

ANNUAL FINANCIAL REPORT

of

LEON COUNTY, TEXAS

For the Year Ended
September 30, 2017

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LEON COUNTY, TEXAS

TABLE OF CONTENTS

September 30, 2017

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
List of Elected and Appointed Officials	1
Organizational Chart	3
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	7
Management's Discussion and Analysis (Required Supplementary Information)	13
 <u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Position	23
Statement of Activities	24
 <u>FUND FINANCIAL STATEMENTS</u>	
Governmental Funds Financial Statements	
Balance Sheet – Governmental Funds	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds Financial Statements	
Statement of Net Position	35
Statement of Revenues, Expenses, and Changes in Fund Net Position	37
Statement of Cash Flows	39
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position – Agency Funds	41
Notes to Financial Statements	43
 <u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	64
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Grant Fund	69
Schedule of Changes in Net Pension Liability and Related Ratios – Texas County and District Retirement System	71
Schedule of Contributions – Texas County and District Retirement System	73

LEON COUNTY, TEXAS

TABLE OF CONTENTS (Continued)

September 30, 2017

COMBINING STATEMENTS AND SCHEDULES

	<u>Page</u>
Combining Balance Sheet – Nonmajor Governmental Funds	78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	84
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds	91
Combining Statement of Fiduciary Net Position – Agency Funds	114

INTRODUCTORY SECTION

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LEON COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
For the Year Ended September 30, 2017

COMMISSIONERS' COURT

Byron Ryder	County Judge
Joey Sullivan	Commissioner, Precinct # 1
David Ferguson	Commissioner, Precinct # 2
Dean Stanford	Commissioner, Precinct # 3
David Grimes	Commissioner, Precinct # 4

DISTRICT COURTS

Deborah Oakes Evans	Judge, 87 th Judicial District
Hal R. Ridley	Judge, 278 th Judicial District
Bascom W. Bentley, III	Judge, 369 th Judicial District
Hope L. Knight	District Attorney
Beverly Wilson	District Clerk

COUNTY COURT

Byron Ryder	County Judge
James R. Witt	County Attorney
Christie Wakefield	County Clerk

JUSTICE COURTS

Lori Reid	Justice of the Peace, Precinct # 1
Jack Keeling	Justice of the Peace, Precinct # 2
Jerry Grimes	Justice of the Peace, Precinct # 4

LAW ENFORCEMENT

Kevin Ellis	Sheriff
Wade Thomas	Constable, Precinct # 1
George Holleman	Constable, Precinct # 2
Vacant	Constable, Precinct # 4

FINANCIAL ADMINISTRATION

Melissa Abney	County Auditor*
Robin Shafer	Tax Assessor/Collector
Brandi S. Hill	County Treasurer

