

ANNUAL FINANCIAL REPORT

of

BURLESON COUNTY, TEXAS

For the Year Ended
September 30, 2016

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BURLESON COUNTY, TEXAS

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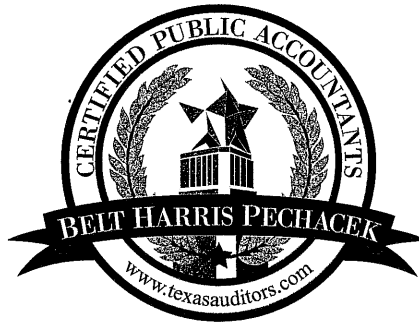
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Burleson County, Texas (the "County"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2016, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of funding progress, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
July 20, 2017

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

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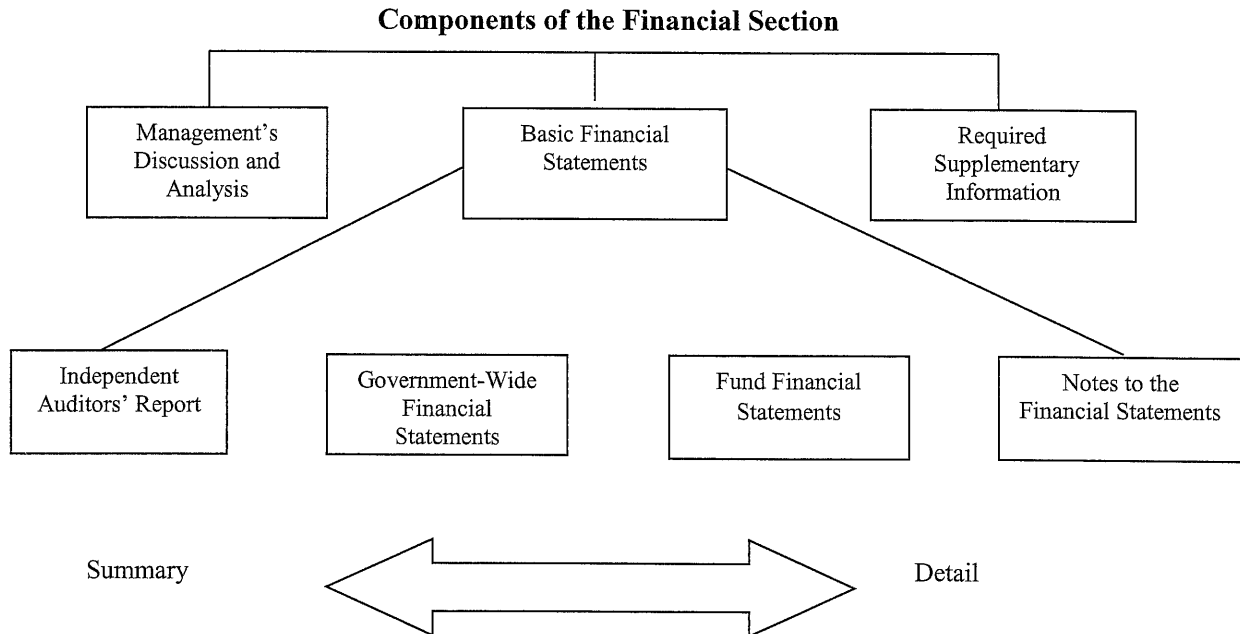
BURLESON COUNTY, TEXAS

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2016

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Burleson County, Texas (the "County") for the year ending September 30, 2016. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the County's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



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

GOVERNMENT-WIDE STATEMENTS

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

The Statement of Net Position presents information on all of the County's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County

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

is improving or deteriorating. Other nonfinancial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered to assess the overall health of the County.

The Statement of Activities presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows, using the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities present the County's financials in one type of activity:

1. **Governmental Activities** – The County's basic services are reported here such as general administration, financial administration, public facilities, judicial, public safety, health and welfare, public transportation, legal, and interest and fiscal charges on long-term debt. Property tax, sales tax, charges for services, and intergovernmental revenue finance most of these activities.

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term outflows and inflows 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*.

The County maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general, capital projects, road and bridge, lateral road and bridge, and debt service funds, which are considered to be major funds for reporting purpose.

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

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

Fiduciary Funds

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

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$16,617,220 as of September 30, 2016. This compares with \$16,388,778 for the prior fiscal year. A portion of the County's net position, 55%, reflects its investments in capital assets (e.g., land, buildings and improvements, equipment, and infrastructure), less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

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

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2016	2015
Current and other assets	\$ 9,709,743	\$ 13,662,320
Capital assets, net	13,958,337	10,003,891
Total Assets	23,668,080	23,666,211
Deferred outflows - pension	1,128,667	353,547
Long-term liabilities	6,451,846	6,122,984
Other liabilities	1,293,301	1,477,670
Total Liabilities	7,745,147	7,600,654
Deferred inflows - pension	434,380	30,326
Net Position:		
Net investment in capital assets	9,162,813	6,378,365
Restricted	5,555,837	4,899,251
Unrestricted	1,898,570	5,111,162
Total Net Position	\$ 16,617,220	\$ 16,388,778

A portion of the County's net position, \$5,555,837 or 33%, represents resources that are subject to external restriction on how they may be used. The County's unrestricted net position, \$1,898,570 or 11%, may be used to meet the County's ongoing obligation to citizens and creditors. The overall net position increased due to higher revenues than expenses.

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

Statement of Activities

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

		Governmental Activities	
		2016	2015
Revenues			
Program revenues:			
Charges for services	\$	2,030,187	\$ 2,325,078
Operating grants and contributions		529,223	449,742
General revenues:			
Property taxes		8,031,770	7,080,567
Sales taxes		974,218	1,512,847
Other taxes		32,979	46,418
Interest income		31,250	25,549
Other revenues		1,101,378	788,371
Total Revenues		12,731,005	12,228,572
Expenses			
General administration		1,365,148	1,257,943
Judicial		1,091,264	1,209,674
Legal		583,914	535,752
Financial administration		572,997	493,457
Public facilities		193,470	181,206
Public safety		3,547,153	3,031,708
Public transportation		3,969,814	3,713,045
Health and welfare		111,285	98,715
Miscellaneous		931,460	920,985
Interest and fiscal agent fees		136,058	132,457
Total Expenses		12,502,563	11,574,942
Change in Net Position		228,442	653,630
Beginning net position		16,388,778	15,735,148
Ending Net Position	\$	16,617,220	\$ 16,388,778

Total governmental revenues were comparable to the prior year, increasing \$502,433 or 4%. Property taxes increased \$951,203, or 13%, due to higher property tax value. The increase in property tax revenue was slightly offset by a decrease in charges of services of \$294,891, or 13%, due to less fees received from the County clerk's office, as well as a decrease in permit fees.

Governmental expenses also increased from the prior year by \$927,621, or 8%. The increase is primarily due to increases in judicial, public safety, and public transportation costs. Judicial expenses increased due to salaries and costs related to court-appointed attorneys. Public safety expenses increased due to a rise in salaries and benefits for its employees. Public transportation expenses increased as a result of costs related to repairs and maintenance and contract labor.

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

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

The County's governmental funds reflect a combined fund balance of \$7,453,809. Of this, \$1,897,249 is unassigned and available for day-to-day operations of the County and \$5,556,560 is restricted for various purposes.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,897,249. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 25% of total general fund expenditures. The fund balance of the general fund reported a decrease of \$3,177,504, mainly due to more expenditures than revenue and the transfer out to the capital projects fund during the year.

The capital projects fund reported a decrease of \$1,229,756 in fund balance due to the construction of a new County office building.

The road and bridge fund reported an increase of \$581,885 in fund balance primarily due to donations from companies for future maintenance of the County's roads and bridges. All of the road and bridge fund balance, \$3,048,992, is restricted.

The lateral road and bridge fund reported a restricted fund balance of \$1,005,006, which is an increase of \$332,145 in fund balance due to an increase in property tax revenues.

The debt service fund reported a decrease of \$174,657 in fund balance. The decrease is due to the effort of Commissioners' Court to spend down the excess debt service fund balance. The current debt service fund balance of \$351,468 is restricted to payments of principal and interest on debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund actual revenues were less than the final budget by \$301,275 during the year. This net decrease is largely the result of less sales tax and charge for service revenues than expected.

The general fund expenditures were less than the final budget by \$988,829 as a result of a County-wide effort to keep expenditures at or below budget.

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

CAPITAL ASSETS

At the end of the year, the County's governmental activities had invested \$13,958,337 in a variety of capital assets and infrastructure, net of depreciation. This represents a net increase of \$3,954,446.

