	-
Time Payment Fee	1,000	3,341	3,341	-
Local Judicial Education	200	200	195	(5)
1-1-04 Forward Fees	3,000	3,084	3,084	-
Drug Court Program	200	200	179	(21)
Indigent Defense Fee	125	125	114	(11)
Jury Reimbursement Fee	300	1,306	1,306	-
Justice Court-Indigent	20	26	26	-
EMS Trauma Fund	200	200	120	(80)
Local Traffic Fee	2,000	2,000	1,478	(522)
Probate-Indigent	20	20	20	-
County Court-Civil-Indigent	20	20	4	(16)
D. Court-Divorce-Indigent	20	20	9	(11)
District Court-Other Indigent	50	50	47	(3)
J.P. Dismissal Fee	1,000	1,000	681	(319)
State Traffic Fees	700	713	713	-
Criminal Indigent Fees	10	10	3	(7)
Tax Assessor-Collector Fees	70,000	70,000	64,437	(5,563)
District Clerk Fees	20,000	20,000	16,803	(3,197)
County Clerk Fees	65,000	65,000	64,255	(745)
Sheriff's Fees	15,000	16,280	16,280	-
County Judge Fees	200	200	198	(2)
County Attorney Fees	700	769	769	-
Constable Fees	300	300	85	(215)
Dist. Clerk-Atty. General Fees	3,000	3,000	2,771	(229)
Prisoner Transport Reimb.	2,000	7,891	7,891	-
Other Revenue-Elections	9,000	9,000	-	(9,000)
Septic System Permit Fees	6,750	6,750	2,625	(4,125)
Septic System Inspection Fees	5,501	5,501	5,500	(1)
Total Fees	219,668	231,880	206,472	(25,408)

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
Fines				
District Clerk-Fines	21,000	23,322	23,322	-
County Clerk-Fines	16,000	16,000	13,872	(2,128)
Justice of Peace Fines	65,000	65,000	43,067	(21,933)
Sheriff-Fines	1,000	1,000	620	(380)
Justice of Peace-Deferred Disposition	-	8,280	8,280	-
Moving Violation Fees	10	10	5	(5)
Total Fines	103,010	113,612	89,166	(24,446)
Intergovernmental				
U.S. Treasury in Lieu of Taxes	8,200	9,178	9,178	-
State Salary Supplement	75,000	77,124	77,451	327
Tier Two Salary Supplement	5,000	5,000	5,000	-
Tier Three Salary Supplement	5,000	5,000	5,000	-
State Excess Contribution	500	500	249	(251)
State Juror Reimbursement	3,500	3,500	3,366	(134)
Indigent Defense Grant	15,000	15,000	12,589	(2,411)
Total Intergovernmental	112,200	115,302	112,833	(2,469)
Interest - Interest Earned	5,300	5,300	4,856	(444)
Miscellaneous				
Oil and Gas Royalties	100	150	150	-
Other Revenue	-	1,198	1,198	-
Tower Rental	7,500	7,500	-	(7,500)
Telephone Commission	600	600	497	(103)
Donations-Drug Dog	-	6,615	6,615	-
Total Miscellaneous	8,200	16,063	8,460	(7,603)
Total Revenues	2,756,470	2,815,338	2,695,011	(120,327)
<u>EXPENDITURES</u>				
General Government				
Non-Departmental	650,754	657,542	596,363	61,179
Tax Assessor-Collector	101,280	101,327	100,080	1,247
District Clerk	80,630	85,282	79,520	5,762
County Clerk	101,466	106,302	105,070	1,232
County Judge	74,106	76,204	70,250	5,954
Commissioners Court	23,000	23,000	16,712	6,288
County Treasurer	75,456	75,456	73,455	2,001
Veterans Service Officer	18,362	18,362	12,612	5,750
County Extension Office	109,104	109,677	107,197	2,480
Courthouse and Jail Buildings	98,704	108,474	108,473	1
Elections	22,000	22,000	4,976	17,024
Permanent Improvements	150,000	150,200	13,460	136,740
Total General Government	1,504,862	1,533,826	1,288,168	245,658

