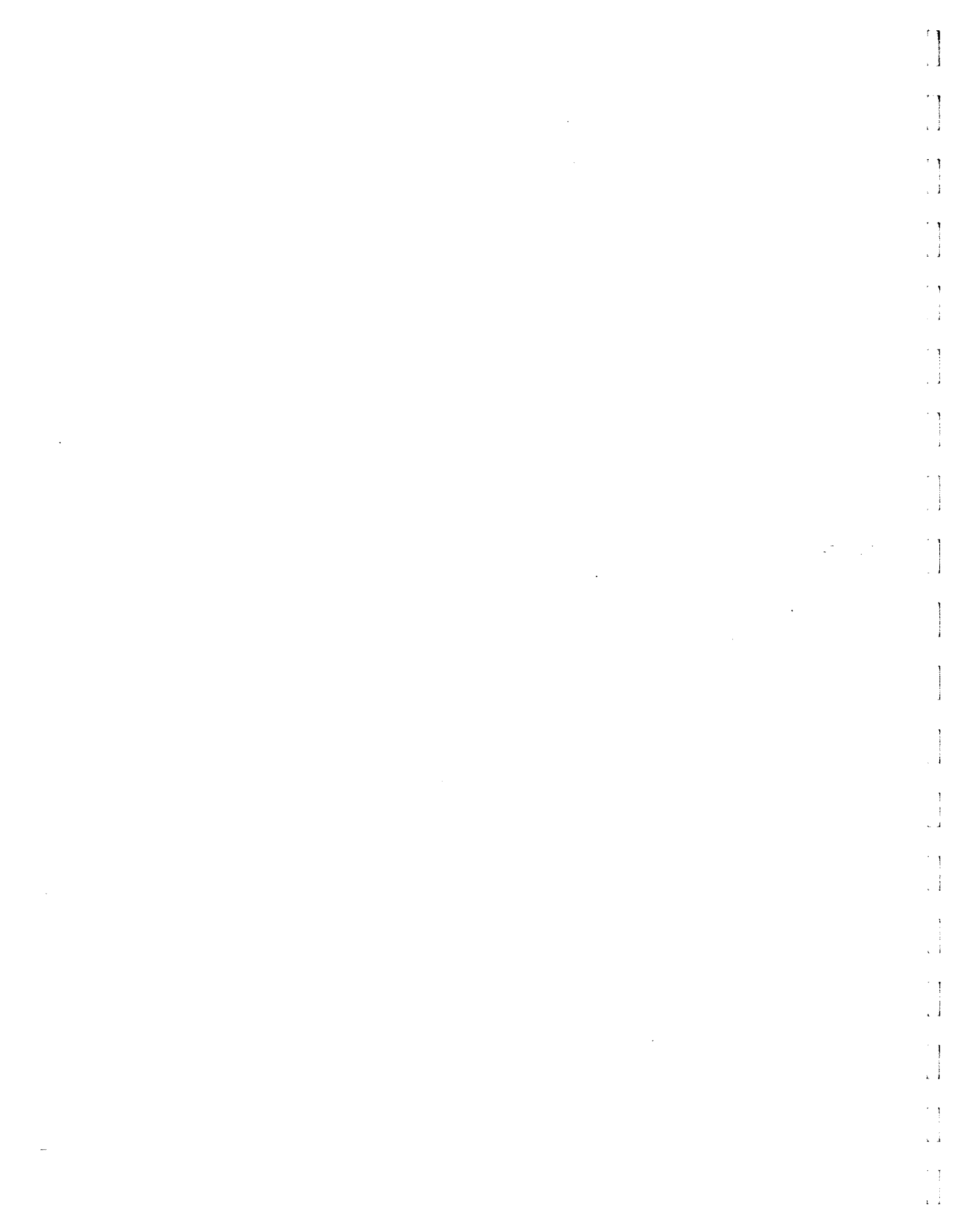


HENDERSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2015**

**PREPARED BY:
HENDERSON COUNTY AUDITOR'S OFFICE
Ann Marie Lee, CPA – County Auditor**



HENDERSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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HENDERSON COUNTY, TEXAS

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INTRODUCTORY SECTION

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HENDERSON COUNTY, TEXAS

DIRECTORY OF OFFICIALS

DECEMBER 31, 2015

<u>Office</u>	<u>Name</u>
County Judge	Judge Richard Sanders
Commissioner – Precinct 1	Scotty Thomas
Commissioner – Precinct 2	Wade McKinney
Commissioner – Precinct 3	Ronald Lawrence
Commissioner – Precinct 4	Ken Geeslin
County Attorney	Clint Davis
County Auditor	Ann Marie Lee
County Clerk	Mary Margaret Wright
County Tax Assessor/Collector	Peggy Goodall
County Treasurer	Michael Bynum
Sheriff	Ray Nutt
District Clerk	Betty Herriage
District Attorney	Scott McKee
Justice of the Peace – Precinct 1	Judge Randy Daniel
Justice of the Peace – Precinct 2	Judge Kevin Pollock
Justice of the Peace – Precinct 3	Judge Tony Duncan
Justice of the Peace – Precinct 4	Judge Milton Adams
Justice of the Peace – Precinct 5	Judge Tommy Barnett
Constable – Precinct 1	Daryl Graham
Constable – Precinct 2	Mitch Baker
Constable – Precinct 3	David Grubbs
Constable – Precinct 4	Richard Stewart
Constable – Precinct 5	Brad Miers
Chief Juvenile Probation & Corrections Officer	Bonny Turnage
County Court-at-Law No. 1 Judge	Steve Jeffus
County Court-at-Law No. 2 Judge	Judge Scott Williams
173rd District Court Judge	Judge Nancy Perryman
392nd District Judge	Judge Dan Moore
3rd District Court Judge	Judge Carter Tarrance
	Judge Mark Calhoon

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FINANCIAL SECTION

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P A T T I L L O , B R O W N & H I L L , L . L . P .
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge
and Commissioners' Court
Henderson County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Henderson County, Texas, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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.

Basis for Modified Opinion on the Governmental Activities, the Business-type Activities and the Major Proprietary Fund

The County has not implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. These financial statements recognize the cost of postemployment benefits, other than retirement benefits, on a pay-as-you-go basis. Accounting principles generally accepted in the United States of America require that annual required contributions related to postemployment benefits, other than retirement benefits, attributable to employee services already rendered be recorded as expenses as employees earn the benefits, which, if not funded would increase the liabilities, reduce the net assets, and change the expenses of the governmental activities, the business-type activities, and each major proprietary fund. The effects on these financial statements, although not reasonably determinable, are presumed to be material.

Modified Opinions

In our opinion, except for the effects of the matter described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major proprietary fund of Henderson County, Texas, as of December 31, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of Henderson County, Texas, as of December 31, 2015, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in Net Pension Liability and Related Ratios – Texas County and District Retirement System, the Schedule of Employer Contributions – Texas County and District Retirement System, the Statement of Revenues and Expenditures – Budget and Actual for the General Fund, and the Statement of Revenues and Expenditures – Budget and Actual for the Road and Bridge Fund 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 fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements 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 October 11, 2016, 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.

Pattillo, Brown & Hill, LLP

Waco, Texas
October 11, 2016

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Henderson County, we offer readers of Henderson County's financial statements this narrative overview and analysis of the financial activities of Henderson County for the fiscal year ended December 31, 2015. The MD&A should be read in conjunction with the County's basic financial statements.

FINANCIAL HIGHLIGHTS

The assets of Henderson County exceeded its liabilities at the close of fiscal year 2015 by \$46,003,338 (*net position*). Of this amount, \$10,300,939 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.

- The County's total net position increased by \$761,217.
- As of December 31, 2015, Henderson County's governmental funds reported combined ending fund balances of \$13,120,438, an increase of \$772,758 .
- At the end of fiscal year 2015, unassigned fund balance for the General Fund was \$9,038,756.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Henderson County's basic financial statements. Henderson County's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Henderson County's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of Henderson County's assets and liabilities with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Henderson County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Henderson County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Henderson County include general government, legal, health and welfare, judicial, public safety, culture and recreation, roads and bridges and interest on long-term debt. Henderson County business-type activities consist of a recreational arena and corresponding concessions.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Henderson County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating 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*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Road and Bridge Fund, both of which are considered to be major funds. Data from the other 10 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Henderson County adopts an annual appropriated budget for its General Fund and Road and Bridge Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

Proprietary Funds – Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Fair Park operations.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Henderson County's own programs.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents combining fund statements that further support the information in the financial statements. The combining fund statements are presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Henderson County, net position was \$46,003,338 at the close of the most recent fiscal year.

Investment in capital assets (e.g., land, buildings, machinery, infrastructure and equipment), less any debt used to acquire those assets that are still outstanding accounted for \$32,658,681 of the County's net position. 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 capital assets themselves cannot be used to liquidate these liabilities.

HENDERSON COUNTY'S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 31,367,089	\$ 31,565,804	\$ 255,950	\$ 180,130	\$ 31,623,039	\$ 31,745,934
Capital assets	33,168,033	34,340,071	1,042,122	1,107,036	34,210,155	35,447,107
Total assets	<u>64,535,122</u>	<u>65,905,875</u>	<u>1,298,072</u>	<u>1,287,166</u>	<u>65,833,194</u>	<u>67,193,041</u>
Deferred outflows of resources	2,816,662	-	-	-	2,816,662	-
Long-term liabilities	6,094,495	1,509,418	7,053	13,846	6,101,548	1,523,264
Other liabilities	3,685,307	4,079,434	15,626	67,531	3,700,933	4,146,965
Total liabilities	<u>9,779,802</u>	<u>5,588,852</u>	<u>22,679</u>	<u>81,377</u>	<u>9,802,481</u>	<u>5,670,229</u>
Deferred inflows of resources	12,844,037	12,849,087	-	-	12,844,037	12,849,087
Net position:						
Net investment in capital assets	31,630,405	31,648,466	1,028,276	1,086,081	32,658,681	32,734,547
Restricted	3,043,718	3,561,483	-	-	3,043,718	3,561,483
Unrestricted	<u>10,053,822</u>	<u>12,048,987</u>	<u>247,117</u>	<u>119,708</u>	<u>10,300,939</u>	<u>12,168,695</u>
Total net position	<u>\$ 44,727,945</u>	<u>\$ 47,258,936</u>	<u>\$ 1,275,393</u>	<u>\$ 1,205,789</u>	<u>\$ 46,003,338</u>	<u>\$ 48,464,725</u>

Approximately 7% of the County's net position represent *restricted net position*. These are resources that are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and granting conditions. The remaining balance, *unrestricted net position*, may be used to meet the County's ongoing obligations to citizens and creditors.