Major capital asset events during the current year included the following:

- Construction and equipment for the new County office building - \$6,867,904
- New security camera system for the jail - \$66,693
- Caterpillar Motograder for road and bridge use - \$212,300
- Chip spreader for road and bridge use - \$239,706

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

LONG-TERM DEBT

At the end of the year, the County reported total certificates of obligation of \$3,690,000. The County also reported capital leases and time warrants issued with a depository loan for a total of \$442,722. The County has \$540,000 of refunding bonds outstanding.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County continues to grow as seen in the increase in property tax revenue. The County has continued the permanent road program to solidify the infrastructure of the County. The County has approved to increase the tax rate from \$0.4990 to \$0.5300 for the 2016/2017 fiscal year.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to the County Auditor's Office, Burleson County, 100 W. Buck Street, Suite 400, Caldwell, Texas 77836.

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BASIC FINANCIAL STATEMENTS

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BURLESON COUNTY, TEXAS

STATEMENT OF NET POSITION

September 30, 2016

	Governmental Activities
<u>Assets</u>	
Cash and cash equivalents	\$ 7,933,322
Receivables, net	1,577,220
Due from others	199,201
	<u>9,709,743</u>
Capital assets:	
Nondepreciable	307,911
Depreciable capital assets, net	13,650,426
	<u>13,958,337</u>
Total Assets	<u>23,668,080</u>
<u>Deferred Outflows</u>	
Deferred outflows - pension	<u>1,128,667</u>
<u>Liabilities</u>	
Accounts payable	815,938
Due to others	30
Accrued interest	8,488
Long-term liabilities due within one year	468,845
	<u>1,293,301</u>
Noncurrent liabilities:	
Long-term debt due in more than one year	4,412,312
Compensated absences	21,227
Net pension liability	986,221
Net OPEB liability	1,032,086
	<u>6,451,846</u>
Total Liabilities	<u>7,745,147</u>
<u>Deferred Inflows</u>	
Deferred inflows - pension	<u>434,380</u>
<u>Net Position</u>	
Net investment in capital assets	9,162,813
Restricted for:	
Road and bridge	3,048,992
Lateral road and bridge	1,005,006
Debt service	351,468
Other governmental funds	1,150,371
Unrestricted	1,898,570
Total Net Position	<u>\$ 16,617,220</u>

See Notes to Financial Statements

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BURLESON COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government				
Governmental Activities				
General administration	\$ 1,365,148	\$ 402,356	\$ 529,223	\$ (433,569)
Judicial	1,091,264	393,762	-	(697,502)
Legal	583,914	3,671	-	(580,243)
Financial administration	572,997	290,035	-	(282,962)
Public facilities	193,470	-	-	(193,470)
Public safety	3,547,153	28,566	-	(3,518,587)
Public transportation	3,969,814	671,113	-	(3,298,701)
Health and welfare	111,285	-	-	(111,285)
Miscellaneous	931,460	240,684	-	(690,776)
Interest and fiscal agent fees	136,058	-	-	(136,058)
Total Governmental Activities	<u>12,502,563</u>	<u>2,030,187</u>	<u>529,223</u>	<u>(9,943,153)</u>
Total Primary Government	<u>\$ 12,502,563</u>	<u>\$ 2,030,187</u>	<u>\$ 529,223</u>	<u>(9,943,153)</u>
General Revenues:				
				8,031,770
				974,218
				32,979
				31,250
				1,101,378
			Total General Revenues	<u>10,171,595</u>
			Change in Net Position	228,442
			Beginning net position	<u>16,388,778</u>
			Ending Net Position	<u>\$ 16,617,220</u>

See Notes to Financial Statements.

BURLESON COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2016

	General	Capital Projects	Road and Bridge	Lateral Road and Bridge
<u>Assets</u>				
Cash and cash equivalents	\$ 2,064,825	\$ 723	\$ 3,174,341	\$ 1,067,157
Receivables, net	525,740	-	283,475	119,213
Due from other funds	73,647	7,331	7,216	6,490
Due from other units	193,584	-	901	82
Total Assets	\$ 2,857,796	\$ 8,054	\$ 3,465,933	\$ 1,192,942
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 513,901	\$ 7,331	\$ 149,872	\$ 68,723
Due to other funds	8,105	-	18,976	-
Due to other units	30	-	-	-
Total Liabilities	522,036	7,331	168,848	68,723
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	438,511	-	248,093	119,213
<u>Fund Balances</u>				
Restricted:				
Capital projects	-	723	-	-
Debt service	-	-	-	-
Road and bridge	-	-	3,048,992	-
Lateral road and bridge	-	-	-	1,005,006
Other governmental funds	-	-	-	-
Unassigned:				
General	1,897,249	-	-	-
Total Fund Balances	1,897,249	723	3,048,992	1,005,006
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,857,796	\$ 8,054	\$ 3,465,933	\$ 1,192,942

See Notes to Financial Statements.

Debt Service	Nonmajor Governmental	Total Governmental Funds
\$ 351,468	\$ 1,274,808	\$ 7,933,322
21,428	14,643	964,499
572	15,706	110,962
494	4,140	199,201
<u>\$ 373,962</u>	<u>\$ 1,309,297</u>	<u>\$ 9,207,984</u>
\$ 1,066	\$ 75,045	\$ 815,938
-	83,881	110,962
-	-	30
<u>1,066</u>	<u>158,926</u>	<u>926,930</u>
<u>21,428</u>	<u>-</u>	<u>827,245</u>
-	-	723
351,468	-	351,468
-	-	3,048,992
-	-	1,005,006
-	1,150,371	1,150,371
-	-	1,897,249
<u>351,468</u>	<u>1,150,371</u>	<u>7,453,809</u>
<u>\$ 373,962</u>	<u>\$ 1,309,297</u>	<u>\$ 9,207,984</u>

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

Total fund balances for governmental funds \$ 7,453,809

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

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

Nondepreciable capital assets	307,911	
Depreciable capital assets	20,683,328	
Accumulated depreciation	<u>(7,032,902)</u>	
		13,958,337

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred or accrued in the governmental funds.

Receivables - fines	612,721	
Unavailable revenue - property taxes	<u>827,245</u>	
		1,439,966

Deferred outflows and deferred inflows related to net pension liability are not reported in the governmental funds.

Deferred outflows - pension	1,128,667	
Deferred inflows - pension	<u>(434,380)</u>	
		694,287

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Long-term debt due within one year	(383,935)	
Long-term debt due in more than one year	(4,412,312)	
Accrued interest payable	(8,488)	
Compensated absences	(106,137)	
Net pension liability	(986,221)	
Net OPEB obligation	<u>(1,032,086)</u>	
		<u>(6,929,179)</u>

Net Position of Governmental Activities **\$ 16,617,220**

See Notes to Financial Statements.

BURLESON COUNTY, TEXAS

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

For the Year Ended September 30, 2016

	General	Capital Projects	Road and Bridge	Lateral Road and Bridge
Revenues				
Property taxes	\$ 4,198,304	\$ -	\$ 2,405,721	\$ 1,217,362
Sales tax	974,218	-	-	-
Other taxes	-	-	-	-
Intergovernmental	55,704	-	-	-
Fees	698,138	-	-	-
Fines and forfeitures	393,762	-	-	-
Interest	12,428	589	12,309	1,617
Permits and licenses	-	-	671,113	-
Miscellaneous	321,141	-	700,698	-
Total Revenues	<u>6,653,695</u>	<u>589</u>	<u>3,789,841</u>	<u>1,218,979</u>
Expenditures				
Current:				
General administration	915,897	-	-	-
Judicial	1,047,897	-	-	-
Legal	581,728	-	-	-
Financial administration	560,421	-	-	-
Public facilities	192,647	-	-	-
Public safety	3,206,986	-	-	-
Public transportation	-	-	2,381,244	886,834
Health and welfare	110,319	-	-	-
Miscellaneous	608,614	-	289,200	-
Debt service:				
Principal	-	-	295,289	-
Interest and fiscal agent fees	-	-	13,820	-
Capital outlay	306,675	3,648,896	570,195	-
Total Expenditures	<u>7,531,184</u>	<u>3,648,896</u>	<u>3,549,748</u>	<u>886,834</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(877,489)</u>	<u>(3,648,307)</u>	<u>240,093</u>	<u>332,145</u>
Other Financing Sources (Uses)				
Transfers in	107,311	2,418,551	-	-
Transfers (out)	(2,418,551)	-	(50,000)	-
Sale of capital assets	11,225	-	39,786	-
Capital leases	-	-	352,006	-
Total Other Financing Sources (Uses)	<u>(2,300,015)</u>	<u>2,418,551</u>	<u>341,792</u>	<u>-</u>
Net Change in Fund Balances	(3,177,504)	(1,229,756)	581,885	332,145
Beginning fund balances	5,074,753	1,230,479	2,467,107	672,861
Ending Fund Balances	<u>\$ 1,897,249</u>	<u>\$ 723</u>	<u>\$ 3,048,992</u>	<u>\$ 1,005,006</u>

See Notes to Financial Statements.