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Justice System				
County Attorney	120,599	120,599	114,716	5,883
District Attorney	15,600	16,689	16,862	(173)
Justice of Peace	73,056	73,056	68,596	4,460
Adult Probation	5,600	5,644	5,644	-
Juvenile Probation	6,500	6,500	6,369	131
District Court	128,748	130,958	98,963	31,995
Permanent Improvements	2,000	2,000	916	1,084
Total Justice System	<u>352,103</u>	<u>355,446</u>	<u>312,066</u>	<u>43,380</u>
Public Safety				
Non-Departmental	-	5,500	5,500	-
Sheriff	602,812	666,435	637,515	28,920
Constable	14,864	14,864	14,764	100
Permanent Improvements	85,000	85,000	63,261	21,739
Total Public Safety	<u>702,676</u>	<u>771,799</u>	<u>721,040</u>	<u>50,759</u>
Public Health and Welfare				
Donations	114,759	114,759	152,167	(37,408)
Welfare	31,600	33,400	29,400	4,000
Total Public Health and Welfare	<u>146,359</u>	<u>148,159</u>	<u>181,567</u>	<u>(33,408)</u>
Total Expenditures	<u>2,706,000</u>	<u>2,809,230</u>	<u>2,502,841</u>	<u>306,389</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(11,500)	(11,500)	(15,180)	(3,680)
Net Change in Fund Balance	38,970	(5,392)	176,990	182,382
Fund Balance - Beginning	<u>1,087,375</u>	<u>1,087,375</u>	<u>1,087,375</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,126,345</u>	<u>\$ 1,081,983</u>	<u>\$ 1,264,365</u>	<u>\$ 182,382</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015

	<u>General</u>
<u>ASSETS</u>	
Cash	\$ 159,010
Certificates of Deposit	<u>11,473</u>
Total Assets	<u><u>170,483</u></u>
<u>LIABILITIES</u>	
Due to Other Funds	28,182
Due to Others	<u>142,301</u>
Total Liabilities	<u><u>\$ 170,483</u></u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
Notes to the Financial Statements
September 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Coleman County (“the County”) is a political subdivision of the State of Texas and is governed by the Commissioner’s Court, a five member group consisting of an elected County Judge and four County Commissioners elected from individual precincts. Services provided by the County include public transportation through roads and bridges, justice system, public safety, public health and welfare, as well as general administrative and support services. There are no component units included within the reporting entity.

Government-Wide and Fund Financial Statements – The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities include programs supported primarily by taxes, grants, and other intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges for services – payments from parties that purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment of the County and (2) grants and contributions – payments from organizations outside the County that are restricted to meeting the operational or capital requirements of a particular function or segment of the County. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

All interfund transactions between governmental funds are eliminated in the government-wide financial statements. Interfund activities between governmental funds and fiduciary funds remain as interfund receivables and payables on the government-wide statement of net position.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other funds.

Measurement Focus and Basis of Accounting – Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The government-wide financial statements are presented using the economic resources, measurement focus, as well as the fiduciary fund financial statements. The fund financial statements are reported using the current financial resources measurement focus.

COUNTY OF COLEMAN
Notes to the Financial Statements - Continued
September 30, 2015

Measurement Focus and Basis of Accounting - Continued

Governmental funds utilize a current financial resources measurement focus. Current financial assets and liabilities are generally the only items included on their balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. Fund balance is used to measure available spendable financial resources at the end of the period.

Basis of Accounting – The government-wide financial statements use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

Governmental fund financial statements use the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property tax revenues are recognized under the “susceptible to accrual” concept, that is, when they are both measurable and available. The County considers them “available” if they will be collected within 60 days of the end of the year. Other revenues are recorded when collected by the various County officials.

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting.

The government reports the following major governmental funds:

General Fund – This Fund is the general operating fund of the County. It is used to account for all revenues except those required to be accounted for in other funds.

Road and Bridge Fund – This fund is a special revenue fund and is used to account for revenues for the road and bridge precincts.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Measurement Focus and Basis of Accounting – Continued

Additionally, the government reports the following fund type;

Fiduciary Funds – These funds are used to account for resources which are collected by the County in a trustee capacity or as an agent for individual, private organizations, other governments, or other County funds.

Interfund Receivables and Payables – Activity between individual funds may result in amounts owed between funds which are classified as due to and from other funds. Other than amounts due to or from fiduciary funds these balances are eliminated in the statement of net position.