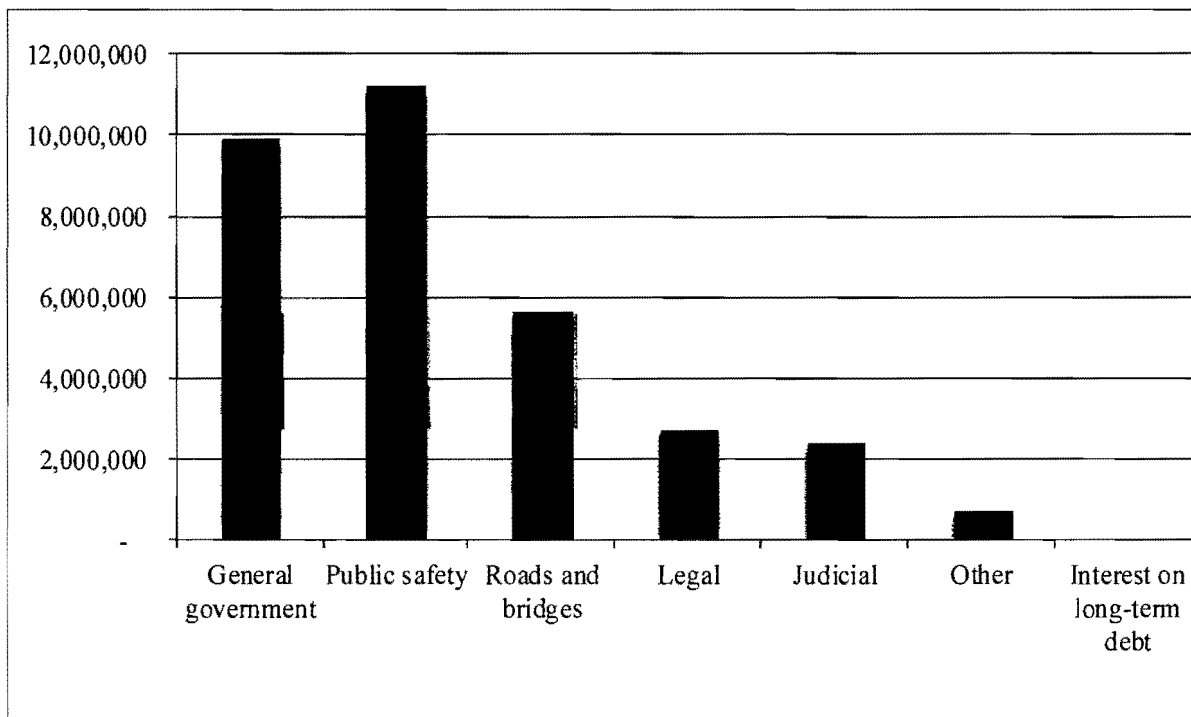
HENDERSON COUNTY'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 5,113,081	\$ 6,091,982	\$ 364,427	\$ 350,161	\$ 5,477,508	\$ 6,442,143
Operating grants and contributions	1,000,840	858,093	58,273	39,595	1,059,113	897,688
Capital grants and contributions	139,365	4,500	-	-	139,365	4,500
General revenues:						
Property taxes	25,947,463	26,708,918	-	-	25,947,463	26,708,918
Other taxes	94,784	86,512	129,529	121,345	224,313	207,857
Investment earnings	37,872	31,749	-	-	37,872	31,749
Gain on sale of capital asset	200,475	-	-	-	200,475	-
Miscellaneous	723,478	522,178	-	-	723,478	522,178
Total revenues	<u>33,257,358</u>	<u>34,303,932</u>	<u>552,229</u>	<u>511,101</u>	<u>33,809,587</u>	<u>34,815,033</u>
Expenses:						
Governmental activities:						
General government	9,863,217	10,035,598	-	-	9,863,217	10,035,598
Legal	2,706,993	2,838,264	-	-	2,706,993	2,838,264
Health and welfare	381,018	368,843	-	-	381,018	368,843
Judicial	2,416,779	2,097,841	-	-	2,416,779	2,097,841
Public safety	11,174,076	10,989,196	-	-	11,174,076	10,989,196
Culture and recreation	372,493	372,632	-	-	372,493	372,632
Roads and bridges	5,616,703	5,872,093	-	-	5,616,703	5,872,093
Interest on long-term debt	26,965	30,423	-	-	26,965	30,423
Business-type activities:						
Fair Park	-	-	395,722	331,991	395,722	331,991
Fair Park Concessions	-	-	94,403	77,713	94,403	77,713
Total expenses	<u>32,558,245</u>	<u>32,604,890</u>	<u>490,125</u>	<u>409,704</u>	<u>33,048,370</u>	<u>33,014,594</u>
Change in net position before transfers	699,113	1,699,042	62,104	101,397	761,217	1,800,439
Transfers	(7,500)	(7,500)	7,500	7,500	-	-
Change in net position	691,613	1,691,542	69,604	108,897	761,217	1,800,439
Net position, beginning	<u>47,258,936</u>	<u>45,520,281</u>	<u>1,205,789</u>	<u>1,096,892</u>	<u>48,464,725</u>	<u>46,617,173</u>
Prior period adjustment	(3,222,604)	47,113	-	-	(3,222,604)	47,113
Net position, ending	<u>\$ 44,727,945</u>	<u>\$ 47,258,936</u>	<u>\$ 1,275,393</u>	<u>\$ 1,205,789</u>	<u>\$ 46,003,338</u>	<u>\$ 48,464,725</u>

Governmental Activities. Governmental activities increased Henderson County's net position by \$691,613. Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Program revenues of \$6,253,286 equaled 19% of governmental expenses of \$32,558,245. General revenues of \$26,304,959 provided additional support and coverage for expenses.
- Approximately 34% of governmental expenses were for public safety and 30% were for governmental government activities.
- Infrastructure (road and bridges) expenses, at \$5,616,703 accounted for 17% of expenses.
- Grant revenues totaling \$1,140,205 were available to offset only 3.5% of expenses.

GOVERNMENTAL ACTIVITIES EXPENSES



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Henderson County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Henderson 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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2015, Henderson County's *governmental funds* reported combined ending fund balances of \$13,120,438. Overall fund balance increased by \$772,758. The increase is approximately 6% of the total fund balance.

The General Fund is the chief operating fund of Henderson County. At the end of fiscal year 2015, the General Fund had an ending fund balance of \$10,511,970. 86% of this total amount (\$9,038,756) constitutes unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total General Fund expenditures. Unassigned fund balance represents 35% of total General Fund expenditures.

The Road and Bridge Fund had an ending fund balance of \$1,630,822, a net increase of \$555,303. The increase was mainly due to unexpected revenues from the Texas Department of Transportation and FEMA grant revenues at year end.

Enterprise Funds.

The County's enterprise funds are primarily funded by rental and concession revenues, which assist the Fairgrounds in growth and development. Of the \$489,912 of expenses, \$110,860 was due to depreciation.

Budgetary Highlights

The budget is prepared in accordance to historical practices that conform to State of Texas statutes and approved by the Commissioners' Court following a public hearing. Appropriated budgets are approved and employed as a management control device during the year. The County maintains strict budgetary controls and sets its appropriations as the category level for all operating expenses and at the position/line item level for all salaries and benefits. Budget amendments may be made between operating categories and benefits only with the approval of Commissioners' Court.

The following are significant variations between the final budget and actual amounts in budget for General Fund or Road and Bridge Fund, as noted:

- When reviewing budget variance, the deviations were slight. Conservative and realistic budget along with expected economic factors holding as anticipated were the reasons for the modest fluctuations.
- The original General Fund budget included transfers of over a million dollars from Fund Balance to cover the cost of the judicial software upgrade and various other projects. This transfer was not needed and all costs for the project were absorbed by the current revenues.
- Road and Bridge revenues were higher than anticipated. This is due to FEMA grants for road damages due to storms and settlement from private industry for road damages.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Henderson County’s investment in capital assets for its governmental activities as of December 31, 2015, was \$33,168,033 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, furniture and equipment and infrastructure.

HENDERSON COUNTY’S CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 3,607,470	\$ 3,628,887	\$ 250,504	\$ 250,504	\$ 3,857,974	\$ 3,879,391
Buildings and improvements	27,916,944	28,655,517	2,161,706	2,161,706	30,078,650	30,817,223
Furniture and equipment	13,416,994	12,980,491	295,410	249,464	13,712,404	13,229,955
Infrastructure	31,941,794	32,024,869	-	-	31,941,794	32,024,869
Less: accumulated depreciation	(43,715,169)	(42,949,693)	(1,665,498)	(1,554,638)	(45,380,667)	(44,504,331)
Total capital assets	\$ <u>33,168,033</u>	\$ <u>34,340,071</u>	\$ <u>1,042,122</u>	\$ <u>1,107,036</u>	\$ <u>34,210,155</u>	\$ <u>35,447,107</u>

Significant Capital Assets Events

- The County sold the Tax Annex on March 2, 2015. The proceeds of \$96,052 were deposited into the General Fund.

Long-term Debt. At the end of fiscal year 2015, Henderson County had total bonded debt outstanding of \$1,250,000.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The most significant event in the 2016 budget is the extinguishment of debt. The final debt payment of \$1,250,000 (plus \$5,894 in interest) was made on May 1, 2016.

The tax rate remained the same for 2016 at .477984% per \$100 value. Total ad valorem tax revenues are estimated to be \$25,561 with \$343,044 of revenue from new property added to the tax rolls.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Henderson County’s finances for all those with an interest in the County’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Auditor’s Office
 100 E. Tyler, St Room 300
 Athens, TX 75751

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**BASIC
FINANCIAL STATEMENTS**

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HENDERSON COUNTY, TEXAS

STATEMENT OF NET POSITION

DECEMBER 31, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 27,245,658	\$ 244,173	\$ 27,489,831
Receivables, net of allowance for uncollectibles:			
Taxes	2,243,132	-	2,243,132
Fines	1,658,270	-	1,658,270
Other	123,754	11,777	135,531
Due from other governments	59,440	-	59,440
Prepaid items	36,835	-	36,835
Total current assets	31,367,089	255,950	31,623,039
Noncurrent assets:			
Capital assets:			
Land	3,607,470	250,504	3,857,974
Buildings and improvements	27,916,944	2,161,706	30,078,650
Furniture and equipment	13,416,994	295,410	13,712,404
Infrastructure	31,941,794	-	31,941,794
Less: accumulated depreciation	(43,715,169)	(1,665,498)	(45,380,667)
Total capital assets	33,168,033	1,042,122	34,210,155
Total noncurrent assets	33,168,033	1,042,122	34,210,155
Total assets	64,535,122	1,298,072	65,833,194
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	2,816,662	-	2,816,662
Total deferred outflows of resources	2,816,662	-	2,816,662
LIABILITIES			
Current liabilities:			
Accounts payable	489,214	7,309	496,523
Accrued liabilities	267,302	1,524	268,826
Due to other governments	435,549	-	435,549
Unearned revenue	137,778	-	137,778
Cash bond deposits	302,153	-	302,153
Accrued interest payable	1,965	-	1,965
General obligation bonds	1,250,000	-	1,250,000
Capital lease obligation	125,292	6,793	132,085
Compensated absences	676,054	-	676,054
Total current liabilities	3,685,307	15,626	3,700,933
Noncurrent liabilities:			
Capital lease obligation	162,336	7,053	169,389
Net pension liability	5,706,807	-	5,706,807
Compensated absences	225,352	-	225,352
Total noncurrent liabilities	6,094,495	7,053	6,101,548
Total liabilities	9,779,802	22,679	9,802,481
DEFERRED INFLOWS OF RESOURCES			
Advance property tax collections	12,844,037	-	12,844,037
Total deferred inflows of resources	12,844,037	-	12,844,037
NET POSITION			
Net investment in capital assets	31,630,405	1,028,276	32,658,681
Restricted for:			
Roads and bridges	1,949,811	-	1,949,811
Debt service	253,544	-	253,544
Other purposes	840,363	-	840,363
Unrestricted	10,053,822	247,117	10,300,939
Total net position	\$ 44,727,945	\$ 1,275,393	\$ 46,003,338

The accompanying notes are an integral part of these financial statements.