<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 195,376	\$ -	\$ 8,016,763
-	-	974,218
-	32,979	32,979
-	473,519	529,223
-	240,684	938,822
-	-	393,762
1,090	3,217	31,250
-	-	671,113
-	51,516	1,073,355
<u>196,466</u>	<u>801,915</u>	<u>12,661,485</u>
-	403,473	1,319,370
-	36,524	1,084,421
-	-	581,728
-	-	560,421
-	-	192,647
-	108,169	3,315,155
-	-	3,268,078
-	-	110,319
-	32,712	930,526
240,000	-	535,289
131,123	-	144,943
-	244,804	4,770,570
<u>371,123</u>	<u>825,682</u>	<u>16,813,467</u>
<u>(174,657)</u>	<u>(23,767)</u>	<u>(4,151,982)</u>
-	-	2,525,862
-	(57,311)	(2,525,862)
-	-	51,011
-	-	352,006
<u>-</u>	<u>(57,311)</u>	<u>403,017</u>
(174,657)	(81,078)	(3,748,965)
<u>526,125</u>	<u>1,231,449</u>	<u>11,202,774</u>
<u>\$ 351,468</u>	<u>\$ 1,150,371</u>	<u>\$ 7,453,809</u>

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BURLESON COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016

Net changes in fund balances - total government funds	\$ (3,748,965)
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Amounts reported for governmental activities in the Statement of Activities are different because:
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	4,865,599
Depreciation expense	(888,165)
Disposal of capital assets, net of accumulated depreciation	(22,988)

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

Changes in unavailable revenue - fines and fees	26,490
Changes in unavailable revenue - property taxes	15,007

Net pension liability and deferred outflows and deferred inflows related to the net pension liability are not reported in the governmental funds.

Net pension liability	(441,617)
Deferred outflows - pension	775,120
Deferred inflows - pension	(404,054)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Issuance of long-term debt	(352,006)
Changes in premium on bonds	6,863
Principal payments	535,289
Changes in accrued interest expense	2,022
Changes in compensated absences	(813)
Changes in OPEB obligation	(139,340)

Change in Net Position of Governmental Activities	\$ 228,442
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See Notes to Financial Statements.

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

	<u>Total Fiduciary Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 1,618,815
Due from other units	425
Total Assets	<u><u>\$ 1,619,240</u></u>
<u>Liabilities</u>	
Due to other units	\$ 1,619,240
Total Liabilities	<u><u>\$ 1,619,240</u></u>

See Notes to Financial Statements.

BURLESON COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The County’s financial statements include the accounts of all County operations. The County provides a vast array of services including financial administration, judicial, health and welfare, public facilities and transportation, general administration, public safety, and legal.

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

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The County has no business-type activities.

C. Basis of Presentation – Government-Wide Financial Statements

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

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

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

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund. The principal sources of revenues include local property taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general administration, financial administration, public facilities, judicial, public safety, health and welfare, and legal. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The primary source of revenue for debt service is local property taxes. The debt service fund did not meet the technical criteria to be presented as a major fund; however, due to its significance, the County has elected to present it as major.

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

The following special revenue funds are reported as major funds for reporting purposes:

Road and bridge fund and lateral road and bridge fund – These funds are used to account for revenues of property taxes levied and vehicle registration fees. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in these funds.

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

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The capital projects fund is considered a major fund for reporting purposes.

Additionally, the County reports the following fund types:

Fiduciary funds are used to account for and report resources held for the benefit of parties outside the government. These funds are used to account for assets that the County holds for others in an agency capacity.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made

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

in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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

E. Measurement Focus and Basis of Accounting

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

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

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

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

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

1. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in

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

statewide investment pools (Texas CLASS), and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

The County reports all investments at fair market value, except for certain investment pools and money market investments. Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized cost. The investment pool operates in accordance with appropriate state laws and regulations and is reported at amortized cost.

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

- Direct obligations of U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Fully collateralized repurchase agreements
- Securities lending program that meets requirements of 2256.0115
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Commercial paper that meets certain criteria
- Guaranteed investment contracts that meet the requirements of 2256.015 for bond proceeds
- Statewide investment pools

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental-type activities column in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years:

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

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

4. 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 three items that qualify for reporting in this category. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made. A deferred charge has been recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for the changes in actuarial assumptions related to the County's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category in the government-wide Statement of Net Position. A deferral is recognized as a result of differences between the actuarial expectations and the actual economic experience related to the County's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. At the fund level, the County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

5. Compensated Employee Absences

The County provides its employees with vacation and sick leave. Sick leave may be accumulated from year to year up to 16 weeks. Vacation is to be used prior to year end but may be carried over up to the limitations outlined by County policy. Exceptions to the maximum accruals can only be approved by the Commissioners' Court upon request of the employee's supervisor. Upon termination, any accumulated vacation time will be paid; however, no accumulated sick leave will be paid. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

6. Long-Term Obligations

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

7. Net Position Flow Assumption

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

8. Fund Balance Flow Assumptions

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

9. Fund Balance Policies

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

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

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

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

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners' Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The County strives to maintain unrestricted fund balance at a level adequate to provide for unanticipated expenditures of a nonrecurring nature and to meet unexpected increases in service delivery costs. The target level for the general fund unrestricted fund balance is at least 20% of budgeted fund expenditures. The road and bridge funds have target levels of 18 to 25% of budgeted fund expenditures, but will be subject to a 50% unrestricted fund balance ceiling.

10. Estimates

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

11. Pensions

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

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

2. Property Taxes

Property taxes are recorded as revenue when levied for the current year and due, payable, and collected in the current year. Uncollected amounts at year end are reported as a deferred inflow. Delinquent property taxes collected within 60 days subsequent to year end were not considered material.

The property tax calendar dates are:

Levy date and due date – October 1
Collection dates – October 1 through January 31
Lien date – February 1

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

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, except the capital projects funds, which adopt project construction budgets. All annual appropriations lapse at fiscal year end. The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. The legal level of control is the department level in the general fund and road and bridge fund and the fund level for all other funds.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2016, the County had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
Texas CLASS	\$ 2,149,173	0.00
Total	<u><u>\$ 2,149,173</u></u>	
Portfolio weighted average maturity		0.00

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

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

Credit risk. State law and the County's investment policy limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2016, the County's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2016, market values of pledged securities and FDIC insurance exceeded bank balances.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust-Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended (the "Act"). CLASS is created under an Amended and Restated Trust Agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in the CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for Texas CLASS may be obtained from CLASS' website at www.texasclass.com.

CLASS operates in compliance with the PFIA. CLASS is measured at amortized cost. It has a redemption notice of one day that may be redeemed daily. CLASS may only impose restrictions on redemptions in the event of a general suspension of trading on major national markets, general banking moratorium, or a national state of emergency that affects the CLASS's liquidity. The County has no unfunded commitments related to CLASS.

B. Receivables

The following comprise receivable balances at year end:

	General	Road and Bridge	Lateral Road and Bridge	Debt Service	Nonmajor	Total
Taxes receivable	\$ 534,688	\$ 288,538	\$ 121,644	\$ 21,863	\$ 14,643	\$ 981,376
Less: allowance for uncollectible	(8,948)	(5,063)	(2,431)	(435)	-	(16,877)
	<u>\$ 525,740</u>	<u>\$ 283,475</u>	<u>\$ 119,213</u>	<u>\$ 21,428</u>	<u>\$ 14,643</u>	<u>\$ 964,499</u>

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

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases / Reclassifications</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 307,911	\$ -	\$ -	\$ 307,911
Construction in process	3,118,446	-	(3,118,446)	-
Total capital assets not being depreciated	3,426,357	-	(3,118,446)	307,911
Other capital assets:				
Buildings and improvements	5,038,886	6,867,905	-	11,906,791
Infrastructure	53,009	-	-	53,009
Equipment	7,742,535	1,116,140	(135,147)	8,723,528
Total other capital assets	12,834,430	7,984,045	(135,147)	20,683,328
Less accumulated depreciation for:				
Buildings and improvements	(1,650,867)	(205,189)	-	(1,856,056)
Infrastructure	(14,660)	(1,601)	-	(16,261)
Equipment	(4,591,369)	(681,375)	112,159	(5,160,585)
Total accumulated depreciation	(6,256,896)	(888,165)	112,159	(7,032,902)
Other capital assets, net	6,577,534	7,095,880	(22,988)	13,650,426
Governmental Activities				
Capital Assets, Net	<u>\$ 10,003,891</u>	<u>\$ 7,095,880</u>	<u>\$ (3,141,434)</u>	<u>13,958,337</u>
			Add unspent bond proceeds	723
			Less associated debt	(4,796,247)
			Net Investment in Capital Assets	<u>\$ 9,162,813</u>