Capital Assets - In the government-wide financial statements, capital assets arising from modified accrual transactions are reported in the statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. These 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 two years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-20
Machinery and Equipment	5-10

In the fund financial statements, capital assets arising from modified accrual transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Restricted Assets – When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Compensated Absences – County employees are entitled to vacation and sick leave based upon their length of employment. Sick leave is earned at a rate of 10 days per year and can be accumulated up to 45 days but must be used and is not payable at termination. Vacation pay is earned after one year of employment at various levels depending upon the length of employment. This pay is payable upon termination and has been reflected in the government-wide financial statements.

Fund Equity – In the fund financial statements, governmental funds report fund balances in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. The *nonspendable* classification represents assets that will be consumed or must be maintained intact and therefore will never convert to cash, such as inventories of supplies or prepaid amounts. Provisions of laws, contracts, and grants specify how fund resources can be used in the *restricted* classification. The nature of these two classifications precludes a need for a policy from the county commissioners. However, the commissioners do develop a policy for the three unrestricted classifications – *committed*, *assigned*, and *unassigned*.

From time to time, the county commissioners may commit fund balances by a majority vote in a scheduled meeting. The commissioners' commitment may be modified or rescinded by a majority vote in a scheduled meeting. Commissioners' commitments cannot exceed the amount of fund balance that is greater than the sum of *nonspendable* and *restricted* fund balances since that practice would commit funds that the county does not have. Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions (rainy day funds), and other purposes determined by the Commissioners.

The Commissioners may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The Commissioners may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the Commissioners by a majority vote in a scheduled meeting.

When the county makes expenditures that can be made from either restricted or unrestricted balances, the expenditure should be charged to restricted balances. When the county incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditure should be charged to committed if directly associated with the specific commitment, to assigned if directly associated with the specific assignment, and to unassigned.

Property Tax Revenues – Property taxes are assessed on January 1 of each year at which time a tax lien attaches to the property to secure the payment of taxes. Property taxes are levied on October 1 of each year. The taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the following year at which time they become subject to penalties and interest.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Interfund Transfers – Permanent relocations of resources between funds of the reporting entity are classified as interfund transfers. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Note 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget – The County prepares and adopts a budget for governmental funds prior to the beginning of each fiscal year. The County holds public meetings for the purpose of obtaining comments from citizens prior to adopting the budget. Once a budget is approved, it can be amended only by approval of a majority of the members of the Commissioners' Court. The budget was amended during the year.

Budgets for the General Fund and Special Revenue Funds are adopted on a modified accrual basis and cover a one-year period. Appropriations lapse at year end.

Note 3 – DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

Deposits and Investments – The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Deposits and Investments – Continued

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk – Deposits and Investments: In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits and investments in certificates of deposit may not be returned to it. The County's policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following: The State of Texas requires that a financial institution secure deposits and investments made by state and local governments by pledging securities in excess of the highest cash balance of the government. The County is not exposed to custodial credit risk for its deposits and investments in certificates of deposit, since they are covered by depository insurance and pledged securities held by a third party in the County's name.

Concentration of Credit Risk: The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the total entity investments represent a concentration risk. At September 30, 2015, all of the County's investments are in certificates of deposit with its depository bank. The certificates of deposit are completely covered by pledged securities as described in the preceding paragraph.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At September 30, 2015, was not significantly exposed to credit risk.

Interest Rate Risk: The County's investment policy limits its investment portfolio to maturities of one year or less as a means of limiting its exposure to fair value losses arising from fluctuating interest rates.

Foreign Currency Risk: Not applicable.

The carrying amount of the County's cash and temporary investments at September 30, 2015, approximates fair value and consisted of the following:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash on Hand and in Bank	\$ 393,389	\$ 159,010	\$ 552,399
Certificates of Deposit	1,282,131	11,473	1,293,604
Total Cash and Temporary Investments	<u>\$ 1,675,520</u>	<u>\$ 170,483</u>	<u>\$ 1,846,003</u>

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Interfund Transfers and Balances – During the year ended September 30, 2015, the General Fund and the Road & Bridge Fund made transfers totaling \$28,368 to various other nonmajor governmental funds.