HENDERSON COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,863,217	\$ 1,837,534	\$ 296,357	\$ -
Legal	2,706,993	48,051	213,473	-
Health and welfare	381,018	24,402	4,100	-
Judicial	2,416,779	1,159,041	256,358	-
Public safety	11,174,076	500,287	173,969	-
Culture and recreation	372,493	10,792	-	-
Roads and bridges	5,616,703	1,532,974	56,583	139,365
Interest on long-term debt	26,965	-	-	-
Total governmental activities	32,558,245	5,113,081	1,000,840	139,365
Business-type activities:				
Fair Park	395,722	237,593	58,273	-
Fair Park concessions	94,403	126,834	-	-
Total business-type activities	490,125	364,427	58,273	-
Total	\$ 33,048,370	\$ 5,477,508	\$ 1,059,113	\$ 139,365

General revenues:

Taxes:

Property

Other

Investment earnings

Gain on disposal of capital assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Change in accounting principles

Net position, beginning, as restated

Net position, ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$(7,729,326)	\$ -	\$(7,729,326)
(2,445,469)	-	(2,445,469)
(352,516)	-	(352,516)
(1,001,380)	-	(1,001,380)
(10,499,820)	-	(10,499,820)
(361,701)	-	(361,701)
(3,887,781)	-	(3,887,781)
(26,965)	-	(26,965)
<u>(26,304,959)</u>	<u>-</u>	<u>(26,304,959)</u>
-	(99,856)	(99,856)
-	32,431	32,431
-	<u>(67,425)</u>	<u>(67,425)</u>
<u>(26,304,959)</u>	<u>(67,425)</u>	<u>(26,372,384)</u>
25,947,463	-	25,947,463
94,784	129,529	224,313
37,872	-	37,872
200,475	-	200,475
723,478	-	723,478
<u>(7,500)</u>	<u>7,500</u>	<u>-</u>
<u>26,996,572</u>	<u>137,029</u>	<u>27,133,601</u>
691,613	69,604	761,217
47,258,936	1,205,789	48,464,725
<u>(3,222,604)</u>	<u>-</u>	<u>(3,222,604)</u>
<u>44,036,332</u>	<u>1,205,789</u>	<u>45,242,121</u>
<u>\$ 44,727,945</u>	<u>\$ 1,275,393</u>	<u>\$ 46,003,338</u>

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HENDERSON COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2015

	<u>General</u>	<u>Road and Bridge</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 21,683,838	\$ 3,711,734	\$ 1,850,086	\$ 27,245,658
Receivables, net of allowance for uncollectibles:				
Taxes	1,778,817	338,771	125,544	2,243,132
Fines	1,658,270	-	-	1,658,270
Other	123,754	-	-	123,754
Due from other governments	59,440	-	-	59,440
Prepaid items	<u>36,835</u>	<u>-</u>	<u>-</u>	<u>36,835</u>
Total assets	<u>25,340,954</u>	<u>4,050,505</u>	<u>1,975,630</u>	<u>31,367,089</u>
LIABILITIES				
Liabilities:				
Accounts payable	377,680	104,985	6,549	489,214
Accrued liabilities	237,903	29,242	157	267,302
Due to other governments	269,562	-	165,987	435,549
Unearned revenue	137,778	-	-	137,778
Cash bonds and deposits	<u>302,153</u>	<u>-</u>	<u>-</u>	<u>302,153</u>
Total liabilities	<u>1,325,076</u>	<u>134,227</u>	<u>172,693</u>	<u>1,631,996</u>
DEFERRED INFLOWS OF RESOURCES				
Advance property tax collections	10,170,505	1,966,467	707,065	12,844,037
Unavailable revenue - property taxes	1,675,133	318,989	118,226	2,112,348
Unavailable revenue - court fines and fees	<u>1,658,270</u>	<u>-</u>	<u>-</u>	<u>1,658,270</u>
Total deferred inflows of resources	<u>13,503,908</u>	<u>2,285,456</u>	<u>825,291</u>	<u>16,614,655</u>
FUND BALANCES				
Fund balances:				
Nonspendable	36,835	-	-	36,835
Restricted	1,436,379	1,630,822	977,646	4,044,847
Unassigned	<u>9,038,756</u>	<u>-</u>	<u>-</u>	<u>9,038,756</u>
Total fund balances	<u>10,511,970</u>	<u>1,630,822</u>	<u>977,646</u>	<u>13,120,438</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>25,340,954</u>	\$ <u>4,050,505</u>	\$ <u>1,975,630</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 33,168,033

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 3,770,618

Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds. Additionally, deferred outflows of resources related to pensions are not reported in the funds. (5,331,144)

Net position of governmental activities \$ 44,727,945

The accompanying notes are an integral part of these financial statements.

HENDERSON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General	Road and Bridge	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 20,906,402	\$ 3,953,660	\$ 1,293,386	\$ 26,153,448
Fees	2,224,769	1,160,758	280,448	3,665,975
Intergovernmental	1,324,662	195,948	70,000	1,590,610
Fines and forfeitures	679,276	-	38,475	717,751
Licenses and permits	10,510	372,216	-	382,726
Investment earnings	37,829	-	43	37,872
Miscellaneous	240,677	476,767	16,396	733,840
Total revenues	25,424,125	6,159,349	1,698,748	33,282,222
EXPENDITURES				
Current:				
General government	8,882,952	-	80,600	8,963,552
Public safety	11,217,559	-	12,565	11,230,124
Roads and bridges	-	5,513,346	-	5,513,346
Legal	2,276,713	-	132,822	2,409,535
Judicial	2,726,881	-	-	2,726,881
Culture and recreation	348,533	-	21,709	370,242
Health and welfare	63,552	318,024	-	381,576
Debt service:				
Principal	57,087	67,540	1,237,000	1,361,627
Interest and other charges	5,645	5,644	17,620	28,909
Total expenditures	25,578,922	5,904,554	1,502,316	32,985,792
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(154,797)	254,795	196,432	296,430
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	183,320	92,858	-	276,178
Proceeds from capital lease	-	207,650	-	207,650
Transfers out	(7,500)	-	-	(7,500)
Total other financing sources and uses	175,820	300,508	-	476,328
NET CHANGE IN FUND BALANCES	21,023	555,303	196,432	772,758
FUND BALANCES, BEGINNING	10,490,947	1,075,519	781,214	12,347,680
FUND BALANCES, ENDING	\$ 10,511,970	\$ 1,630,822	\$ 977,646	\$ 13,120,438

The accompanying notes are an integral part of these financial statements.

HENDERSON 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 DECEMBER 31, 2015

Net change in fund balances - total governmental funds:	\$	772,758
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. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,058,010)
Governmental funds report the entire net sales price (proceeds) from the sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.	(114,028)
The issuance of long-term debt (leases) provides current financial resources to governmental funds. However, this transaction has no effect on net position.	(207,650)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(225,339)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This has no effect on the statement of activities.		1,361,627
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.		<u>162,255</u>
Change in net position of governmental activities	\$	<u>691,613</u>

HENDERSON COUNTY, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2015

	Enterprise Funds		
	Fair Park	Fair Park Concessions	Total
ASSETS			
Current assets:			
Cash and investments	\$ 233,972	\$ 10,201	\$ 244,173
Accounts receivable, net	11,777	-	11,777
Total current assets	245,749	10,201	255,950
Non-current assets:			
Capital assets:			
Land	250,504	-	250,504
Buildings and improvements	2,161,706	-	2,161,706
Furniture and equipment	295,410	-	295,410
Less: accumulated depreciation	(1,665,498)	-	(1,665,498)
Total non-current assets	1,042,122	-	1,042,122
Total assets	1,287,871	10,201	1,298,072
LIABILITIES			
Current liabilities:			
Accounts payable	4,410	2,899	7,309
Accrued liabilities	1,524	-	1,524
Capital lease obligation	6,793	-	6,793
Total current liabilities	12,727	2,899	15,626
Non-current liabilities:			
Capital lease obligation	7,053	-	7,053
Total non-current liabilities	7,053	-	7,053
Total liabilities	19,780	2,899	22,679
NET POSITION			
Net investment in capital assets	1,028,276	-	1,028,276
Unrestricted	239,815	7,302	247,117
Total net position	\$ 1,268,091	\$ 7,302	\$ 1,275,393

The accompanying notes are an integral part of these financial statements.

HENDERSON COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION**

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Enterprise Funds		
	Fair Park	Fair Park Concessions	Total
OPERATING REVENUES			
Rentals	\$ 176,664	\$ -	\$ 176,664
Concessions	-	126,834	126,834
Contributions	58,273	-	58,273
Other	60,929	-	60,929
Total operating revenues	<u>295,866</u>	<u>126,834</u>	<u>422,700</u>
OPERATING EXPENSES			
Personnel	150,243	18,124	168,367
Supplies and materials	72,684	-	72,684
Repairs and maintenance	8,871	-	8,871
Utilities	50,631	-	50,631
Professional services	500	66,852	67,352
Depreciation	110,860	-	110,860
Other	1,720	9,427	11,147
Total operating expenses	<u>395,509</u>	<u>94,403</u>	<u>489,912</u>
OPERATING INCOME (LOSS)	<u>(99,643)</u>	<u>32,431</u>	<u>(67,212)</u>
NON-OPERATING REVENUES (EXPENSES)			
Taxes	129,529	-	129,529
Interest expense	(213)	-	(213)
Total non-operating revenues (expenses)	<u>129,316</u>	<u>-</u>	<u>129,316</u>
INCOME (LOSS) BEFORE TRANSFERS	29,673	32,431	62,104
Transfers in	46,397	-	46,397
Transfers out	-	(38,897)	(38,897)
CHANGE IN NET POSITION	76,070	(6,466)	69,604
TOTAL NET POSITION, BEGINNING	<u>1,192,021</u>	<u>13,768</u>	<u>1,205,789</u>
TOTAL NET POSITION, ENDING	<u>\$ 1,268,091</u>	<u>\$ 7,302</u>	<u>\$ 1,275,393</u>

The accompanying notes are an integral part of these financial statements.