Depreciation was charged to governmental functions as follows:

Public safety	\$ 204,278
Public transportation	683,887
	<u>\$ 888,165</u>

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

D. Long-Term Debt

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2016. The County issues tax notes payable to provide funds for the acquisition or construction of major capital lease obligations for vehicles. These issues are direct obligations and pledge the full faith and credit of the County.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Refunding bonds series 2014	\$ 625,000	\$ -	\$ (85,000)	\$ 540,000 *	\$ 85,000
Certificates of obligation 2014	3,845,000	-	(155,000)	3,690,000 *	160,000
Premiums	130,388	-	(6,863)	123,525 *	-
Capitalized lease obligations	386,005	352,006	(295,289)	442,722 *	138,935
OPEB obligation	892,746	139,340	-	1,032,086	-
Net pension liability	544,604	441,617	-	986,221	-
Compensated absences	105,324	138,118	(137,305)	106,137	84,910
Total Governmental Activities	<u>\$ 6,529,067</u>	<u>\$ 1,071,081</u>	<u>\$ (679,457)</u>	<u>\$ 6,920,691</u>	<u>\$ 468,845</u>
Long-term debt due in more than one year				<u>\$ 6,451,846</u>	
*Debt associated with governmental activities capital assets				<u>\$ 4,796,247</u>	

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

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

Long-term debt of the County as of September 30, 2016 are as follows:

	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>
Certificates of Obligation			
2014 Certificates of Obligation	3.00-3.50%	\$ 4,000,000	\$ 3,690,000
Total Certificates of Obligation			<u>\$ 3,690,000</u>
General Obligation of Refunding Bonds			
General Obligation Refunding Bonds Series 2014	0.50-2.25%	\$ 710,000	\$ 540,000
Total General Obligation of Refunding Bonds			<u>\$ 540,000</u>
Capital Leases			
Caterpillar Motor Grader	2.00-4.00%	\$ 160,850	\$ 35,185
CAT 120M2 Motor Grader	2.00-4.00%	\$ 86,000	29,400
2016 Motor Grader	2.75%	\$ 212,300	212,300
12M3 Caterpillar Motor Grader	2.60%	\$ 152,850	123,518
Smooth Drum Roller	2.75%	\$ 84,639	42,319
Total Capital Leases			<u>\$ 442,722</u>

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>General Certificates of Obligation 2014</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 160,000	\$ 116,300	\$ 276,300
2018	160,000	111,500	271,500
2019	165,000	106,700	271,700
2020	170,000	101,750	271,750
2021	175,000	96,650	271,650
2022-2026	970,000	400,600	1,370,600
2027-2031	1,125,000	245,525	1,370,525
2032-2034	765,000	54,250	819,250
Total	<u>\$ 3,690,000</u>	<u>\$ 1,233,275</u>	<u>\$ 4,923,275</u>

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

Fiscal Year	Governmental Activities		
	Refunding Bonds Series 2014		
	Principal	Interest	Total
2017	\$ 85,000	\$ 9,185	\$ 94,185
2018	90,000	8,293	98,293
2019	90,000	7,078	97,078
2020	90,000	5,638	95,638
2021	95,000	3,973	98,973
2022	90,000	2,025	92,025
Total	\$ 540,000	\$ 36,190	\$ 576,190

A summary of the County's capital leases requirements, including interest, is as follows:

Fiscal Year	Governmental Activities		
	Capital Leases		
	Principal	Interest	Total
2017	\$ 138,935	\$ 4,340	\$ 143,275
2018	303,787	14,056	317,843
Total	\$ 442,722	\$ 18,396	\$ 461,118

The assets acquired through capital leases are as follows:

	Governmental Activities
Equipment	\$ 899,085
Less: Accumulated depreciation	(177,066)
	\$ 722,019

Federal Arbitrage

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

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

E. Interfund Transactions

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

	<u>Due From</u>	<u>Due To</u>
General fund	\$ 73,647	\$ 8,105
Road and bridge fund	7,216	18,976
Lateral road and bridge fund	6,490	-
Capital project	7,331	-
Debt service fund	572	-
Other governmental funds	15,706	83,881
	<u>\$ 110,962</u>	<u>\$ 110,962</u>

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

Transfers between the primary government funds during the year were as follows:

	<u>Transfer Out</u>	<u>Transfer In</u>
General fund	\$ 2,418,551	\$ 107,311
Capital projects fund	-	2,418,551
Road and bridge fund	50,000	-
Other governmental funds	57,311	-
	<u>\$ 2,525,862</u>	<u>\$ 2,525,862</u>

Transfers are used to move revenues from unrestricted general fund revenues to finance various programs that must be accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs and governmental expenditures.

F. Grants

Brazos Valley Council of Governments (BVCOG)

Regional Solid Waste Grant

For fiscal year 2016, the County received funding from the Texas Commission on Environmental Quality through the BVCOG for \$11,628 to support community clean-up efforts and tire disposals. For fiscal year 2016, expenditures totaled \$5,684. The remaining balance of \$5,944 will be expended in fiscal year 2017.

Texas Indigent Defense Commission

Indigent Defense Formula Grant

A grant was awarded to the County in the amount of \$27,557 in January 2016 from the Texas Task

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

Force on Indigent Defense (TFID) to assist the County in continued implementation of the provisions of the Indigent Defense Act and the improvement of the indigent criminal defense services in the County. As of the year end, \$20,668 had been received and expended in compliance with grant requirements with the remaining \$6,889 processed in October 2016. An additional \$6,443 was noted as expended from the remaining fiscal year 2015 funding received in October 2015. For fiscal year 2016, TFID expenditures totaled \$27,111.

Homeland Security Grant Program (HSGP)

The County received one new grant for fiscal year 2016 from the Texas Office of the Governor as the pass-through agency for the Grant Programs Directorate of the Federal Emergency Management Agency under the Department of Homeland Security. Grant funding was designed to enhance the County's communication interoperability, information sharing, and emergency response due to acts of terrorism and catastrophic events.

2014 HSGP

During September 2014, the County received a grant award of \$250,201 for further communications and emergency enhancements. This award represents funding available from September 1, 2014 to January 31, 2016. For fiscal year 2015, there were no HSGP expenditures. For fiscal year 2016, the grant receipts and expenditures totaled \$249,981.

2015 HSGP

During September 2015, the County received a grant award of \$14,000 for further communications and emergency enhancements. This award represents funding available from September 1, 2015 to October 31, 2016. For fiscal year 2015, there were no HSGP expenditures. During fiscal year 2016, receipts and expenditures totaled \$13,993 with the remaining balance of \$7 being deobligated.

Department of Housing and Urban Development

Texas Department of Agriculture Community Development Block Grant Program (TxCDBG)

No CDBG program was awarded to the County for fiscal year 2016.

Texas Department of Transportation (TxDOT)

During May 2014, the County was awarded the County Transportation Fund Grant (CTIF) in the amount of \$429,658 requiring minimum County matching funds of \$107,414 (20% of project totals). Grant funds were offered statewide in an effort to assist counties suffering road and infrastructure damages due to oilfield related activities. As of fiscal year 2015, CTIF funds expended totaled \$298,908, including \$27,455 of additional grant funds received for matching forced labor and equipment funded from the County's road and bridge funds. During fiscal year 2016, net grant funds expended totaled \$115,531 of which \$111,687 was received less the County's matching portion. No receivables were due from the State as of September 30, 2016. The remainder of the grant award was to be expended during fiscal year 2017.

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

Texas Department of Emergency Management (TDEM)

During May 2015, the County became eligible for federal funding under Disaster Relief 4223. For fiscal year 2016, the County received \$393,864 in eligible disaster reimbursements from Federal Emergency Management Agency through the TDEM.

Federal Emergency Management Agency (FEMA)

During June 2016, the County became eligible for federal funding under Disaster Relief 4272. As of the fiscal year 2016 year-end, the amounts of eligible expenses and reimbursement were yet to be determined by FEMA.

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 338 other entities in the Texas Association of Counties Workers' Compensation Self-Insurance Fund. The Texas Association of Counties created this pool in 1974 to insure the County for workers' compensation related claims. The County also provides employee benefits, including medical and life insurance, which the County obtains through Scott and White for medical and other vendors for life. Coverages and workers' compensation and unemployment insurance are obtained from Texas Association of Counties (the "Pool"). This Pool purchases commercial insurance at group rates for participants in the Pool. The County has no additional risk or responsibility to the Pool, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

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

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

C. Pension Plan

Texas County and District Retirement System

Plan Description

The Texas County and District Retirement System (TCDRS) is a statewide, agent multiple-employer, public employee retirement system. TCDRS serves 700 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Commissioners' Court of each employer, within the options available in the TCDRS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

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

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

Benefits Provided

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

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

The Commissioners' Court adopted the rate of 7.00% as the contributed rate payable by the employee members for calendar year 2016. The Commissioners' Court may change the employee contribution rate and the County contribution rate within the options available in the TCDRS Act.