The following is a summary of amounts due from and due to other funds as of September 30, 2015:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Purpose</u>
Fiduciary Funds	General Fund	\$ 23,643	Unremitted Fees
Fiduciary Funds	Road & Bridge Fund	0	Unremitted Fees
Fiduciary Funds	Other Governmental Funds	4,539	Unremitted Fees
Total		<u>\$ 28,182</u>	

Capital Assets – Capital asset activity for the year ended September 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
General Road & Bridge	\$ 140,179	\$ 0	\$ 0	\$ 140,179
Precinct One	493,658	50,000	0	543,658
Precinct Two	417,850	274,599	(42,500)	649,949
Precinct Three	775,193	6,250	0	781,443
Precinct Four	584,527	66,284	0	650,811
Sheriff	174,944	50,605	(20,020)	205,529
Courthouse	207,921	0	0	207,921
911 Equipment	73,638	0	0	73,638
Total Capital Assets	<u>\$ 2,867,910</u>	<u>\$ 447,738</u>	<u>\$ (62,520)</u>	<u>\$ 3,253,128</u>
Less Accumulated Depreciation	<u>(1,298,111)</u>	<u>(192,967)</u>	<u>54,962</u>	<u>(1,436,116)</u>
Capital Assets, Net	<u>\$ 1,569,799</u>	<u>\$ 254,771</u>	<u>\$ (7,558)</u>	<u>\$ 1,817,012</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 15,589
Road and Bridges	141,297
Justice System	3,650
Public Safety	27,522
Public Health & Welfare	4,909
Total	<u>\$ 192,967</u>

Compensated Absences Payable – Compensated absences payable consists of an accrual of earned vacation leave that has not been taken as of September 30, 2015 and is payable to employees at that date. Below is a summary of the activity for the year.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Compensated Absences	<u>\$ 20,398</u>	<u>\$ 1,882</u>	<u>\$ 0</u>	<u>\$ 22,280</u>

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Notes & Capital Leases Payable – Notes and capital leases payable as of September 30, 2015 consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
3.2% capital lease payable to a finance company with monthly payments of \$1,831 maturing June 7, 2017	\$ 124,951	\$ 0	\$ 18,234	\$ 106,717
3.2% capital lease payable to a finance company with monthly payments of \$1,626 maturing June 7, 2017	141,654	0	15,206	126,448
3.2% capital lease payable to a finance company with monthly payments of \$539.42 maturing on 12-27-17	114,597	0	2,848	111,749
3.2% capital lease payable to a finance company with monthly payments of \$474.05 maturing on 7-19-18	48,605	0	3,840	44,765
2.9% capital lease payable to a finance company with monthly payments of \$1,187.27 maturing on 11-14-18	85,364	0	11,929	73,435
2.9% capital lease payable to a finance company with monthly payments of \$1,328.92 maturing on 9-11-20	0	164,534	0	164,534
2.9% capital lease payable to a finance company with monthly payments of \$597.96 maturing on 9-21-20	<u>0</u>	<u>33,362</u>	<u>0</u>	<u>33,362</u>
Total	<u>\$ 515,171</u>	<u>\$ 197,896</u>	<u>\$ 52,057</u>	<u>\$ 661,010</u>

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Notes & Capital Leases Payable - Continued

Combined debt service requirements on notes and capital leases payable is as follows:

<u>Y/E Sept 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 71,682	\$ 19,333	\$ 91,015
2017	236,908	15,279	252,187
2018	173,440	7,449	180,889
2019	54,718	3,993	58,711
2020	124,262	3,342	127,604
Totals	<u>\$ 661,010</u>	<u>\$ 49,396</u>	<u>\$ 710,406</u>

Note 4 – OTHER INFORMATION

Pension Plan

Plan Description – The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 656 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer within the option available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 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 80 or more. Members are vested after 8 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

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

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Pension Plan – Continued
Funding Policy

Introduction

The funding policy governs how the Texas County & District System (TCDRS) determines the employer contributions required to ensure that benefits provided to TCDRS members are funded in a reasonable and equitable manner. The goals of TCDRS' funding policy are to fully fund benefits over the course of employees' careers to ensure intergenerational equity, and to balance rate and benefit stability with the need for the plan funding to be reflective of current plan conditions.