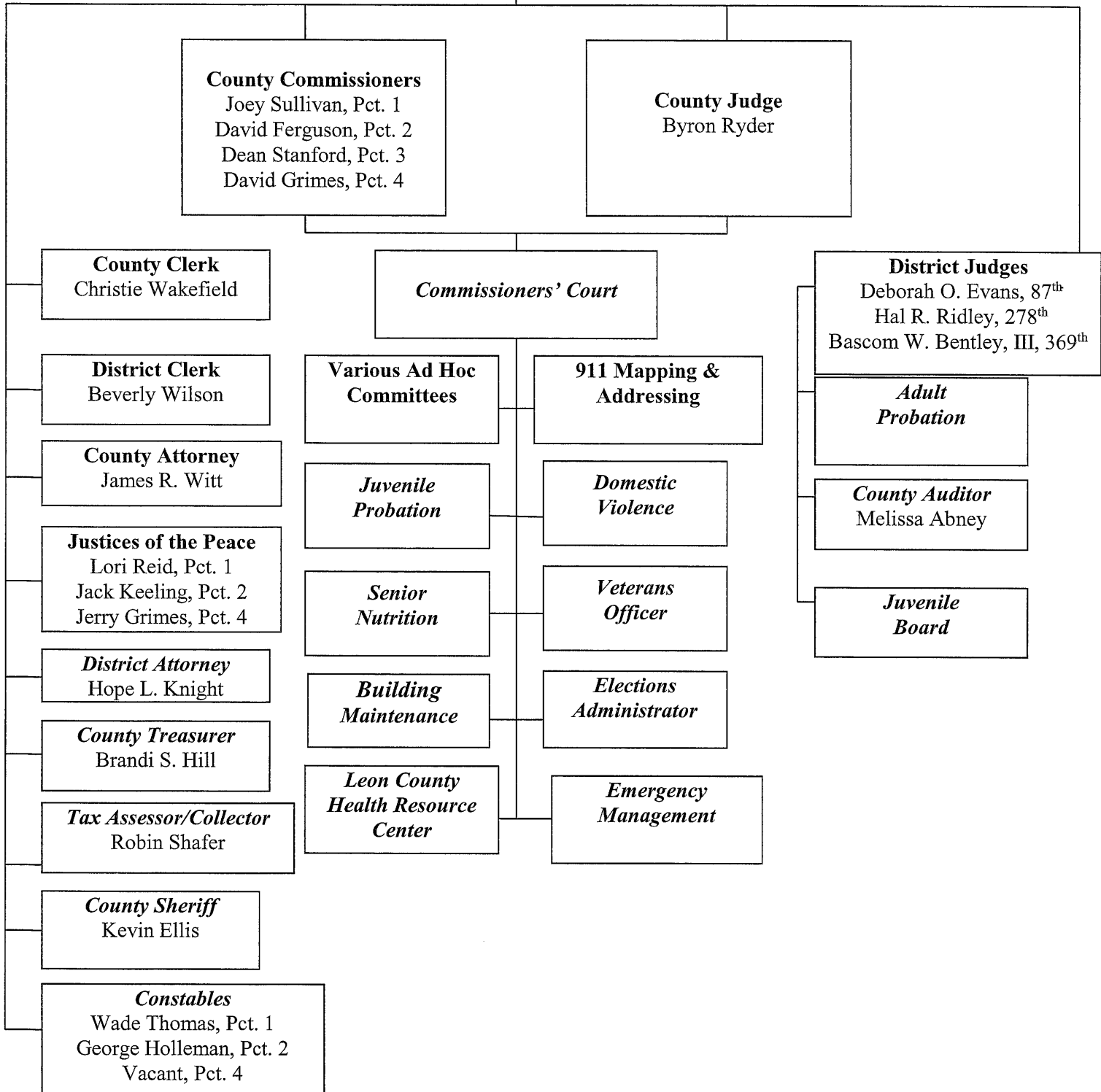
* Designated appointed official as of August 2016.

LEON COUNTY, TEXAS

ORGANIZATIONAL CHART

For the Year Ended September 30, 2017

**Leon County
Citizens**



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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Leon County, Texas (the "County") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLP

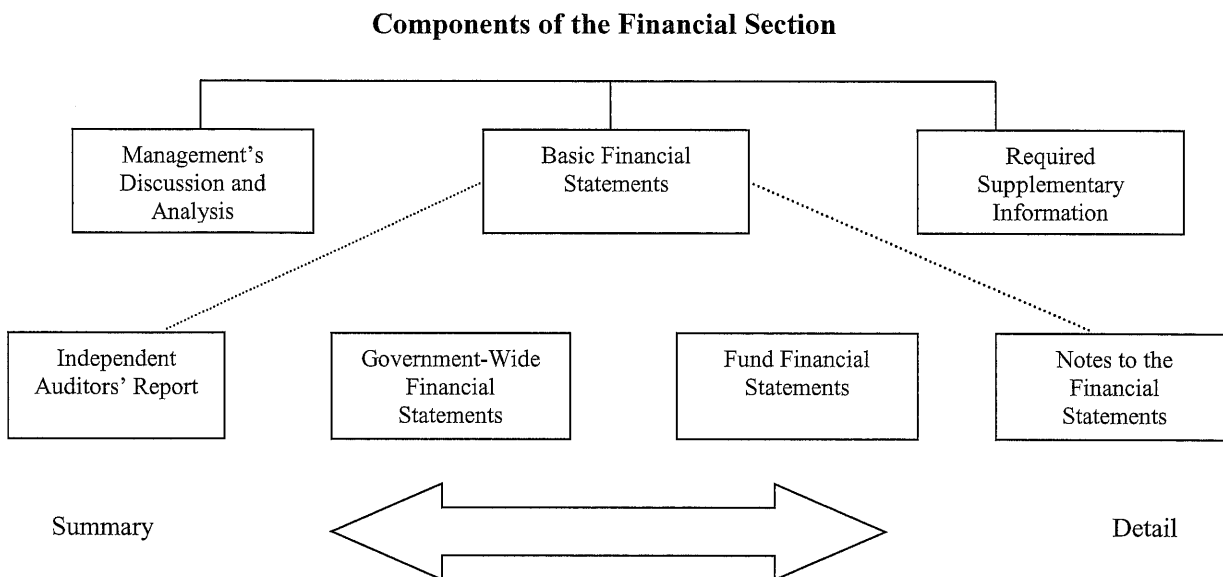
Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
August 6, 2018

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

LEON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended September 30, 2017

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 Leon County, Texas (the "County") for the year ended September 30, 2017. 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

LEON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

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

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

The Statement of Net Position and the Statement of Activities divide the County's financials into two classes of activities:

1. *Governmental Activities* – All of the County's basic services are reported here including general government, judicial, legal, public safety, public welfare, and public transportation. Interest payments on the County's debt are also reported here. Property taxes, sales taxes, and other fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported within this class. These services include the County's expo center and airport.

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 28 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, road and bridge, and grant funds, which are considered to be major funds for reporting purposes.

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

LEON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

Proprietary Funds

The County maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its expo center and airport. The proprietary fund financial statements provide separate information for the expo center and airport. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

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 four 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 and road and bridge funds, as well as a schedule of changes in net pension liability and related ratios and schedule of contributions for the Texas County and District Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$26,715,313 as of September 30, 2017. This compares with \$28,129,044 from the prior fiscal year. A portion of the County's net position, 49 percent, reflects its investments in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

LEON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2017			2016		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 13,392,429	\$ 2,512	\$ 13,394,941	\$ 15,226,309	\$ 115	\$ 15,226,424
Capital assets, net	9,632,828	3,746,148	13,378,976	9,393,190	3,574,095	12,967,285
Total Assets	23,025,257	3,748,660	26,773,917	24,619,499	3,574,210	28,193,709
Deferred outflows - pensions	1,219,522	-	1,219,522	1,441,795	-	1,441,795
Total Deferred Outflows of Resources	1,219,522	-	1,219,522	1,441,795	-	1,441,795
Long-term liabilities	637,508	-	637,508	538,382	-	538,382
Other liabilities	287,689	1,352	289,041	707,277	2,849	710,126
Total Liabilities	925,197	1,352	926,549	1,245,659	2,849	1,248,508
Deferred inflows - pensions	351,577	-	351,577	257,952	-	257,952
Total Deferred Inflows of Resources	351,577	-	351,577	257,952	-	257,952
Net Position:						
Net investment in capital assets	9,294,248	3,746,148	13,040,396	9,120,713	3,574,095	12,694,808
Restricted	1,072,409	-	1,072,409	1,977,958	-	1,977,958
Unrestricted	12,601,348	1,160	12,602,508	13,459,012	(2,734)	13,456,278
Total Net Position	\$ 22,968,005	\$ 3,747,308	\$ 26,715,313	\$ 24,557,683	\$ 3,571,361	\$ 28,129,044

A portion of the County's net position, \$1,072,409 or 4 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$12,602,508 or 47 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

The County's total net position decreased by \$1,413,731 during the current fiscal year. This was primarily a result of a decrease in charges for services, as well as increases in expenses in general government, legal, and public safety.