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

Employees Covered by Benefit Terms

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees entitled to, but not yet receiving, benefits	102
Active employees	132
Total	<u><u>295</u></u>

Contributions

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

- The deposit rate for employees is 4%, 5%, 6%, or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

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

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

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 8.36% and 7.90% in calendar years 2015 and 2016, respectively. The County contributions to TCDRS for the fiscal year ended September 30, 2016 were \$336,358 and were equal to the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2015 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The actuarial assumptions that determined the TPL as of December 31, 2015 were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

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

Key assumptions used in the December 31, 2015 actuarial valuation are as follows:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are reported.
Actuarial Cost Method	Entry age normal
Amortization Method	Level of percentage of payroll, closed
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career, including inflation
Investment Rate of Return	8.10%
Cost of Living Adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore, an assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

The long-term expected rate of return of TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation.

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

The target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

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

Discount Rate

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

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

Changes in the NPL

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 430,776	\$ -	\$ 430,776
Interest	1,006,535	-	1,006,535
Change of benefit terms	(52,012)	-	(52,012)
Difference between expected and actual experience	(552,217)	-	(552,217)
Changes of assumptions	130,885	-	130,885
Contributions - employer	-	339,918	(339,918)
Contributions - employee	-	284,622	(284,622)
Net investment income	-	83,433	(83,433)
Benefit payments, including refunds of employee contributions	(495,153)	(495,153)	-
Administrative expense	-	(8,556)	8,556
Other changes	-	(177,068)	177,068
Net changes	468,814	27,197	441,617
Balance at December 31, 2014	12,419,246	11,874,642	544,604
Balance at December 31, 2015	\$ 12,888,060	\$ 11,901,839	\$ 986,221

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
County's Net Pension Liability (Asset)	\$ 2,615,776	\$ 986,221	\$ (370,454)

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended September 30, 2016, the County recognized pension expense of \$406,629.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 434,380
Changes in actuarial assumptions	98,164	-
Difference between projected and actual investment earnings	788,763	-
Contributions subsequent to the measurement date	241,740	-
Total	\$ 1,128,667	\$ 434,380

\$241,740 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2017	\$ 88,497
2018	88,497
2019	98,606
2020	176,947
Thereafter	-
Total	\$ 452,547

D. Post Employment Healthcare Plan

Plan Description

In addition to pension benefits described previously, the County provides other post employment benefit (OPEB) options for health care, life insurance, and dental insurance (the "Plan") to eligible retirees, terminated employees, and their dependents. The benefits are provided in accordance with the County's policy manual and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

The criteria to determine eligibility include:

1. The employee must meet the rule of 75 (the sum of age and years of service equals at least 75) to be eligible for retirement; and
2. The employee must make application for service retirement pension payments with the TCDRS, and be approved for pension payments from TCDRS, prior to retirement.

Funding Policy

The County funds the benefits on pay-as-you-go basis paying 25% or 50% of qualified retired employee premiums depending on the age attained at retirement.

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

Annual OPEB Cost

The County's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The annual OPEB cost and the net OPEB obligation (asset) are as follows:

Annual required contribution (ARC)	\$ 180,263
Interest on net OPEB obligation	35,710
Adjustment to the ARC	<u>(50,625)</u>
Annual OPEB cost	165,348
Contributions made	<u>(26,008)</u>
Increase in net OPEB obligation	139,340
Net OPEB obligation-beginning of year	892,746
Net OPEB obligation-end of year	<u><u>\$ 1,032,086</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation estimate for 2016 and the two preceding years are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost (ARC)</u>	<u>Actual Contribution Made</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 117,861	\$ 41,942	35.59%	\$ 820,794
2015	\$ 116,593	\$ 44,641	38.29%	\$ 892,746
2016	\$ 165,348	\$ 26,008	15.73%	\$ 1,032,086

Funded Status and Funding Progress

As of October 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,554,570, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,554,570.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and

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

Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Projected unit credit
Amortization Method	Level percent of payroll
Remaining Amortization Period	30 years – open period
Asset Valuation Method	Market value
Health Care Cost Trend Rate	8.00%
Investment Rate of Return	4.00%

E. Group Term Life Insurance

Plan Description

The County participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by TCDRS. This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employers and, if elected by employers, to retired employees. The coverage provided to retired employees is a post employment benefit other than pension benefits. Retired employees are insured for \$5,000.

The GTLF is a separate trust administered by the TCDRS Board of Trustees. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County and District Retirement System, P.O. Box 2034, Austin TX 78768-2031 or by calling 800-823-7782.

Funding Policy

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The County contributions to the GTLF for the years ended 2014, 2015, and 2016 were \$23,769, \$25,393, and \$25,496, respectively, which equaled the contractually required contributions each year.

REQUIRED SUPPLEMENTARY INFORMATION

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

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenue				
Property taxes	\$ 4,093,543	\$ 4,093,543	\$ 4,198,304	\$ 104,761
Sales tax	1,255,000	1,255,000	974,218	(280,782)
Intergovernmental	53,305	53,305	55,704	2,399
Fees	916,830	916,830	698,138	(218,692)
Fines and forfeitures	440,000	440,000	393,762	(46,238)
Interest	10,000	10,000	12,428	2,428
Miscellaneous	130,750	186,292	321,141	134,849
Total Revenues	<u>6,899,428</u>	<u>6,954,970</u>	<u>6,653,695</u>	<u>(301,275)</u>
Expenditures				
Current:				
General administration	947,652	967,168	915,897	51,271
Judicial	1,196,208	1,213,341	1,047,897	165,444
Legal	600,070	600,070	581,728	18,342
Financial administration	607,016	606,698	560,421	46,277
Public facilities	199,092	201,892	192,647	9,245
Public safety	3,359,498	3,363,732	3,206,986	156,746
Health and welfare	131,372	134,690	110,319	24,371
Miscellaneous	1,107,172	1,094,976	608,614	486,362
Capital outlay	<u>300,500</u>	<u>337,446</u>	<u>306,675</u>	<u>30,771</u>
Total Expenditures	<u>8,448,580</u>	<u>8,520,013</u>	<u>7,531,184</u>	<u>988,829</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(1,549,152)</u>	<u>(1,565,043)</u>	<u>(877,489)</u>	<u>687,554</u>
Other Financing Sources (Uses)				
Transfers in	80,200	107,311	107,311	-
Transfers (out)	(2,400,000)	(2,411,220)	(2,418,551)	(7,331)
Sale of asset	<u>-</u>	<u>-</u>	<u>11,225</u>	<u>11,225</u>
Total Other Financing Sources (Uses)	<u>(2,319,800)</u>	<u>(2,303,909)</u>	<u>(2,300,015)</u>	<u>3,894</u>
Net Change in Fund Balance	<u>\$ (3,868,952)</u>	<u>\$ (3,868,952)</u>	<u>(3,177,504)</u>	<u>\$ 691,448</u>
Beginning fund balance			<u>5,074,753</u>	
Ending Fund Balance			<u>\$ 1,897,249</u>	

Notes to Required Supplementary Information:

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

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property taxes	\$ 2,351,485	\$ 2,351,485	\$ 2,405,721	\$ 54,236
Interest	3,480	3,480	12,309	8,829
Permits and licenses	651,000	651,000	671,113	20,113
Miscellaneous	102,600	588,901	700,698	111,797
Total Revenues	<u>3,108,565</u>	<u>3,594,866</u>	<u>3,789,841</u>	<u>194,975</u>
Expenditures				
Current:				
Public transportation	2,705,213	3,002,125	2,381,244	620,881
Miscellaneous	339,893	339,893	289,200	50,693
Debt service:				
Principal	159,626	299,320	295,289	4,031
Interest and fiscal agent fees	10,332	16,596	13,820	2,776
Capital outlay	<u>165,000</u>	<u>587,471</u>	<u>570,195</u>	<u>17,276</u>
Total Expenditures	<u>3,380,064</u>	<u>4,245,405</u>	<u>3,549,748</u>	<u>695,657</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(271,499)</u>	<u>(650,539)</u>	<u>240,093</u>	<u>890,632</u>
Other Financing Sources (Uses)				
Transfers (out)	(50,000)	(50,000)	(50,000)	-
Sale of capital assets	-	27,034	39,786	12,752
Capital leases	-	352,006	352,006	-
Total Other Financing				
Sources (Uses)	<u>(50,000)</u>	<u>329,040</u>	<u>341,792</u>	<u>12,752</u>
Net Change in Fund Balance	<u>\$ (321,499)</u>	<u>\$ (321,499)</u>	<u>581,885</u>	<u>\$ 903,384</u>
Beginning fund balance			<u>2,467,107</u>	
Ending Fund Balance			<u>\$ 3,048,992</u>	