HENDERSON COUNTY, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Enterprise Funds		
	Fair Park	Fair Park Concessions	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 363,826	\$ 126,834	\$ 490,660
Cash paid to suppliers for goods and services	(196,362)	(18,684)	(215,046)
Cash paid to employees for services	(138,874)	(76,721)	(215,595)
Net cash provided (used) by operating activities	<u>28,590</u>	<u>31,429</u>	<u>60,019</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from taxes	129,529	-	129,529
Transfers from (to) other funds	46,397	(38,897)	7,500
Net cash provided (used) by noncapital financing activities	<u>175,926</u>	<u>(38,897)</u>	<u>137,029</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(45,946)	-	(45,946)
Principal payments on long-term debt	(7,109)	-	(7,109)
Interest payments on long-term debt	(213)	-	(213)
Net cash used by capital and related financing activities	<u>(53,268)</u>	<u>-</u>	<u>(53,268)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	151,248	(7,468)	143,780
CASH AND CASH EQUIVALENTS, BEGINNING	<u>82,724</u>	<u>17,669</u>	<u>100,393</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>233,972</u>	<u>10,201</u>	<u>244,173</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(99,643)	32,431	(67,212)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	110,860	-	110,860
(Increase) decrease in assets:			
Accounts receivable	67,960	-	67,960
Increase (decrease) in liabilities:			
Accounts payable	(46,119)	(560)	(46,679)
Accrued liabilities	(4,468)	(442)	(4,910)
Net cash provided (used) by operating activities	<u>\$ 28,590</u>	<u>\$ 31,429</u>	<u>\$ 60,019</u>

The accompanying notes are an integral part of these financial statements.

HENDERSON COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2015

ASSETS	
Cash and investments	\$ <u>4,534,624</u>
Total assets	\$ <u><u>4,534,624</u></u>
LIABILITIES	
Due to other agencies and individuals	\$ <u>4,534,624</u>
Total liabilities	\$ <u><u>4,534,624</u></u>

The accompanying notes are an integral part of these financial statements.

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HENDERSON COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Henderson County, Texas (the County) uses a commission form of government under the laws and statutes of the constitution of the State of Texas. The County provides various services to advance the welfare, health, morals, comfort, safety, and convenience of the County and its inhabitants. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Financial Reporting Entity

The definition of the reporting entity is based primarily on the notion of financial accountability. The elected officials governing Henderson County are accountable to their constituents for their public policy decisions, regardless of whether those decisions are carried out directly through the operations of the County or by their appointees through the operations of a separate entity. Therefore, the County is not only financially accountable for the organizations that make up its legal entity, it is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the County.

Depending upon the significance of the County's financial and operational relationships with various separate entities, the organizations are classified as blended or discrete component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly. As of December 31, 2015, the County does not report any component units.

B. Government-wide and Fund 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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenue* includes 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. 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 revenue 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 are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as it is 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.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Road and Bridge Fund** is used to account for the operation, repair and maintenance of roads and bridges within the County.

The County reports the following major Enterprise Funds:

The **Fair Park Fund** is used to account for the activities of the Henderson County Fairgrounds.

The **Fair Park Concessions Fund** is used to account for the concessions activities of the Henderson County Fairgrounds.

Additionally, the County reports the following fund type:

Agency Funds account for assets held by the County in a trustee capacity or as an agent for individuals or other governments. They are custodial in nature and do not include measurement of results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

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

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.

Deposits and Investments

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 invests its resources in bank certificates of deposit. These investments are recorded at cost, which approximates fair value. The County is entitled to invest in obligations of the United States, the State of Texas, and certificates of deposit of state or national banks or savings and loan associations with the State.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The County defines capital assets as physical assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Property improvements are capitalized if valued over \$10,000 with an estimated useful life in excess of 10 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Assets	Years
Buildings and improvements	10 - 40
Furniture and equipment	5 - 10
Infrastructure	50 - 100

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 the following items that qualify for reporting in this category:

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience - this difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Pension contributions after the measurement date - these contributions are deferred and recognized in the following fiscal year.

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 or fund balance 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 the following items that qualify for reporting in this category.

- Under the modified accrual basis of accounting, unavailable revenue is reported in the governmental funds balance sheet as a deferred inflow of resources.
- Property taxes collected before the period for which they were levied.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. 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 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.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Fund Equity

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Estimates

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the County's Total Pension Liability is obtained from TCDRS through a report prepared for the County by TCDRS' consulting actuary in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting/or Pensions*.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$5,331,144) difference are as follows:

General obligation bonds	\$(1,250,000)
Capital leases	(287,628)
Net pension liability	(5,706,807)
Deferred outflows related to pensions	2,816,662
Accrued interest payable	(1,965)
Compensated absences	(901,406)
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$(<u>5,331,144</u>)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(1,058,010) difference are as follows:

Capital outlay	\$ 1,119,178
Depreciation expense	(<u>2,177,188</u>)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$(<u>1,058,010</u>)

Another element of that reconciliation states, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this \$(225,339) difference are as follows:

Property taxes	\$(111,201)
Court fines	(114,138)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$(<u>225,339</u>)

Another element of that reconciliation states that, "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 governmental funds." The details of this \$162,255 difference are as follows:

Compensated absences	\$(172,148)
Net pension liability	332,459
Accrued interest	<u>1,944</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>162,255</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Commissioners' Court approves a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. For each budgeted fund, budgetary control is maintained at the departmental classification level. This is the level at which expenditures may not legally exceed funds. Any expenditures which alter the total budgeted amounts must be approved by the Commissioners' Court and the budget appropriately amended. Annual budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

4. DETAILED NOTES ON ALL FUNDS

Deposits

Custodial Credit Risk

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. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of the State of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. As of December 31, 2015, the County's \$27,490,831 deposit balance was entirely collateralized with securities pledged by the pledging financial institution or covered by FDIC insurance.

Receivables

Receivables as of year-end for the County's individual major funds and nonmajor funds including the applicable allowances for uncollectible accounts are as follows:

	<u>Governmental Funds</u>			<u>Enterprise Funds</u>	
	<u>General</u>	<u>Road and Bridge</u>	<u>Jail Expansion Interest and Sinking</u>	<u>Fair Park</u>	<u>Total</u>
Receivables:					
Taxes	\$ 1,883,342	\$ 356,601	\$ 132,921	\$ -	\$ 2,372,864
Fines	11,055,136	-	-	-	11,055,136
Other	<u>123,754</u>	<u>-</u>	<u>-</u>	<u>11,777</u>	<u>135,531</u>
Gross receivables	<u>13,062,232</u>	<u>356,601</u>	<u>132,921</u>	<u>11,777</u>	<u>13,563,531</u>
Less: allowance for uncollectibles	<u>(9,501,391)</u>	<u>(17,830)</u>	<u>(7,377)</u>	<u>-</u>	<u>(9,526,598)</u>
Net total receivables	<u>\$ 3,560,841</u>	<u>\$ 338,771</u>	<u>\$ 125,544</u>	<u>\$ 11,777</u>	<u>\$ 4,036,933</u>

Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,628,887	\$ -	\$(21,417)	\$ 3,607,470
Total capital assets not being depreciated	<u>3,628,887</u>	<u>-</u>	<u>(21,417)</u>	<u>3,607,470</u>
Capital assets, being depreciated:				
Buildings and improvements	28,655,517	14,647	(753,220)	27,916,944
Furniture and fixtures	12,980,491	1,085,831	(649,328)	13,416,994
Infrastructure	<u>32,024,869</u>	<u>18,700</u>	<u>(101,775)</u>	<u>31,941,794</u>
Total capital assets being depreciated	<u>73,660,877</u>	<u>1,119,178</u>	<u>(1,504,323)</u>	<u>73,275,732</u>
Less accumulated depreciation:				
Buildings and improvements	(13,403,298)	(844,806)	753,221	(13,494,883)
Furniture and fixtures	(10,041,341)	(845,634)	608,646	(10,278,329)
Infrastructure	<u>(19,505,054)</u>	<u>(486,748)</u>	<u>49,845</u>	<u>(19,941,957)</u>
Total accumulated depreciation	<u>(42,949,693)</u>	<u>(2,177,188)</u>	<u>1,411,712</u>	<u>(43,715,169)</u>
Total capital assets, being depreciated, net	<u>30,711,184</u>	<u>(1,058,010)</u>	<u>(92,611)</u>	<u>29,560,563</u>
Governmental activities capital assets, net	<u>\$ 34,340,071</u>	<u>\$(1,058,010)</u>	<u>\$(114,028)</u>	<u>\$ 33,168,033</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 250,504	\$ -	\$ -	\$ 250,504
Total capital assets not being depreciated	<u>250,504</u>	<u>-</u>	<u>-</u>	<u>250,504</u>
Capital assets, being depreciated:				
Buildings	1,556,281	-	-	1,556,281
Improvements	605,425	-	-	605,425
Furniture and fixtures	<u>249,464</u>	<u>45,946</u>	<u>-</u>	<u>295,410</u>
Total capital assets being depreciated	<u>2,411,170</u>	<u>45,946</u>	<u>-</u>	<u>2,457,116</u>
Less accumulated depreciation:				
Buildings	(1,162,002)	(50,861)	-	(1,212,863)
Improvements	(235,598)	(32,883)	-	(268,481)
Furniture and fixtures	<u>(157,038)</u>	<u>(27,116)</u>	<u>-</u>	<u>(184,154)</u>
Total accumulated depreciation	<u>(1,554,638)</u>	<u>(110,860)</u>	<u>-</u>	<u>(1,665,498)</u>
Total capital assets, being depreciated, net	<u>856,532</u>	<u>(64,914)</u>	<u>-</u>	<u>791,618</u>
Business-type activities capital assets, net	<u>\$ 1,107,036</u>	<u>\$(64,914)</u>	<u>\$ -</u>	<u>\$ 1,042,122</u>

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General government	\$ 922,580
Legal	10,635
Public safety	375,474
Road and bridge	<u>868,499</u>
Total depreciation expense - governmental activities	<u>2,177,188</u>
Business-type activities:	
Fair Park	<u>110,860</u>
Total depreciation expense - business-type activities	<u>\$ 110,860</u>

Interfund Transfers

The composition of interfund transfers as of December 31, 2015, is as follows:

Interfund Transfers:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Fair Park	General	\$ 7,500
Fair Park	Fair Park Concessions	<u>38,897</u>
		<u>\$ 46,397</u>

Transfers were used to use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Capital Leases

The County has entered into certain lease agreements as lessee for the financing and acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015, were as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental</u> <u>Activities</u>
2016	\$ 143,288
2017	125,566
2018	55,512
Less amount representing interest	(22,892)
Present value of minimum lease payments	<u>\$ 301,474</u>

Long-term Debt

The County issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental and business-type activities. These instruments include general obligation bonds, certificates of obligation, and capital leases. These debt obligations are secured by either future tax revenue or liens on property and equipment. Debt obligations that are intended to be repaid from Fair Park revenue have been recorded as business-type activities. All other long-term obligations of the County are considered to be governmental type activities.