The policy documents the current funding policies in effect for the December 31, 2014 actuarial valuation as established by state law, administrative rule and action by the TCDRS Board of Trustees (the board). The policy serves as a comprehensive funding overview and complies with the GASB reporting requirements for an agent multiple-employer plan.

TCDRS Funding Overview

TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system funds its plan independently. A combination of three elements funds each employer's plan: employee deposits, employer contributions and investment income.

The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.

Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.

Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Pension Plan – Continued

Methodology for Determining Employer Contribution Rates

The board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following:

Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments

Discounts the estimate of future benefit payments so the present based on the long-term rate of investment return to determine the present value of future benefits

Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy

The valuation of each employer plan is based on the system funding policy and the assets, benefits and participant profile of each participating employer plan. The four key components in the determination of employer contribution rates are as follows.

1. Actuarial cost method – TCDRS has adopted the replacement life entry age cost method, a conservative cost method and an industry standard. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year.
2. Amortization policy – The portion of the contribution rate that funds any remaining unfunded amounts for benefits that are not covered by the normal cost is called the unfunded actuarial accrued liability (UAAL) rate. UAAL amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and losses). UAAL amounts are amortized on a level-percentage-of-covered-payroll basis over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains or losses, as well as any plan benefit changes elected by an employer for that year.

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

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

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Pension Plan - Continued

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

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

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

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

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

Oversight

The board has established review policies to ensure that actuarial assumptions are appropriate and that the methodology for determining employer contribution rates is being correctly applied. TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience. TCDRS assumptions are compared to plan experience and future expectations, and changes to the assumptions are recommended as needed. The board adopts actuarial assumptions to be used in the valuation based on the results of this study.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Pension Plan - Continued

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

In order to test accuracy and ensure that the actuarial methods and assumptions are being correctly applied, an audit of the valuation is required every four years. The board will review this policy on a regular basis and may modify this policy at its discretion. Modifications to the policy may be submitted for consideration to the board by staff and/or outside consulting actuaries as circumstances warrant.

Net Pension Liability / (Asset)	Net Pension Liability / (Asset)	
	<u>December 31, 2013</u>	<u>December 31, 2014</u>
Total pension liability	\$ 6,299,846	\$ 6,589,935
Fiduciary net position	6,601,334	6,915,043
Net pension liability / (asset)	(301,488)	(325,108)
Fiduciary net position as a % of total pension liability	104.79%	104.93%
Pensionable covered payroll	1,542,202	1,588,749
Net pension liability as a % of covered payroll	(19.55%)	(20.46%)

The total pension liability (asset) was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Discount rate		
Discount rate	8.10%	8.10%
Long-term expected rate of return, net of invest expense	*8.10%	*8.10%
Municipal bond rate	Does not apply	Does not apply

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Pension Plan - Continued

*The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payment sin that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net positon to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net positon is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Or alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

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

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Pension Plan - Continued

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

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

Other Key Actuarial Assumptions

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

Long-Term Expected Rate of Return

The Long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information show below are provided by TCDRS' investment consultant. The numbers shown are based on January 2015 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every 4 years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Pension Plan – Continued

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

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Note 3 – Pension Plan – Continued

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balances as of December 31, 2013	\$ 6,299,846	\$ 6,601,334	\$ (301,488)
Changes for the year:			
Service Cost	178,211		178,211
Interest on total pension liability	501,048		501,048
Effect of plan changes	0		0
Effect of economic/demographic gains and losses	21,713		21,713
Effect of assumption changes or inputs	0		0
Refund of contributions	(42,252)	(42,252)	
Benefit payments	(368,631)	(368,631)	
Administrative expenses		(5,196)	5,196
Member contributions		111,212	(111,212)
Net Investment income		454,984	(454,984)
Employer contributions		115,502	(115,502)
Other		48,089	(48,089)
Balances at December 31, 2014	\$ 6,589,935	\$ 6,915,043	\$ (325,108)

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, as well as what the Schleicher County net pension liability would be if it were calculated using a discount rate of 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$ 7,243,037	\$ 6,589,935	\$ 6,039,137
Fiduciary net position	6,915,043	6,915,043	6,915,043
Net pension liability / (asset)	\$ 327,994	\$ (325,108)	\$ (875,906)