Notes to Required Supplementary Information:

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

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LATERAL ROAD AND BRIDGE FUND
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property taxes	\$ 1,179,128	\$ 1,179,128	\$ 1,217,362	\$ 38,234
Interest income	800	800	1,617	817
Total Revenues	<u>1,179,928</u>	<u>1,179,928</u>	<u>1,218,979</u>	<u>39,051</u>
Expenditures				
Current:				
Public transportation	<u>1,141,900</u>	<u>1,141,900</u>	<u>886,834</u>	<u>255,066</u>
Total Expenditures	<u>1,141,900</u>	<u>1,141,900</u>	<u>886,834</u>	<u>255,066</u>
Net Change in Fund Balance	<u>\$ 38,028</u>	<u>\$ 38,028</u>	<u>332,145</u>	<u>\$ 294,117</u>
Beginning fund balance			<u>672,861</u>	
Ending Fund Balance			<u>\$ 1,005,006</u>	

Notes to Required Supplementary Information:

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

BURLESON COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2016

	Measurement Year *	
	2015	2014
Total Pension Liability		
Service cost	\$ 430,776	\$ 394,299
Interest (on the total pension liability)	1,006,535	937,638
Changes of benefit terms	(52,012)	-
Difference between expected and actual experience	(552,217)	(40,434)
Changes of assumptions	130,885	-
Benefit payments, including refunds of employee contributions	(495,153)	(499,687)
Net Change in Total Pension Liability	468,814	791,815
Beginning total pension liability	12,419,246	11,627,431
Ending Total Pension Liability	\$ 12,888,060	\$ 12,419,246
Plan Fiduciary Net Position		
Contributions - employer	\$ 339,918	\$ 329,729
Contributions - employee	284,622	276,091
Net investment income	83,433	771,144
Benefit payment, including refunds of employee contributions	(495,153)	(499,688)
Administrative expense	(8,556)	(8,831)
Other	(177,068)	(46,075)
Net Change in Plan Fiduciary Net Position	27,197	822,370
Beginning plan fiduciary net position	11,874,642	11,052,272
Ending Plan Fiduciary Net Position	\$ 11,901,839	\$ 11,874,642
Net Pension Liability	\$ 986,221	\$ 544,604
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.35%	95.61%
Covered Employee Payroll	\$ 4,066,024	\$ 3,944,162
Net Pension Liability as a Percentage of Covered Employee Payroll	24.26%	13.81%

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

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

	Fiscal Year*		
	2016	2015	2014
Actuarially determined contribution	\$ 336,358	\$ 335,942	\$ 315,184
Contributions in relation to the actuarially determined contribution	336,358	335,942	315,184
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 4,191,799	\$ 4,018,450	\$ 3,795,853
Contributions as a percentage of covered employee payroll	8.02%	8.36%	8.30%

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

Notes to Required Supplementary Information:

There were no benefit changes during the year.

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BURLESON COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT HEALTHCARE BENEFITS
For the Year Ended September 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
10/01/09	\$ -	\$ 1,815,382	\$ 1,815,382	0.00%	N/A	N/A
10/01/12	\$ -	\$ 1,220,436	\$ 1,220,436	0.00%	\$ 3,082,373	39.59%
10/01/15	\$ -	\$ 1,554,570	\$ 1,554,570	0.00%	\$ 3,607,718	43.09%

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***COMBINING STATEMENTS
AND SCHEDULES***

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenue				
Property taxes	\$ 192,474	\$ 192,474	\$ 195,376	\$ 2,902
Interest	865	865	1,090	225
Total Revenues	<u>193,339</u>	<u>193,339</u>	<u>196,466</u>	<u>3,127</u>
Expenditures				
Current:				
Debt service:				
Principal	240,000	240,000	240,000	-
Interest and fiscal agent fees	133,173	133,173	131,123	2,050
Total Expenditures	<u>373,173</u>	<u>373,173</u>	<u>371,123</u>	<u>2,050</u>
Net Change in Fund Balance	<u>\$ (179,834)</u>	<u>\$ (179,834)</u>	<u>(174,657)</u>	<u>\$ 5,177</u>
Beginning fund balance			<u>526,125</u>	
Ending Fund Balance			<u><u>\$ 351,468</u></u>	

BURLESON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (page 1 of 2)
September 30, 2016

Special Revenue Funds				
	County Law Library	Courthouse Security	Right of Way Acquisition	Record Mgmt. and Preservation Dist. & Co.
<u>Assets</u>				
Cash and cash equivalents	\$ 122,876	\$ 32,508	\$ 11,837	\$ 437,390
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other units	-	-	-	-
Total Assets	\$ 122,876	\$ 32,508	\$ 11,837	\$ 437,390
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 32	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	32	-	-
<u>Fund Balances</u>				
Restricted	122,876	32,476	11,837	437,390
Total Fund Balances	122,876	32,476	11,837	437,390
Total Liabilities and Fund Balances	\$ 122,876	\$ 32,508	\$ 11,837	\$ 437,390

Special Revenue Funds					
Jail Commissary	Attorney Fee Account	Sheriff's Office Donation Equipment	Sheriff's Forfeiture	State Salary Supplement	Sheriff's Office Awarded Restitution
\$ 3,213	\$ 447	\$ 27,501	\$ 49,430	\$ 101,946	\$ 24,356
-	-	-	-	366	-
-	-	-	-	-	-
4,140	-	-	-	-	-
<u>\$ 7,353</u>	<u>\$ 447</u>	<u>\$ 27,501</u>	<u>\$ 49,430</u>	<u>\$ 102,312</u>	<u>\$ 24,356</u>
\$ 779	\$ -	\$ -	\$ 2,263	\$ -	\$ -
-	-	-	-	60,200	-
<u>779</u>	<u>-</u>	<u>-</u>	<u>2,263</u>	<u>60,200</u>	<u>-</u>
6,574	447	27,501	47,167	42,112	24,356
6,574	447	27,501	47,167	42,112	24,356
<u>\$ 7,353</u>	<u>\$ 447</u>	<u>\$ 27,501</u>	<u>\$ 49,430</u>	<u>\$ 102,312</u>	<u>\$ 24,356</u>

BURLESON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (page 2 of 2)
September 30, 2016

Special Revenue Funds				
	Justice Court Technology	LEOSE	Miscellaneous Grants	Economic Development
<u>Assets</u>				
Cash and cash equivalents	\$ 8,526	\$ 19,596	\$ 176,503	\$ 127,005
Receivables, net	-	-	2,755	5,938
Due from other funds	-	-	15,706	-
Due from other units	-	-	-	-
Total Assets	\$ 8,526	\$ 19,596	\$ 194,964	\$ 132,943
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ 1,377	\$ -
Due to other funds	859	-	-	-
Total Liabilities	859	-	1,377	-
<u>Fund Balances</u>				
Restricted	7,667	19,596	193,587	132,943
Total Fund Balances	7,667	19,596	193,587	132,943
Total Liabilities and Fund Balances	\$ 8,526	\$ 19,596	\$ 194,964	\$ 132,943

Special Revenue Funds				
Election Services	County and District Technology	Vehicle Inventory	Total Nonmajor Governmental Funds	
\$ 14,016	\$ 5,242	\$ 112,416	\$ 1,274,808	
-	-	5,584	14,643	
-	-	-	15,706	
-	-	-	4,140	
<u>\$ 14,016</u>	<u>\$ 5,242</u>	<u>\$ 118,000</u>	<u>\$ 1,309,297</u>	
\$ 2,083	\$ -	\$ 68,511	\$ 75,045	
61	-	22,761	83,881	
<u>2,144</u>	<u>-</u>	<u>91,272</u>	<u>158,926</u>	
<u>11,872</u>	<u>5,242</u>	<u>26,728</u>	<u>1,150,371</u>	
<u>11,872</u>	<u>5,242</u>	<u>26,728</u>	<u>1,150,371</u>	
<u>\$ 14,016</u>	<u>\$ 5,242</u>	<u>\$ 118,000</u>	<u>\$ 1,309,297</u>	

BURLESON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (page 1 of 2)
For the Year Ended September 30, 2016

Special Revenue Funds				
	County Law Library	Courthouse Security	Right of Way Acquisition	Record Mgmt and Preservation Dist. & Co.
Revenues				
Other taxes	\$ -	\$ -	\$ -	\$ -
Fees	12,005	19,517	-	181,157
Intergovernmental	-	-	-	-
Investment income	177	113	29	2,030
Miscellaneous	-	-	-	-
Total Revenues	12,182	19,630	29	183,187
Expenditures				
Current:				
General administration	1,661	-	-	162,198
Judicial	-	36,524	-	-
Public safety	-	-	95,400	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	38,334
Total Expenditures	1,661	36,524	95,400	200,532
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,521	(16,894)	(95,371)	(17,345)
Other Financing Sources (Uses)				
Transfers in (out)	-	(20,000)	50,000	-
Total Other Financing Sources (Uses)	-	(20,000)	50,000	-
Net Change in Fund Balances	10,521	(36,894)	(45,371)	(17,345)
Beginning fund balances	112,355	69,370	57,208	454,735
Ending Fund Balances	\$ 122,876	\$ 32,476	\$ 11,837	\$ 437,390