Bonds Payable and Certificates of Obligation

A summary of the terms of general obligation bonds and certificates of obligation outstanding and their corresponding allocations to the governmental and business-type activities at December 31, 2015, follows:

Series and Original Issue Amount	Final Maturity	Interest Rate	Governmental Activities	
<u>General Obligation Bonds</u>				
2013 General Obligations Refunding	\$ 2,585,000	2016	0.943%	\$ <u>1,250,000</u>
Total Bonds and Certificates of Obligation			\$ <u>1,250,000</u>	

Annual debt service requirements for bonds are as follows:

Year Ending December 31,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ <u>1,250,000</u>	\$ <u>5,894</u>
Total	\$ <u>1,250,000</u>	\$ <u>5,894</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds	\$ 2,487,000	\$ -	\$(1,237,000)	\$ 1,250,000	\$ 1,250,000
Capital leases	204,605	207,650	(124,627)	287,628	125,292
Net pension liability	5,168,923	4,279,902	(3,742,018)	5,706,807	-
Compensated absences	729,258	672,150	(500,002)	901,406	676,054
Governmental activities long-term liabilities	<u>8,589,786</u>	<u>5,159,702</u>	<u>(5,603,647)</u>	<u>8,145,841</u>	<u>2,051,346</u>
Business-type activities					
Capital leases	20,955	-	(7,109)	13,846	6,793
Business-type activities long-term liabilities	<u>\$ 20,955</u>	<u>\$ -</u>	<u>\$(7,109)</u>	<u>\$ 13,846</u>	<u>\$ 6,793</u>

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

Other Information

Risk Management

Henderson County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, errors and omissions and personnel risks which relate to workers' compensation. The County carries commercial insurance in order to manage the above listed risks. Amounts of coverage for the above types of risk have not been subject to a significant reduction in the past year. The amounts of settlements have not exceeded insurance coverage for the past three fiscal years.

Health Care Coverage

During the year ended December 31, 2015, employees of the County were covered by a health insurance plan (the "Plan"). The County contributed 100% of the premium for each employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a Health Maintenance Organization. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the County and the licensed insurer is renewable, and terms of coverage and contribution costs are included in the contractual provisions.

Postemployment Benefits Other than Pension Benefits (OPEB)

Currently, health insurance benefits are provided to eligible retirees of the County in accordance with the policies and procedures approved by Commissioners' Court. Health insurance premiums for eligible retirees are paid for by the County for a maximum of three years.

Eligible retired employees are regular fulltime employees who retire under the employees' established retirement program (Texas County and District Retirement System) on or after January 1, 1991, and hired on or before December 31, 2009. Retired employee's eligibility shall cease upon the occurrence of the following events, whichever occurs first: 1) the last day of the contract month in which a retiree becomes eligible for Medicare by reason of obtaining age 65; 2) the last day of the contract month in which a retiree becomes eligible for disability under the United States Social Security Act; or 3) the last day of the contract month in which the County has contributed premiums for a three-year period.

As of December 31, 2015, the County had 19 retirees that were eligible for the OPEB plan and the cost per retiree to the County was \$842 per month for the months of January through October, and \$846 for November and December. Expenses for post-retirement health care benefits are recognized on a pay-as-you-go basis. During the year, premiums paid by the County were \$236,895.

In June 2004, the Government Accounting Standards Board (GASB) issued Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which was effective for the County for the year ending December 31, 2008. This Statement establishes standards for the measurement, recognition, and display of OPEB

expense/expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. This Statement requires systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and provides information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The County has not obtained the required actuarial evaluation of the benefits it provides to retirees and, therefore, has not implemented this standard.

Litigation

The County is periodically involved in legal actions and claims arising in the ordinary course of its operations. The outcome of these lawsuits is not presently determinable, but according to the County's attorneys, a judgment, if any, would have an immaterial impact on the County as a whole.

Commitments and Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Defined Benefit Pension Plan

Plan Description. The County participates in 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 nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tcdrs.org.

All eligible employees of the County are required to participate in TCDRS.

Benefits Provided. TCDRS provides retirement, disability and death benefits for all of its fulltime employees. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

Members can retire at age 60 and above with 8 or more years of service, with 20 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 employer-financed benefit. Members who withdraw their personal contributions 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 contributions 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	221
Inactive employees entitled to but not yet receiving benefits	226
Active employees	<u>369</u>
	<u>816</u>

Contributions. The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, 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. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary 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, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 13.57% and 13.68% in calendar years 2014 and 2015, respectively. The County's contributions to TCDRS for the year ended December 31, 2015, were \$2,055,743, and were equal to the required contributions.

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

Actuarial Assumptions

The Total Pension Liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.5% per year
Investment rate of return	8.1%, net of pension plan investment expense, including inflation

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

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

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2015 information for a 7 to 10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

⁽¹⁾ Target asset allocation adopted at the April 2015 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 1.7% per Cliffwater's 2015 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.1%. 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 period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2013	\$ 62,787,315	\$ 57,618,392	\$ 5,168,923
Changes for the year:			
Service cost	2,118,519	-	2,118,519
Interest on total pension liability ⁽¹⁾	5,047,123	-	5,047,123
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	206,048	-	206,048
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(178,411)	(178,411)	-
Benefit payments	(2,913,377)	(2,913,377)	-
Administrative expenses	-	(45,832)	45,832
Member contributions	-	1,003,997	(1,003,997)
Net investment income	-	3,946,810	(3,946,810)
Employer contributions	-	1,946,319	(1,946,319)
Other ⁽²⁾	-	(17,488)	17,488
Balance at 12/31/2014	<u>\$ 67,067,217</u>	<u>\$ 61,360,410</u>	<u>\$ 5,706,807</u>

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

⁽²⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-higher (9.1%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	7.1%	8.1%	9.1%
Total pension liability	\$ 75,449,018	\$ 67,067,217	\$ 60,169,872
Fiduciary net position	<u>61,360,410</u>	<u>61,360,410</u>	<u>61,360,410</u>
Net pension liability/(asset)	<u>\$ 14,088,608</u>	<u>\$ 5,706,807</u>	<u>\$ (1,190,538)</u>

Pension Plan Fiduciary Net Position

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

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

For the year ended December 31, 2015, the County recognized pension expense of \$1,723,283.

At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 154,536
Difference between projected and actual investment earnings	-	606,383
Contributions subsequent to the measurement date	<u>-</u>	<u>2,055,743</u>
Total	<u>\$ -</u>	<u>\$ 2,816,662</u>

\$2,055,743 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ended December 31,</u>		
2016	\$	203,108
2017		203,108
2018		203,108
2019		151,595

**REQUIRED
SUPPLEMENTARY INFORMATION**

HENDERSON COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 21,062,996	\$ 21,062,996	\$ 20,811,618	\$(251,378)
Mixed beverage taxes	66,900	66,900	94,784	27,884
Fees of office:				
Sheriff	181,500	181,500	148,006	(33,494)
County clerk	652,340	652,340	746,988	94,648
Tax assessor/collector	700,400	700,400	786,767	86,367
District clerk	399,400	399,400	311,473	(87,927)
Justice of the peace	78,100	78,100	73,723	(4,377)
County attorney	21,200	21,200	17,297	(3,903)
Constables	48,900	48,900	51,218	2,318
Court costs	83,500	83,500	51,702	(31,798)
Other	35,400	35,400	37,595	2,195
Total fees of office	<u>2,200,740</u>	<u>2,200,740</u>	<u>2,224,769</u>	<u>24,029</u>
Intergovernmental	1,004,900	1,078,246	1,324,662	246,416
Licenses and permits	13,100	13,100	10,510	(2,590)
Fines and forfeitures	1,035,400	1,035,400	679,276	(356,124)
Investment earnings	85,850	85,850	37,829	(48,021)
Miscellaneous	303,538	303,538	240,677	(62,861)
Total revenues	<u>25,773,424</u>	<u>25,846,770</u>	<u>25,424,125</u>	<u>(422,645)</u>
EXPENDITURES				
General government:				
County Judge	239,527	245,393	242,945	2,448
General County operations	3,898,591	3,859,789	3,602,519	257,270
Juvenile	95,000	108,711	108,709	2
General information systems	641,576	641,576	560,867	80,709
County clerk	732,330	735,437	690,086	45,351

HENDERSON COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
EXPENDITURES (Continued)				
General government: (Continued)				
County clerk records management	\$ 106,531	\$ 106,531	\$ 77,430	\$ 29,101
Elections administration	391,087	391,087	342,922	48,165
Veterans services	20,398	21,494	21,433	61
County auditor	634,174	634,174	596,856	37,318
Information technology	285,357	285,357	238,056	47,301
County treasurer	199,988	200,006	197,945	2,061
Tax assessor/collector	830,022	837,257	765,279	71,978
Public facilities	1,460,635	1,586,836	1,434,465	152,371
Jury	13,996	3,440	3,440	-
Total general government	<u>9,549,212</u>	<u>9,657,088</u>	<u>8,882,952</u>	<u>774,136</u>
Public safety:				
Constables general	12,155	8,572	3,786	4,786
Constable, precinct 1	68,053	73,789	73,102	687
Constable, precinct 2	67,988	67,988	66,220	1,768
Constable, precinct 3	67,718	67,718	65,603	2,115
Constable, precinct 4	66,614	66,614	64,003	2,611
Constable, precinct 5	67,543	68,103	66,906	1,197
Sheriff's office field operations	4,654,195	4,959,696	4,865,298	94,398
Jail operations	6,084,901	5,696,086	5,612,337	83,749
Emergency management	78,338	78,338	75,290	3,048
Fire marshal/environmental crimes	262,933	298,933	255,088	43,845
Department of public safety	80,295	80,295	69,926	10,369
Total public safety	<u>11,510,733</u>	<u>11,466,132</u>	<u>11,217,559</u>	<u>248,573</u>