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Pension Plan - Continued

Pension Expense

Pension Expense / (Income)	<u>January 1, 2014 to December 31, 2014</u>
	\$ 178,211
Service cost	501,048
Interest on total pension liability	0
Effect of plan changes	5,196
Administrative expenses	0
Member contributions – (All Paid by County for Members, so expensed)	(534,294)
Expected investment return net of investment expenses	
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	5,428
Recognition of assumption changes or inputs	0
Recognition of investment gains or losses	15,862
Other	<u>(48,089)</u>
Pension expense/(income)	<u>\$ 123,361</u>

As of December 31, 2014, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 16,285
Changes of assumptions	0	0
Net difference between projected and actual earnings	0	63,448
Contributions made subsequent to measurement date	N/A	169,092

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pension, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:	
2015	\$ 21,290
2016	21,290
2017	21,290
2018	15,862
2019	0
Thereafter	0

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2015

Note 3 – Pension Plan - Continued

Schedule of Deferred Inflows and Outflow of Resources

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 12/31/14	Balance of Deferred Inflows 12/31/14	Balance of Deferred Outflows 12/31/14
Investment (gains) or losses	\$ 79,310	12/31/14	5.0	\$15,862	\$ 0	\$ 63,448
Economic/ Demographic (gains) or losses	21,713	12/31/14	5.0	5,428	0	16,285
Assumption Changes on inputs	0	12/31/14	5.0	0	0	0
Employer & Employee Contributions Made subsequent To measurement Date	0			0	0	169,092
Total	\$ 101,023			\$21,290	\$ 0	\$ 248,825

Note 4 – Prior Period Adjustment

During fiscal year ended September 30, 2015, the County adopted GASB Statement No. 68 Accounting and Reporting for Pensions. With GASB 68, the County must record the Net Pension Liability or Asset of the Texas County and District Retirement System. Adoption of GASB 68 required a prior period adjustment to report the effect of GASB 68 retroactively. The amount of the prior period adjustment is \$465,884. The restated Beginning net position is \$3,227,641.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF COLEMAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
SEPTEMBER 30, 2015

	Year Ended December 31 2014
Total Pension Liability (Asset)	
Service Cost	\$ 178,211
Interest on total pension liability	501,048
Effect of plan changes	-
Effect of assumption changes or inputs	-
Effect of economic/demographic (gains) or losses	21,713
Benefit payments/refunds of contributions	<u>(410,883)</u>
Net change in total pension liability	290,089
Total pension liability, Beginning	<u>6,299,846</u>
Total pension liability, Ending	<u>\$ 6,589,935</u>
Fiduciary Net Position	
Employer contributions	\$ 115,502
Member contributions	111,212
Investment Income net of investment expenses	484,984
Benefit payments/refunds of contributions	(410,883)
Administrative expenses	(5,196)
Other	448,089
Net change in fiduciary net position	313,709
Fiduciary net position, beginning	<u>6,601,334</u>
Fiduciary net position, ending	<u>\$ 6,915,043</u>
Net pension liability/(asset) ending	<u>\$ (325,108)</u>
Fiduciary net position as a % of total pension liability	104.93%
Pensionable covered payroll	\$ 1,589,749
Net pension liability as a % of covered payroll	-20.46%

GASB 68 requires a 10 year summary of information, however recalculations of prior years were not made and therefore we have shown only years for which the new GASB statements have been implemented.

**COUNTY OF COLEMAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2015**

<u>Year Ending December 31</u>	<u>Actuarilly Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2005	Not Available	Not Available	Not Available	Not Available	Not Available
2006	\$ 82,776	\$ 82,776	0	\$ 1,138,590	7.30%
2007	87,333	87,333	-	1,238,769	7.00%
2008	84,359	84,359	-	1,343,292	6.30%
2009	71,569	71,569	-	1,440,013	5.00%
2010	94,658	94,658	-	1,456,273	6.50%
2011	88,382	88,382	-	1,482,917	6.00%
2012	95,391	95,391	-	1,490,489	6.40%
2013	103,019	103,019	-	1,542,202	6.70%
2014	115,502	115,502	-	1,588,749	7.30%

Note: It should be noted that the above is the employer contributions only in accordance with GASB 68 requirements. The County of Coleman also pays for the employee contributions which have been expensed in these financial statements.