Special Revenue Funds

Jail Commissary	Attorney Fee Account	Sheriff's Office Donation Equipment	Sheriff's Forfeiture	State Salary Supplement	Sheriff's Office Awarded Restitution
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	60,566	-
7	1	42	96	80	38
7,699	-	400	-	-	-
7,706	1	442	96	60,646	38
-	-	-	-	80	-
-	-	-	-	-	-
-	-	-	3,593	-	-
9,392	-	1,776	-	-	-
-	-	-	37,990	-	-
9,392	-	1,776	41,583	80	-
(1,686)	1	(1,334)	(41,487)	60,566	38
-	-	-	-	(60,200)	-
-	-	-	-	(60,200)	-
(1,686)	1	(1,334)	(41,487)	366	38
8,260	446	28,835	88,654	41,746	24,318
\$ 6,574	\$ 447	\$ 27,501	\$ 47,167	\$ 42,112	\$ 24,356

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

Special Revenue Funds				
	Justice Court Technology	LEOSE	Miscellaneous Grants	Economic Development
<u>Revenues</u>				
Other taxes	\$ -	\$ -	\$ -	\$ 32,979
Fees	8,646	-	-	-
Intergovernmental	-	4,496	408,457	-
Investment income	7	36	145	177
Miscellaneous	-	-	43,015	-
Total Revenues	8,653	4,532	451,617	33,156
<u>Expenditures</u>				
Current:				
General administration	-	-	231,059	8,475
Judicial	-	-	-	-
Public safety	2,922	6,254	-	-
Miscellaneous	-	-	-	4,950
Capital outlay	-	-	168,480	-
Total Expenditures	2,922	6,254	399,539	13,425
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,731	(1,722)	52,078	19,731
<u>Other Financing Sources (Uses)</u>				
Transfers in (out)	-	-	(27,111)	-
Total Other Financing Sources (Uses)	-	-	(27,111)	-
Net Change in Fund Balances	5,731	(1,722)	24,967	19,731
Beginning fund balances	1,936	21,318	168,620	113,212
Ending Fund Balances	\$ 7,667	\$ 19,596	\$ 193,587	\$ 132,943

Special Revenue Funds			
Election Services	County and District Technology	Vehicle Inventory	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 32,979
18,563	796	-	240,684
-	-	-	473,519
-	8	231	3,217
-	-	402	51,516
18,563	804	633	801,915
-	-	-	403,473
-	-	-	36,524
-	-	-	108,169
16,594	-	-	32,712
-	-	-	244,804
16,594	-	-	825,682
1,969	804	633	(23,767)
-	-	-	(57,311)
-	-	-	(57,311)
1,969	804	633	(81,078)
9,903	4,438	26,095	1,231,449
\$ 11,872	\$ 5,242	\$ 26,728	\$ 1,150,371

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 1 of 7)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

COUNTY LAW LIBRARY

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fees	\$ 12,000	\$ 12,005	\$ 5
Investment income	100	177	77
Total Revenues	<u>12,100</u>	<u>12,182</u>	<u>82</u>
Expenditures			
Current:			
General administration	13,000	1,661	11,339
Total Expenditures	<u>13,000</u>	<u>1,661</u>	<u>11,339</u>
Net Change in Fund Balance	<u>\$ (900)</u>	10,521	<u>\$ 11,421</u>
Beginning fund balance		112,355	
Ending Fund Balance		<u>\$ 122,876</u>	

COURTHOUSE SECURITY

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fees	\$ 19,700	\$ 19,517	\$ (183)
Investment income	100	19,630	19,530
Total Revenues	<u>19,800</u>	<u>39,147</u>	<u>19,347</u>
Expenditures			
Current:			
Judicial	50,800	36,524	14,276
Total Expenditures	<u>50,800</u>	<u>36,524</u>	<u>14,276</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(31,000)</u>	2,623	<u>33,623</u>
Transfers (out)	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (51,000)</u>	(17,377)	<u>\$ 33,623</u>
Beginning fund balance		69,370	
Ending Fund Balance		<u>\$ 51,993</u>	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 2 of 7)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

RIGHT OF WAY ACQUISITION

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	\$ 20	\$ 29	\$ 9
Total Revenues	<u>20</u>	<u>29</u>	<u>9</u>
Expenditures			
Current:			
Public safety	95,400	95,400	-
Total Expenditures	<u>95,400</u>	<u>95,400</u>	<u>-</u>
(Deficiency) of Revenues (Under) Expenditures	(95,380)	(95,371)	9
Transfers in	50,000	50,000	-
Net Change in Fund Balance	<u>\$ (45,380)</u>	<u>(45,371)</u>	<u>\$ 9</u>
Beginning fund balance		57,208	
Ending Fund Balance		<u>\$ 11,837</u>	

RECORD MANAGEMENT AND PRESERVATION DISTRICT AND COUNTY

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fees	\$ 195,420	\$ 181,157	\$ (14,263)
Investment income	390	2,030	1,640
Total Revenues	<u>195,810</u>	<u>183,187</u>	<u>(12,623)</u>
Expenditures			
Current:			
General government	206,666	162,198	44,468
Capital outlay	<u>38,334</u>	<u>38,334</u>	<u>-</u>
Total Expenditures	<u>245,000</u>	<u>200,532</u>	<u>44,468</u>
Net Change in Fund Balance	<u>\$ (49,190)</u>	<u>(17,345)</u>	<u>\$ 31,845</u>
Beginning fund balance		454,735	
Ending Fund Balance		<u>\$ 437,390</u>	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 3 of 7)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

SHERIFF'S OFFICE DONATION - EQUIPMENT

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	\$ 30	\$ 42	\$ 12
Miscellaneous	-	400	400
Total Revenues	<u>30</u>	<u>442</u>	<u>412</u>
Expenditures			
Current:			
Miscellaneous	7,500	1,776	5,724
Total Expenditures	<u>7,500</u>	<u>1,776</u>	<u>5,724</u>
Net Change in Fund Balance	<u>\$ (7,470)</u>	<u>(1,334)</u>	<u>\$ 6,136</u>
Beginning fund balance		<u>28,835</u>	
Ending Fund Balance		<u>\$ 27,501</u>	

SHERIFF'S FORFEITURE

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	\$ 100	\$ 96	\$ (4)
Total Revenues	<u>100</u>	<u>96</u>	<u>(4)</u>
Expenditures			
Current:			
Public safety	4,010	3,593	417
Capital outlay	37,900	37,990	(90)
Total Expenditures	<u>41,910</u>	<u>41,583</u>	<u>327</u>
Net Change in Fund Balance	<u>\$ (41,810)</u>	<u>(41,487)</u>	<u>\$ 323</u>
Beginning fund balance		<u>88,654</u>	
Ending Fund Balance		<u>\$ 47,167</u>	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 4 of 7)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

STATE SALARY SUPPLEMENT

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 61,700	\$ 60,566	\$ (1,134)
Investment income	60	80	20
Total Revenues	<u>61,760</u>	<u>60,646</u>	<u>(1,114)</u>
Expenditures			
Current:			
General administration	4,060	80	3,980
Total Expenditures	<u>4,060</u>	<u>80</u>	<u>3,980</u>
Excess of Revenues Over Expenditures	<u>57,700</u>	<u>60,566</u>	<u>2,866</u>
Transfers (out)	<u>(60,200)</u>	<u>(60,200)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (2,500)</u>	<u>366</u>	<u>\$ 2,866</u>
Beginning fund balance		<u>41,746</u>	
Ending Fund Balance		<u>\$ 42,112</u>	

SHERIFF'S OFFICE AWARDED RESTITUTION

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	\$ 30	\$ 38	\$ 8
Total Revenues	<u>30</u>	<u>38</u>	<u>8</u>
Expenditures			
Current:			
Miscellaneous	7,000	-	7,000
Total Expenditures	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Net Change in Fund Balance	<u>\$ (6,970)</u>	<u>38</u>	<u>\$ 7,008</u>
Beginning fund balance		<u>24,318</u>	
Ending Fund Balance		<u>\$ 24,356</u>	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 5 of 7)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