HENDERSON COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Legal:				
County attorney prosecution	\$ 843,383	\$ 845,611	\$ 788,391	\$ 57,220
County attorney collections	261,783	259,555	182,291	77,264
District attorney	1,166,697	1,168,011	1,147,360	20,651
District attorney capital cases	500,000	500,000	158,671	341,329
Total legal	<u>2,771,863</u>	<u>2,773,177</u>	<u>2,276,713</u>	<u>496,464</u>
Judicial:				
County court-at-law 1	367,864	367,864	346,478	21,386
County court-at-law 2	372,885	373,032	348,806	24,226
District courts general	49,000	24,862	24,801	61
Indigent defense	51,499	53,672	51,780	1,892
3rd district court	137,249	137,249	131,539	5,710
173rd district court	221,460	221,460	220,687	773
392nd district court	234,139	236,171	236,157	14
District Clerk	609,628	610,011	579,642	30,369
Justice of the peace, precinct 1	124,767	125,709	122,095	3,614
Justice of the peace, precinct 2	177,613	178,041	172,386	5,655
Justice of the peace, precinct 3	128,210	129,260	126,277	2,983
Justice of the peace, precinct 4	130,499	131,447	130,907	540
Justice of the peace, precinct 5	175,074	176,691	172,939	3,752
Arraignments	12,037	12,037	7,925	4,112
Jury	23,254	54,464	54,462	2
Total judicial	<u>2,815,178</u>	<u>2,831,970</u>	<u>2,726,881</u>	<u>105,089</u>

HENDERSON COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Health and welfare:				
Health care coordination	\$ 63,761	\$ 63,761	\$ 63,552	\$ 209
Total health and welfare	<u>63,761</u>	<u>63,761</u>	<u>63,552</u>	<u>209</u>
Culture and recreation:				
Public library	142,650	145,197	144,655	542
County extension office	185,682	186,182	182,790	3,392
Historical Commission	18,172	18,272	16,182	2,090
Healthy County	-	4,908	4,906	2
Total culture and recreation	<u>346,504</u>	<u>354,559</u>	<u>348,533</u>	<u>6,026</u>
Total expenditures	<u>27,057,251</u>	<u>27,146,687</u>	<u>25,578,922</u>	<u>1,567,765</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,283,827)</u>	<u>(1,299,917)</u>	<u>(154,797)</u>	<u>1,145,120</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	52,500	57,500	183,320	125,820
Transfers in	1,331,653	1,331,653	-	(1,331,653)
Transfers out	-	-	(7,500)	(7,500)
Total other financing sources (uses)	<u>1,384,153</u>	<u>1,389,153</u>	<u>175,820</u>	<u>(1,213,333)</u>
NET CHANGE IN FUND BALANCES	100,326	89,236	21,023	(68,213)
FUND BALANCES, BEGINNING	<u>10,490,947</u>	<u>10,490,947</u>	<u>10,490,947</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 10,591,273</u>	<u>\$ 10,580,183</u>	<u>\$ 10,511,970</u>	<u>\$(68,213)</u>

HENDERSON COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ROAD AND BRIDGE

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 3,985,843	\$ 3,985,843	\$ 3,953,660	\$(32,183)
Fees of office	1,041,389	1,041,389	1,160,758	119,369
Licenses and permits	400,000	400,000	372,216	(27,784)
Intergovernmental	52,111	191,476	195,948	4,472
Miscellaneous	-	122,539	476,767	354,228
Total revenues	<u>5,479,343</u>	<u>5,741,247</u>	<u>6,159,349</u>	<u>418,102</u>
EXPENDITURES				
Waste management	286,660	330,056	318,024	12,032
Road and bridge general	51,043	190,408	176,105	14,303
Road and bridge precinct #1	1,272,410	1,350,355	1,228,802	121,553
Road and bridge precinct #2	1,272,410	1,297,279	1,285,117	12,162
Road and bridge precinct #3	1,272,410	1,282,410	1,233,058	49,352
Road and bridge precinct #4	1,272,410	1,685,779	1,590,264	95,515
Precinct #1 lateral road	13,000	13,000	-	13,000
Precinct #2 lateral road	13,000	13,000	-	13,000
Precinct #3 lateral road	13,000	13,000	-	13,000
Precinct #4 lateral road	13,000	13,000	-	13,000
Principal	-	-	67,540	(67,540)
Interest and other fiscal charges	-	-	5,644	(5,644)
Total expenditures	<u>5,479,343</u>	<u>6,188,287</u>	<u>5,904,554</u>	<u>283,733</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(447,040)	254,795	701,835
OTHER FINANCING SOURCES				
Sale of capital assets	-	252,000	92,858	(159,142)
Proceeds from capital lease	-	252,000	207,650	(44,350)
Total other financing sources	<u>-</u>	<u>504,000</u>	<u>300,508</u>	<u>(203,492)</u>
NET CHANGE IN FUND BALANCES	-	56,960	555,303	498,343
FUND BALANCES, BEGINNING	<u>1,075,519</u>	<u>1,075,519</u>	<u>1,075,519</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1,075,519</u>	<u>\$ 1,132,479</u>	<u>\$ 1,630,822</u>	<u>\$ 498,343</u>

HENDERSON COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY SCHEDULES

DECEMBER 31, 2015

Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial report:

1. The County Judge has departmental meetings with management to determine the departmental budget requests.
2. The County Judge submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January. The operational budget includes proposed expenditures and the means of financing them.
3. Public hearings are conducted to obtain taxpayer comments.
4. After the public hearings, the Commissioners' Court reviews the budget and makes any adjustments they feel necessary.
5. The budget is then legally enacted by the Commissioners' Court on or before January 1.

Only the governing body, composed of the Commissioners' Court, may amend the budget after its adoption so long as the amendment continues to meet the requirements of Section 111 of the *Local Government Code*. During the year, several supplementary amendments to the original budget were required. Individual amendments were all legally made.

The County's budget authorizes expenditures for all governmental fund types. The County's legally adopted budget is at the department level in those funds with multiple departments and at the fund level in single department funds. For internal management purposes, the budgets are detailed by line item and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget appropriations lapse at year-end.

HENDERSON COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST FISCAL YEAR

Plan Year Ended December 31	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 2,118,519
Interest total pension liability	5,047,123
Effect of plan changes	-
Effect of assumption changes or inputs	-
Effect of economic/demographic (gains) or losses	206,048
Benefit payments/refunds of contributions	(3,091,788)
Net change in total pension liability	4,279,902
Total pension liability - beginning	<u>62,787,315</u>
Total pension liability - ending (a)	<u>\$ 67,067,217</u>
Plan Fiduciary Net Position	
Employer contributions	\$ 1,946,319
Member contributions	1,003,997
Investment income net of investment expenses	3,946,810
Benefit payments refunds of contributions	(3,091,788)
Administrative expenses	(45,832)
Other	(17,488)
Net change in plan fiduciary net position	3,742,018
Plan fiduciary net position - beginning	<u>57,618,392</u>
Plan fiduciary net position - ending (b)	<u>\$ 61,360,410</u>
Net pension liability - ending (a) - (b)	<u>\$ 5,706,807</u>
Fiduciary net position as a percentage of total pension liability	91.49%
Pensionable covered payroll	\$ 14,342,815
Net pension liability as a percentage of covered payroll	39.79%

HENDERSON COUNTY, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS - TCDRS

LAST TEN FISCAL YEARS

<u>Year Ended December 31,</u>	<u>Actuarially 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>
2006	\$ 1,130,746	\$ 1,130,746	\$ -	\$ 11,064,049	10.2%
2007	1,310,940	1,310,940	-	12,149,585	10.8%
2008	1,382,832	1,382,832	-	13,386,568	10.3%
2009	1,559,957	1,559,957	-	14,661,247	10.6%
2010	1,663,706	1,663,706	-	14,517,507	11.5%
2011	1,618,971	1,618,971	-	14,127,207	11.5%
2012	1,686,878	1,686,878	-	13,987,401	12.1%
2013	1,763,575	1,763,575	-	13,831,885	12.8%
2014	1,946,319	1,946,319	-	14,342,815	13.6%
2015	2,055,743	2,055,743	-	15,027,363	12.4%

HENDERSON COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry age normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	Annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
Investment Rate of Return	8.1%
Cost-of Living Adjustments	Cost-of-Living Adjustments are considered to be substantively automatic under GASB 68. Therefore, an annual 100% CPI cost-of-living adjustment is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Experience-based table of rates based on a study of the period 2009-2012.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	
Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.
Other Information	There were no benefit changes during the year.

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Records Management – This fund is used to account for fees collected by both the District and County Clerks. The use of these fees is statute driven to provide these offices with funds for records management and preservation services. Expenditures must be approved by Commissioners' Court.

CWM Library – This fund is used to account for the operation of the Clint W. Murchison Memorial Library.

Hot Check – This fund is funded by fees from hot check collections. The Hot Check Department is a division of the County Attorney's office and is a computerized operation for the prosecution and collection of hot checks. This department assists merchants by preparing witness statements, collection and return of restitution to merchants, and filing criminal cases against check writers. Revenue derived from these collections is utilized for the benefit of the County Attorney's office.

Law Enforcement – District Attorney – This fund is used to account for the seizure of property and money, which may be used by the District Attorney for law enforcement purposes. The fund is also a clearing account for seizures held pending disposition. The District Attorney may dispense funds according to court orders and pro rata shares determined by interlocal agreements with other law enforcement agencies.

Law Enforcement – Sheriff – This fund is used to account for seizures awarded to the Sheriff's Department through an interlocal agreement with the District Attorney. The fund may be used by the Sheriff for law enforcement purposes.

County Attorney State Allotment – The County Attorney's office receives a state supplement provided by House Bill 801 for County Attorney salary and other uses of the office. The amount is appropriated from the State General Fund to enhance prosecution.

Law Library – This fund is used to account for the fees collected at the District Clerk and County Clerk for the Law Library.

Federal Seizures Sheriff – This fund is used to account for funds from the forfeiture of property and money, which may be used at the Sheriff's Department.

Bail Bond Board – This fund is used to account for the fees collected from bail bondsmen in order to operate in Henderson County. These fees are required to be used to fund expenditures related to running the Bail Bond Board.

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DEBT SERVICE FUND

Jail Expansion Interest and Sinking – The *Jail Expansion Interest and Sinking Fund* was established to accumulate resources and pay principal and interest on the jail expansion bonds.

HENDERSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Special Revenue			
	Records Management	CWM Library	Hot Check	Law Enforcement District Attorney
ASSETS				
Cash and investments	\$ 585,169	\$ 6,249	\$ 73,644	\$ 180,013
Taxes receivable, net of allowance for uncollectibles	-	-	-	-
Total assets	<u>\$ 585,169</u>	<u>\$ 6,249</u>	<u>\$ 73,644</u>	<u>\$ 180,013</u>
LIABILITIES				
Liabilities:				
Accounts payable	1,400	1,537	70	-
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	165,987
Total liabilities	<u>1,400</u>	<u>1,537</u>	<u>70</u>	<u>165,987</u>
DEFERRED INFLOWS OF RESOURCES				
Advance property tax collections	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	583,769	4,712	73,574	14,026
Total fund balances	<u>583,769</u>	<u>4,712</u>	<u>73,574</u>	<u>14,026</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 585,169</u>	<u>\$ 6,249</u>	<u>\$ 73,644</u>	<u>\$ 180,013</u>

Special Revenue					Debt Service	Total Governmental Funds
Law Enforcement Sheriff	County Attorney State Allotment	Law Library	Federal Seizures Sheriff	Bail Bond Board	Jail Expansion Interest and Sinking	
\$ 55,674	\$ 24,256	\$ 61,776	\$ 16,079	\$ 10,196	\$ 837,030	\$ 1,850,086
-	-	-	-	-	125,544	125,544
<u>\$ 55,674</u>	<u>\$ 24,256</u>	<u>\$ 61,776</u>	<u>\$ 16,079</u>	<u>\$ 10,196</u>	<u>\$ 962,574</u>	<u>\$ 1,975,630</u>
1,149	-	2,393	-	-	-	6,549
-	157	-	-	-	-	157
-	-	-	-	-	-	165,987
<u>1,149</u>	<u>157</u>	<u>2,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,693</u>
-	-	-	-	-	707,065	707,065
-	-	-	-	-	118,226	118,226
-	-	-	-	-	825,291	825,291
54,525	24,099	59,383	16,079	10,196	137,283	977,646
<u>54,525</u>	<u>24,099</u>	<u>59,383</u>	<u>16,079</u>	<u>10,196</u>	<u>137,283</u>	<u>977,646</u>
<u>\$ 55,674</u>	<u>\$ 24,256</u>	<u>\$ 61,776</u>	<u>\$ 16,079</u>	<u>\$ 10,196</u>	<u>\$ 962,574</u>	<u>\$ 1,975,630</u>

HENDERSON COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue			
	Records Management	CWM Library	Hot Check	Law Enforcement District Attorney
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees	222,380	10,792	12,173	-
Fines and forfeitures	-	-	-	18,581
Intergovernmental	-	-	-	-
Investment earnings	-	-	-	22
Miscellaneous	-	14,533	1,863	-
Total revenues	222,380	25,325	14,036	18,603
EXPENDITURES				
Current:				
General government	80,600	-	-	-
Legal	-	-	12,480	12,321
Public safety	-	-	-	-
Culture and recreation	-	21,709	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	80,600	21,709	12,480	12,321
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	141,780	3,616	1,556	6,282
NET CHANGE IN FUND BALANCES	141,780	3,616	1,556	6,282
FUND BALANCES, BEGINNING	441,989	1,096	72,018	7,744
FUND BALANCES, ENDING	\$ 583,769	\$ 4,712	\$ 73,574	\$ 14,026

Special Revenue					Debt Service	Total
Law Enforcement Sheriff	County Attorney State Allotment	Law Library	Federal Seizures Sheriff	Bail Bond Board	Jail Expansion Interest and Sinking	Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,293,386	\$ 1,293,386
-	-	24,607	-	10,496	-	280,448
14,515	-	-	5,379	-	-	38,475
-	70,000	-	-	-	-	70,000
4	-	-	17	-	-	43
-	-	-	-	-	-	16,396
<u>14,519</u>	<u>70,000</u>	<u>24,607</u>	<u>5,396</u>	<u>10,496</u>	<u>1,293,386</u>	<u>1,698,748</u>
-	-	-	-	-	-	80,600
-	79,696	28,325	-	-	-	132,822
12,265	-	-	-	300	-	12,565
-	-	-	-	-	-	21,709
-	-	-	-	-	1,237,000	1,237,000
-	-	-	-	-	17,620	17,620
<u>12,265</u>	<u>79,696</u>	<u>28,325</u>	<u>-</u>	<u>300</u>	<u>1,254,620</u>	<u>1,502,316</u>
<u>2,254</u>	<u>(9,696)</u>	<u>(3,718)</u>	<u>5,396</u>	<u>10,196</u>	<u>38,766</u>	<u>196,432</u>
2,254	(9,696)	(3,718)	5,396	10,196	38,766	196,432
<u>52,271</u>	<u>33,795</u>	<u>63,101</u>	<u>10,683</u>	<u>-</u>	<u>98,517</u>	<u>781,214</u>
<u>\$ 54,525</u>	<u>\$ 24,099</u>	<u>\$ 59,383</u>	<u>\$ 16,079</u>	<u>\$ 10,196</u>	<u>\$ 137,283</u>	<u>\$ 977,646</u>

AGENCY FUNDS

Property Tax Fund – This fund is maintained by the Tax Collector for property taxes collected for other governments.

Auto 6.25% Fund – This fund is maintained by the Tax Collector to account for sales tax on new vehicles due to the State.

Auto Fund – This fund is maintained by the Tax Collector to account for collections from auto registrations due to the State.

Auto Vehicle Inventory Tax Fund – This fund holds estimated payments by auto dealers for taxes on inventory. Taxes are based on sales and are applied against the balance owed according to the assessment later in the year.

Seven Points Substation Fund – A tax account for automobile registrations maintained by the Tax Collector at a substation location.

Chandler Substation Fund – A tax account for automobile registrations maintained by the Tax Collector at a substation location.

Sheriff Commissary Fund – This fund is used for commissary purchases. Purchases of supplies by inmates provide funding for the commissary.

County Clerk Fee Fund – This fund accounts for fines and fees charged by the office held for other entities.

County Clerk Trust Fund – This fund accounts for trust money held in non-interest bearing accounts, for civil cases before the County Court or County Court-at-Law. Disbursements are made upon disposition of the cases by court order.

County Clerk Interest Bearing Trust Fund – This fund accounts for money held in interest-bearing accounts for civil cases before the County Court and County Court-at-Law. Disbursements are made upon disposition of the cases by court order.

District Clerk Fee Fund – This fund accounts for fines and fees charged by the office held for other entities. The account may hold a small amount of funds for restitution or bond payments.

AGENCY FUNDS (cont.)

New District Clerk Fee Fund – This fund accounts for fines and fees charged by the office held for other entities. The account may hold a small amount of funds for restitution or bond payments.

District Clerk Trust Investment Fund – This fund maintained by the District Clerk accounts for certificates of deposit held pending disposition of civil cases before the District Courts.

County Attorney Hot Check Fund – This fund accounts for fees for bad check collections. The funds may be used for purposes benefiting the County Attorney's office.

County Attorney Fee Fund – This fund accounts for fees charged by the office held for other entities.

Inmate Trust Fund – Maintained by the Sheriff, the fund holds inmate funds during incarceration.

District Attorney State Fee Fund – This fund accounts for fees charged by the office held for other entities.

District Attorney Escrow Fund – The District Attorney accounts for restitution payable to victims and temporarily holds fees collected on felony hot checks.

Justices of the Peace Funds – This fund accounts for fees charged by the office held for other entities.

HENDERSON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>PROPERTY TAX FUND</u>				
Assets				
Cash and investments	\$ 1,504,571	\$ 93,977,665	\$ 94,273,148	\$ 1,209,088
Total assets	<u>\$ 1,504,571</u>	<u>\$ 93,977,665</u>	<u>\$ 94,273,148</u>	<u>\$ 1,209,088</u>
Liabilities				
Due to other agencies and individuals	\$ 1,504,571	\$ 93,977,665	\$ 94,273,148	\$ 1,209,088
Total liabilities	<u>\$ 1,504,571</u>	<u>\$ 93,977,665</u>	<u>\$ 94,273,148</u>	<u>\$ 1,209,088</u>
<u>AUTO 6.25% FUND</u>				
Assets				
Cash and investments	\$ 351,684	\$ 5,842,396	\$ 5,839,206	\$ 354,874
Total assets	<u>\$ 351,684</u>	<u>\$ 5,842,396</u>	<u>\$ 5,839,206</u>	<u>\$ 354,874</u>
Liabilities				
Due to other agencies and individuals	\$ 351,684	\$ 5,842,396	\$ 5,839,206	\$ 354,874
Total liabilities	<u>\$ 351,684</u>	<u>\$ 5,842,396</u>	<u>\$ 5,839,206</u>	<u>\$ 354,874</u>
<u>AUTO FUND</u>				
Assets				
Cash and investments	\$ 412,801	\$ 11,443,020	\$ 11,450,432	\$ 405,389
Total assets	<u>\$ 412,801</u>	<u>\$ 11,443,020</u>	<u>\$ 11,450,432</u>	<u>\$ 405,389</u>
Liabilities				
Due to other agencies and individuals	\$ 412,801	\$ 11,443,020	\$ 11,450,432	\$ 405,389
Total liabilities	<u>\$ 412,801</u>	<u>\$ 11,443,020</u>	<u>\$ 11,450,432</u>	<u>\$ 405,389</u>

HENDERSON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>AUTO VEHICLE INVENTORY TAX FUND</u>				
Assets				
Cash and investments	\$ 257,621	\$ 243,958	\$ 250,534	\$ 251,045
Total assets	<u>\$ 257,621</u>	<u>\$ 243,958</u>	<u>\$ 250,534</u>	<u>\$ 251,045</u>
Liabilities				
Due to other agencies and individuals	\$ 257,621	\$ 243,958	\$ 250,534	\$ 251,045
Total liabilities	<u>\$ 257,621</u>	<u>\$ 243,958</u>	<u>\$ 250,534</u>	<u>\$ 251,045</u>
<u>SEVEN POINTS SUBSTATION FUND</u>				
Assets				
Cash and investments	\$ 15,993	\$ 896,307	\$ 897,435	\$ 14,865
Total assets	<u>\$ 15,993</u>	<u>\$ 896,307</u>	<u>\$ 897,435</u>	<u>\$ 14,865</u>
Liabilities				
Due to other agencies and individuals	\$ 15,993	\$ 896,307	\$ 897,435	\$ 14,865
Total liabilities	<u>\$ 15,993</u>	<u>\$ 896,307</u>	<u>\$ 897,435</u>	<u>\$ 14,865</u>
<u>CHANDLER SUBSTATION FUND</u>				
Assets				
Cash and investments	\$ 6,079	\$ 938,955	\$ 938,709	\$ 6,325
Total assets	<u>\$ 6,079</u>	<u>\$ 938,955</u>	<u>\$ 938,709</u>	<u>\$ 6,325</u>
Liabilities				
Due to other agencies and individuals	\$ 6,079	\$ 938,955	\$ 938,709	\$ 6,325
Total liabilities	<u>\$ 6,079</u>	<u>\$ 938,955</u>	<u>\$ 938,709</u>	<u>\$ 6,325</u>