COUNTY OF COLEMAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2015

Changes of benefit terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

SUPPLEMENTARY INFORMATION

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ROAD & BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Taxes-Lateral Road and FM	\$ 869,610	\$ 869,610	\$ 845,770	\$ (23,840)
Taxes-Flood Control	96,623	96,623	93,974	(2,649)
Delinquent Ad Valorem Taxes	25,000	30,611	30,611	-
Penalty and Interest-Taxes	14,000	14,000	12,314	(1,686)
Total Taxes	1,005,233	1,010,844	982,669	(28,175)
Fees				
Vehicle Registration	375,000	375,000	315,736	(59,264)
Vehicle Registration-Supple.	85,000	123,356	123,356	-
Total Fees	460,000	498,356	439,092	(59,264)
Intergovernmental				
U.S. Treasury in Lieu of Taxes	5,000	5,000	4,090	(910)
State Lateral Road & FM Funds	27,000	27,000	25,647	(1,353)
Total Intergovernmental	32,000	32,000	29,737	(2,263)
Interest - Interest Earned	1,200	1,200	783	(417)
Miscellaneous				
Other Revenue	35,500	68,592	68,092	(500)
Sale of Equipment	11,000	30,000	26,500	(3,500)
Total Miscellaneous	46,500	98,592	94,592	(4,000)
Total Revenues	1,544,933	1,640,992	1,546,873	(94,119)
EXPENDITURES				
General Road & Bridge				
Salaries Commissioners	157,248	157,248	157,248	-
Salaries-Other	28,626	28,626	28,626	-
Social Security Taxes	43,100	43,100	41,971	1,129
Retirement	80,042	80,042	78,017	2,025
Health Insurance	139,000	139,000	129,499	9,501
Workers Compensation	(307)	(307)	-	(307)
Tax Appraisal District	50,000	50,000	40,387	9,613
Other Expenses	7,500	7,500	703	6,797
Insurance	22,000	22,000	19,304	2,696
General Precinct Expenses	50,000	50,000	47,180	2,820
Outside Audit	4,500	4,500	4,500	-
Capital Purchases	-	1,106	1,106	-
Flood Control-Repairs	10,000	10,000	-	10,000
Flood Control-S.W.C.D.	11,000	11,000	11,000	-
Total General Road & Bridge	602,709	603,815	559,541	44,274

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL - ROAD & BRIDGE FUND - CONTINUED
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Precinct 1.				
Operators Salaries Precinct 1	85,878	85,878	85,878	-
Capital Purchases	30,000	50,000	50,000	-
Equipment Maintenance	35,000	35,000	14,852	20,148
Pickup Allowance	8,400	8,400	8,400	-
Fuel	36,000	36,000	28,389	7,611
Supplies	35,000	85,617	85,617	-
Other Precinct Expenses	3,500	3,500	2,636	864
Total Precinct 1	233,778	304,395	275,772	28,623
Precinct 2				
Operators Salaries Precinct 2	85,878	85,878	85,878	-
Capital Purchases	200,000	274,599	274,599	-
Equipment Maintenance	35,000	44,805	44,805	-
Pickup Allowance	8,400	8,400	8,400	-
Fuel	40,000	40,000	31,354	8,646
Supplies	30,000	45,685	45,685	-
Other Precinct Expenses	4,000	4,000	3,987	13
Total Precinct 2	403,278	503,367	494,708	8,659
Precinct 3				
Operators Salaries Precinct 3	85,878	85,878	71,565	14,313
Debt Service	36,250	36,250	36,214	36
Capital Purchases	-	6,250	6,250	-
Equipment Maintenance	37,000	37,000	30,008	6,992
Pickup Allowance	8,400	8,400	8,400	-
Fuel	45,000	45,000	25,974	19,026
Supplies	25,000	25,000	7,165	17,835
Other Precinct Expenses	3,000	3,344	3,344	-
Total Precinct 3	240,528	247,122	188,920	58,202
Precinct 4				
Operators Salaries Precinct 4	85,878	85,878	85,878	-
Debt Service	31,700	31,700	31,204	496
Capital Purchases	20,000	72,179	72,179	-
Equipment Maintenance	20,000	26,634	26,634	-
Pickup Allowance	8,400	8,400	8,400	-
Fuel	35,000	35,000	25,843	9,157
Supplies	35,000	154,750	154,750	-
Other Precinct Expenses	6,000	6,000	4,235	1,765
Total Precinct 4	241,978	420,541	409,123	11,418
Total Expenditures	1,722,271	2,079,240	1,928,064	151,176