JUSTICE COURT TECHNOLOGY

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fees	\$ 6,600	\$ 8,646	\$ 2,046
Investment income	10	7	(3)
Total Revenues	<u>6,610</u>	<u>8,653</u>	<u>2,043</u>
Expenditures			
Current:			
Public safety	8,600	2,922	5,678
Total Expenditures	<u>8,600</u>	<u>2,922</u>	<u>5,678</u>
Net Change in Fund Balance	<u>\$ (1,990)</u>	<u>5,731</u>	<u>\$ 7,721</u>
Beginning fund balance		<u>1,936</u>	
Ending Fund Balance		<u>\$ 7,667</u>	

LEOSE GRANT

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 4,593	\$ 4,496	\$ (97)
Investment income	25	36	11
Total Revenues	<u>4,618</u>	<u>4,532</u>	<u>(86)</u>
Expenditures			
Current:			
Public safety	21,900	6,254	15,646
Total Expenditures	<u>21,900</u>	<u>6,254</u>	<u>15,646</u>
Net Change in Fund Balance	<u>\$ (17,282)</u>	<u>(1,722)</u>	<u>\$ 15,560</u>
Beginning fund balance		<u>21,318</u>	
Ending Fund Balance		<u>\$ 19,596</u>	

BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 6 of 7)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

MISCELLANEOUS GRANTS

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 408,457	\$ 408,457	\$ -
Investment income	150	145	(5)
Miscellaneous	7,708	43,015	35,307
Total Revenues	<u>416,315</u>	<u>451,617</u>	<u>35,302</u>
Expenditures			
Current:			
General administration	281,154	231,059	50,095
Capital outlay	<u>168,480</u>	<u>168,480</u>	<u>-</u>
Total Expenditures	<u>449,634</u>	<u>399,539</u>	<u>50,095</u>
Excess of Revenues Over Expenditures	<u>(33,319)</u>	<u>52,078</u>	<u>85,397</u>
Transfers (out)	<u>(27,111)</u>	<u>(27,111)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (60,430)</u>	<u>24,967</u>	<u>\$ 85,397</u>
Beginning fund balance		<u>168,620</u>	
Ending Fund Balance		<u>\$ 193,587</u>	

ECONOMIC DEVELOPMENT

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Other taxes	\$ 40,000	\$ 32,979	\$ (7,021)
Interest income	100	177	77
Total Revenues	<u>40,100</u>	<u>33,156</u>	<u>(6,944)</u>
Expenditures			
Current:			
General administration	17,000	8,475	8,525
Miscellaneous	15,000	4,950	10,050
Total Expenditures	<u>32,000</u>	<u>13,425</u>	<u>18,575</u>
Net Change in Fund Balance	<u>\$ 3,015</u>	<u>19,731</u>	<u>\$ 20,367</u>
Beginning fund balance		<u>113,212</u>	
Ending Fund Balance		<u>\$ 132,943</u>	

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BURLESON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Page 7 of 7)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

COUNTY AND DISTRICT TECHNOLOGY

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fees	\$ 1,000	\$ 796	\$ (204)
Investment income	5	8	3
Total Revenues	<u>1,005</u>	<u>804</u>	<u>(201)</u>
Expenditures			
Current:			
General administration	1,500	-	1,500
Total Expenditures	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Net Change in Fund Balance	<u>\$ (495)</u>	804	<u>\$ 1,299</u>
Beginning fund balance		<u>4,438</u>	
Ending Fund Balance		<u>\$ 5,242</u>	

ELECTION SERVICES

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fees	\$ 14,115	\$ 18,563	\$ 4,448
Total Revenues	<u>14,115</u>	<u>18,563</u>	<u>4,448</u>
Expenditures			
Current:			
Miscellaneous	23,500	16,594	6,906
Total Expenditures	<u>23,500</u>	<u>16,594</u>	<u>6,906</u>
Net Change in Fund Balance	<u>\$ (9,385)</u>	1,969	<u>\$ 11,354</u>
Beginning fund balance		<u>9,903</u>	
Ending Fund Balance		<u>\$ 11,872</u>	

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

	<u>Tax Assessor/ Collector</u>	<u>District Clerk</u>	<u>County Clerk</u>	<u>Jail Inmate</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 296,996	\$ 1,088,673	\$ 18,270	\$ 7,833
Due from other units	395	-	-	-
Total Assets	<u>\$ 297,391</u>	<u>\$ 1,088,673</u>	<u>\$ 18,270</u>	<u>\$ 7,833</u>
<u>Liabilities</u>				
Due to other units	\$ 297,391	\$ 1,088,673	\$ 18,270	\$ 7,833
Total Liabilities	<u>\$ 297,391</u>	<u>\$ 1,088,673</u>	<u>\$ 18,270</u>	<u>\$ 7,833</u>

See Notes to Financial Statements.

<u>State of Texas Transfer Accounts</u>	<u>County Attorney</u>	<u>County Sheriff</u>	<u>Sheriff Seizure</u>	<u>Unclaimed Money</u>	<u>Total Fiduciary Funds</u>
\$ 74,217	\$ 11,816	\$ 85,226	\$ 18,443	\$ 17,341	\$ 1,618,815
30	-	-	-	-	425
<u>\$ 74,247</u>	<u>\$ 11,816</u>	<u>\$ 85,226</u>	<u>\$ 18,443</u>	<u>\$ 17,341</u>	<u>\$ 1,619,240</u>
\$ 74,247	\$ 11,816	\$ 85,226	\$ 18,443	\$ 17,341	\$ 1,619,240
<u>\$ 74,247</u>	<u>\$ 11,816</u>	<u>\$ 85,226</u>	<u>\$ 18,443</u>	<u>\$ 17,341</u>	<u>\$ 1,619,240</u>

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BURLESON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
For the Year Ended September 30, 2016

		Beginning Balance	Additions	(Deductions)	Ending Balance
Tax Assessor/Collector					
Assets	Cash and cash equivalents	\$ 415,557	\$ -	\$ (118,561)	\$ 296,996
Assets	Due from other units	\$ 197	\$ 198	\$ -	\$ 395
Liabilities	Due to other units	\$ 411,048	\$ -	\$ (113,657)	\$ 297,391
Liabilities	Due to other funds	\$ 4,706	\$ -	\$ (4,706)	\$ -
District Clerk					
Assets	Cash and cash equivalents	\$ 1,011,885	\$ 76,788	\$ -	\$ 1,088,673
Liabilities	Due to other units	\$ 836,058	\$ 252,615	\$ -	\$ 1,088,673
Liabilities	Due to other funds	\$ 175,827	\$ -	\$ (175,827)	\$ -
County Clerk					
Assets	Cash and cash equivalents	\$ 37,733	\$ -	\$ (19,463)	\$ 18,270
Liabilities	Due to other units	\$ 37,733	\$ -	\$ (19,463)	\$ 18,270
Jail Inmate					
Assets	Cash and cash equivalents	\$ 8,062	\$ -	\$ (229)	\$ 7,833
Liabilities	Due to other units	\$ 4,901	\$ 2,932	\$ -	\$ 7,833
Liabilities	Due to other funds	\$ 3,161	\$ -	\$ (3,161)	\$ -
State of Texas Transfer Accounts					
Assets	Cash and cash equivalents	\$ 72,428	\$ 1,789	\$ -	\$ 74,217
Assets	Due from other units	\$ 30	\$ -	\$ -	\$ 30
Liabilities	Due to other units	\$ 69,262	\$ 4,985	\$ -	\$ 74,247
Liabilities	Due to other funds	\$ 3,196	\$ -	\$ (3,196)	\$ -
County Attorney					
Assets	Cash and cash equivalents	\$ 11,816	\$ -	\$ -	\$ 11,816
Liabilities	Due to other units	\$ 11,816	\$ -	\$ -	\$ 11,816
County Sheriff					
Assets	Cash and cash equivalents	\$ 88,151	\$ -	\$ (2,925)	\$ 85,226
Liabilities	Due to other units	\$ 79,500	\$ 5,726	\$ -	\$ 85,226
Liabilities	Due to other funds	\$ 8,651	\$ -	\$ (8,651)	\$ -
Sheriff Seizure					
Assets	Cash and cash equivalents	\$ 51,666	\$ -	\$ (33,223)	\$ 18,443
Liabilities	Due to other units	\$ 51,666	\$ -	\$ (33,223)	\$ 18,443
Unclaimed Money					
Assets	Cash and cash equivalents	\$ 16,587	\$ 754	\$ -	\$ 17,341
Liabilities	Due to other units	\$ 16,587	\$ 754	\$ -	\$ 17,341
Total Fiduciary Funds					
Assets	Cash and cash equivalents	\$ 1,713,885	\$ 79,331	\$ (174,401)	\$ 1,618,815
Assets	Due from other units	\$ 227	\$ 198	\$ -	\$ 425
Liabilities	Due to other units	\$ 1,518,571	\$ 267,012	\$ (166,343)	\$ 1,619,240
Liabilities	Due to other funds	\$ 195,541	\$ -	\$ (195,541)	\$ -