HENDERSON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>SHERIFF COMMISSARY FUND</u>				
Assets				
Cash and investments	\$ <u>105,790</u>	\$ <u>148,832</u>	\$ <u>176,541</u>	\$ <u>78,081</u>
Total assets	\$ <u>105,790</u>	\$ <u>148,832</u>	\$ <u>176,541</u>	\$ <u>78,081</u>
Liabilities				
Due to other agencies and individuals	\$ <u>105,790</u>	\$ <u>148,832</u>	\$ <u>176,541</u>	\$ <u>78,081</u>
Total liabilities	\$ <u>105,790</u>	\$ <u>148,832</u>	\$ <u>176,541</u>	\$ <u>78,081</u>
<u>COUNTY CLERK FEE FUND</u>				
Assets				
Cash and investments	\$ <u>-</u>	\$ <u>1,301,761</u>	\$ <u>1,221,346</u>	\$ <u>80,415</u>
Total assets	\$ <u>-</u>	\$ <u>1,301,761</u>	\$ <u>1,221,346</u>	\$ <u>80,415</u>
Liabilities				
Due to other agencies and individuals	\$ <u>-</u>	\$ <u>1,301,761</u>	\$ <u>1,221,346</u>	\$ <u>80,415</u>
Total liabilities	\$ <u>-</u>	\$ <u>1,301,761</u>	\$ <u>1,221,346</u>	\$ <u>80,415</u>
<u>COUNTY CLERK TRUST FUND</u>				
Assets				
Cash and investments	\$ <u>742,670</u>	\$ <u>197,905</u>	\$ <u>791,999</u>	\$ <u>148,576</u>
Total assets	\$ <u>742,670</u>	\$ <u>197,905</u>	\$ <u>791,999</u>	\$ <u>148,576</u>
Liabilities				
Due to other agencies and individuals	\$ <u>742,670</u>	\$ <u>197,905</u>	\$ <u>791,999</u>	\$ <u>148,576</u>
Total liabilities	\$ <u>742,670</u>	\$ <u>197,905</u>	\$ <u>791,999</u>	\$ <u>148,576</u>

HENDERSON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>COUNTY CLERK INTEREST BEARING</u>				
<u>TRUST FUND</u>				
Assets				
Cash and investments	\$ 160,906	\$ 77,570	\$ 24,836	\$ 213,640
Total assets	<u>\$ 160,906</u>	<u>\$ 77,570</u>	<u>\$ 24,836</u>	<u>\$ 213,640</u>
Liabilities				
Due to other agencies and individuals	\$ 160,906	\$ 77,570	\$ 24,836	\$ 213,640
Total liabilities	<u>\$ 160,906</u>	<u>\$ 77,570</u>	<u>\$ 24,836</u>	<u>\$ 213,640</u>
 <u>DISTRICT CLERK FEE FUND</u>				
Assets				
Cash and investments	\$ 680,621	\$ 471,074	\$ 440,845	\$ 710,850
Total assets	<u>\$ 680,621</u>	<u>\$ 471,074</u>	<u>\$ 440,845</u>	<u>\$ 710,850</u>
Liabilities				
Due to other agencies and individuals	\$ 680,621	\$ 471,074	\$ 440,845	\$ 710,850
Total liabilities	<u>\$ 680,621</u>	<u>\$ 471,074</u>	<u>\$ 440,845</u>	<u>\$ 710,850</u>
 <u>NEW DISTRICT CLERK FEE FUND</u>				
Assets				
Cash and investments	\$ -	\$ 931,749	\$ 422,590	\$ 509,159
Total assets	<u>\$ -</u>	<u>\$ 931,749</u>	<u>\$ 422,590</u>	<u>\$ 509,159</u>
Liabilities				
Due to other agencies and individuals	\$ -	\$ 931,749	\$ 422,590	\$ 509,159
Total liabilities	<u>\$ -</u>	<u>\$ 931,749</u>	<u>\$ 422,590</u>	<u>\$ 509,159</u>

HENDERSON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRICT CLERK TRUST</u>				
<u>INVESTMENT FUND</u>				
Assets				
Cash and investments	\$ 434,534	\$ 52,958	\$ 59,741	\$ 427,751
Total assets	<u>\$ 434,534</u>	<u>\$ 52,958</u>	<u>\$ 59,741</u>	<u>\$ 427,751</u>
Liabilities				
Due to other agencies and individuals	\$ 434,534	\$ 52,958	\$ 59,741	\$ 427,751
Total liabilities	<u>\$ 434,534</u>	<u>\$ 52,958</u>	<u>\$ 59,741</u>	<u>\$ 427,751</u>
<u>COUNTY ATTORNEY HOT CHECK FUND</u>				
Assets				
Cash and investments	\$ 15,655	\$ 80,896	\$ 96,420	\$ 131
Total assets	<u>\$ 15,655</u>	<u>\$ 80,896</u>	<u>\$ 96,420</u>	<u>\$ 131</u>
Liabilities				
Due to other agencies and individuals	\$ 15,655	\$ 80,896	\$ 96,420	\$ 131
Total liabilities	<u>\$ 15,655</u>	<u>\$ 80,896</u>	<u>\$ 96,420</u>	<u>\$ 131</u>
<u>COUNTY ATTORNEY FEE FUND</u>				
Assets				
Cash and investments	\$ 146,457	\$ 634,492	\$ 780,174	\$ 775
Total assets	<u>\$ 146,457</u>	<u>\$ 634,492</u>	<u>\$ 780,174</u>	<u>\$ 775</u>
Liabilities				
Due to other agencies and individuals	\$ 146,457	\$ 634,492	\$ 780,174	\$ 775
Total liabilities	<u>\$ 146,457</u>	<u>\$ 634,492</u>	<u>\$ 780,174</u>	<u>\$ 775</u>
<u>INMATE TRUST FUND</u>				
Assets				
Cash and investments	\$ 13,350	\$ 665,095	\$ 658,050	\$ 20,395
Total assets	<u>\$ 13,350</u>	<u>\$ 665,095</u>	<u>\$ 658,050</u>	<u>\$ 20,395</u>
Liabilities				
Due to other agencies and individuals	\$ 13,350	\$ 665,095	\$ 658,050	\$ 20,395
Total liabilities	<u>\$ 13,350</u>	<u>\$ 665,095</u>	<u>\$ 658,050</u>	<u>\$ 20,395</u>

HENDERSON COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS**

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRICT ATTORNEY STATE FEE FUND</u>				
Assets				
Cash and investments	\$ 4,039	\$ 39,178	\$ 40,093	\$ 3,124
Total assets	\$ 4,039	\$ 39,178	\$ 40,093	\$ 3,124
Liabilities				
Due to other agencies and individuals	\$ 4,039	\$ 39,178	\$ 40,093	\$ 3,124
Total liabilities	\$ 4,039	\$ 39,178	\$ 40,093	\$ 3,124
<u>DISTRICT ATTORNEY ESCROW FUND</u>				
Assets				
Cash and investments	\$ 15,166	\$ 36,506	\$ 38,547	\$ 13,125
Total assets	\$ 15,166	\$ 36,506	\$ 38,547	\$ 13,125
Liabilities				
Due to other agencies and individuals	\$ 15,166	\$ 36,506	\$ 38,547	\$ 13,125
Total liabilities	\$ 15,166	\$ 36,506	\$ 38,547	\$ 13,125
<u>JUSTICE OF THE PEACE 1</u>				
Assets				
Cash and investments	\$ 47,472	\$ 199,860	\$ 233,015	\$ 14,317
Total assets	\$ 47,472	\$ 199,860	\$ 233,015	\$ 14,317
Liabilities				
Due to other agencies and individuals	\$ 47,472	\$ 199,860	\$ 233,015	\$ 14,317
Total liabilities	\$ 47,472	\$ 199,860	\$ 233,015	\$ 14,317

HENDERSON COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS
(Continued)**

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>JUSTICE OF THE PEACE 2</u>				
Assets				
Cash and investments	\$ 31,495	\$ 209,631	\$ 203,572	\$ 37,554
Total assets	<u>\$ 31,495</u>	<u>\$ 209,631</u>	<u>\$ 203,572</u>	<u>\$ 37,554</u>
Liabilities				
Due to other agencies and individuals	\$ 31,495	\$ 209,631	\$ 203,572	\$ 37,554
Total liabilities	<u>\$ 31,495</u>	<u>\$ 209,631</u>	<u>\$ 203,572</u>	<u>\$ 37,554</u>
<u>JUSTICE OF THE PEACE 3</u>				
Assets				
Cash and investments	\$ 35,179	\$ 136,291	\$ 150,604	\$ 20,866
Total assets	<u>\$ 35,179</u>	<u>\$ 136,291</u>	<u>\$ 150,604</u>	<u>\$ 20,866</u>
Liabilities				
Due to other agencies and individuals	\$ 35,179	\$ 136,291	\$ 150,604	\$ 20,866
Total liabilities	<u>\$ 35,179</u>	<u>\$ 136,291</u>	<u>\$ 150,604</u>	<u>\$ 20,866</u>
<u>JUSTICE OF THE PEACE 4</u>				
Assets				
Cash and investments	\$ 15,863	\$ 72,845	\$ 85,604	\$ 3,104
Total assets	<u>\$ 15,863</u>	<u>\$ 72,845</u>	<u>\$ 85,604</u>	<u>\$ 3,104</u>
Liabilities				
Due to other agencies and individuals	\$ 15,863	\$ 72,845	\$ 85,604	\$ 3,104
Total liabilities	<u>\$ 15,863</u>	<u>\$ 72,845</u>	<u>\$ 85,604</u>	<u>\$ 3,104</u>

HENDERSON COUNTY, TEXAS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS**

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>JUSTICE OF THE PEACE 5</u>				
Assets				
Cash and investments	\$ 35,365	\$ 131,599	\$ 155,789	\$ 11,175
Total assets	<u>\$ 35,365</u>	<u>\$ 131,599</u>	<u>\$ 155,789</u>	<u>\$ 11,175</u>
Liabilities				
Due to other agencies and individuals	\$ 35,365	\$ 131,599	\$ 155,789	\$ 11,175
Total liabilities	<u>\$ 35,365</u>	<u>\$ 131,599</u>	<u>\$ 155,789</u>	<u>\$ 11,175</u>
<u>ALL AGENCY FUNDS</u>				
Assets				
Cash and investments	\$ 5,033,311	\$ 118,730,543	\$ 119,229,230	\$ 4,534,624
Total assets	<u>\$ 5,033,311</u>	<u>\$ 118,730,543</u>	<u>\$ 119,229,230</u>	<u>\$ 4,534,624</u>
Liabilities				
Due to other agencies and individuals	\$ 5,033,311	\$ 118,730,543	\$ 119,229,230	\$ 4,534,624
Total liabilities	<u>\$ 5,033,311</u>	<u>\$ 118,730,543</u>	<u>\$ 119,229,230</u>	<u>\$ 4,534,624</u>

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