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL - OTHER GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fees				
Hot Check Fees	\$ 4,300	\$ 4,300	\$ 2,990	\$ (1,310)
Courthouse Security Fee	6,700	6,700	6,041	(659)
Justice Court Technology Fund	4,000	4,000	2,462	(1,538)
District Clerk Fees	2,500	2,556	2,500	(56)
County Clerk Fees	700	732	732	-
Law Enforcement Education Fund-Sheriff	1,350	1,350	1,290	(60)
Law Enforcement Education Fund-Constable	650	650	-	(650)
PVS Funds	600	600	539	(61)
County Clerk Archive Fees	14,500	19,810	19,810	-
District Clerk Criminal Technology Fees	100	158	158	-
County Clerk Criminal Technology Fees	150	150	119	(31)
Dist Clerk Civil Record Preservation Fees	1,800	1,800	1,605	(195)
Cty Clerk Civil Record Preservation Fees	600	600	480	(120)
District Clerk Archive Fees	1,200	1,550	1,550	-
County Clerk Records Management Fees	16,000	19,922	19,922	-
Supplemental Guardianship Fees	1,000	1,000	800	(200)
Total Fees	<u>56,150</u>	<u>65,878</u>	<u>60,998</u>	<u>(4,880)</u>
Interest - Interest Earned	15	15	-	(15)
Miscellaneous				
Seized Funds Received	5,000	5,000	2,500	(2,500)
Total Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>2,500</u>	<u>(2,500)</u>
Total Revenues	<u>61,165</u>	<u>70,893</u>	<u>63,498</u>	<u>(7,395)</u>
EXPENDITURES				
General Government				
Workers Compensation Fund	25,000	26,322	26,322	-
Records Management Fund	3,000	3,000	1,896	1,104
District Clerk Records Management Fund	3,000	3,000	-	3,000
Preservation of Vital Statistics Fund	1,000	1,000	-	1,000
County Clerk Archive Fund	20,000	20,000	18,714	1,286
District Clerk Criminal Technology Fund	300	300	-	300
County Clerk Criminal Technology Fund	500	500	-	500
District Clerk Civil Records Preserv Fund	3,000	3,000	-	3,000
County Clerk Civil Records Preserv Fund	600	600	-	600
District Clerk Archive Fund	3,000	3,000	-	3,000
County Clerk Record Management Fund	17,000	29,828	27,828	2,000
Supplemental Guardianship Fund	2,000	2,000	-	2,000
Forfeiture and Seizure Fund	5,000	5,000	-	5,000
Total General Government	<u>83,400</u>	<u>97,550</u>	<u>74,760</u>	<u>22,790</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - OTHER GOVERNMENTAL FUNDS - CONTINUED
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>EXPENDITURES - CONTINUED</u>				
Justice System				
Courthouse Security Fund	25,000	25,000	-	25,000
Justice Court Technology Fund	8,000	8,000	3,367	4,633
County Attorney Hot Check Fund	11,100	11,100	7,327	3,773
Total Justice System	<u>44,100</u>	<u>44,100</u>	<u>10,694</u>	<u>33,406</u>
Public Safety				
Law Enforcement Education Fund	<u>2,500</u>	<u>2,500</u>	<u>673</u>	<u>1,827</u>
Total Expenditures	<u>130,000</u>	<u>144,150</u>	<u>86,127</u>	<u>58,023</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>23,772</u>	<u>(1,228)</u>
Net Change in Fund Balance	(43,835)	(48,257)	1,143	49,400
Fund Balance - Beginning	<u>120,893</u>	<u>120,893</u>	<u>120,893</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 77,058</u>	<u>\$ 72,636</u>	<u>\$ 122,036</u>	<u>\$ 49,400</u>

The accompanying notes are an integral part of this financial statement.