LEON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

Statement of Activities

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

	2017			2016		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 974,618	\$ 42,580	\$ 1,017,198	\$ 1,100,958	\$ 61,232	\$ 1,162,190
Operating grants and contributions	1,255,635	-	1,255,635	579,151	-	579,151
General revenues:			-			-
Property taxes	7,584,833	-	7,584,833	7,682,589	-	7,682,589
Sales taxes	1,920,977	-	1,920,977	1,715,529	-	1,715,529
Investment income	52,803	-	52,803	88,477	-	88,477
Other revenue	750,999	32,706	783,705	807,700	27,422	835,122
Total Revenues	12,539,865	75,286	12,615,151	11,974,404	88,654	12,063,058
Expenses						
General government	4,655,337	-	4,655,337	3,546,979	-	3,546,979
Judicial	954,822	-	954,822	1,013,181	-	1,013,181
Legal	203,429	-	203,429	197,980	-	197,980
Public safety	2,641,387	-	2,641,387	2,525,891	-	2,525,891
Public welfare	773,714	-	773,714	753,757	-	753,757
Public transportation	4,579,514	-	4,579,514	4,780,743	-	4,780,743
Interest on long-term debt	7,841	-	7,841	4,806	-	4,806
Expo center	-	199,241	199,241	-	2,849	2,849
Airport	-	13,598	13,598	-	-	-
Total Expenses	13,816,043	212,839	14,028,882	12,823,337	2,849	12,826,186
Change in Net Position	(1,276,178)	(137,553)	(1,413,731)	(848,933)	85,805	(763,128)
Transfers in and out	(313,500)	313,500	-	314,982	(314,982)	-
Beginning net position	24,557,683	3,571,361	28,129,044	25,091,634	3,800,538	28,892,172
Ending Net Position	\$ 22,968,005	\$ 3,747,308	\$ 26,715,313	\$ 24,557,683	\$ 3,571,361	\$ 28,129,044

For the year ended September 30, 2017, revenues from governmental activities totaled \$12,539,865, compared with \$11,974,404 in the prior year. This \$565,461 increase is primarily the result of an increase in operating grants and contributions related to the FEMA disaster grant. In addition, there was an increase in sales tax revenue, which can be attributed to the better economic conditions in the area. Property taxes slightly decreased from the prior year by \$97,756, which can be attributed to the decrease in gas and oil evaluations.

Governmental expenses increased over the prior year by \$992,706. These expenses can be attributed to the flooding in the County, which caused erosion on many of the County's roadways.

Overall, total business-type revenues decreased by \$13,368 from the prior year. This is due primarily to a decrease in charges for services from less use of the facilities during the current year. Expenses increased by \$209,990 from the prior year, primarily due to ongoing improvements at the expo center.

LEON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

The County's governmental funds reflect a combined fund balance of \$9,046,511, a decrease of \$1,856,457 from the prior year. Of this total ending fund balance, \$29,320 is nonspendable, \$91,257 is restricted for law enforcement, \$9,006 for social services, and \$972,146 for other purposes. The amount of unassigned fund balance is \$7,944,782.

The decrease in the general fund fund balance of \$1,133,351 contributed to the overall decrease of \$1,856,457 in the combined governmental fund balance. The decrease is primarily due to the large transfer to supplement road and bridge expenditures associated with disaster road repair. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 105 percent, respectively, of total general fund expenditures.

The road and bridge fund experienced a decrease in fund balance of \$777,581, due to a decrease in revenues and increases in road and bridge expenses associated with disaster road repair. The grant fund had an increase in fund balance of \$134,358 due to an increase grant revenue from FEMA grants.

Proprietary Funds – The County's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were under final budgeted revenues by \$289,016 during the year. This net negative variance is primarily attributable to lower than expected property tax and sales tax revenues. General fund disbursements were under the final budget by \$515,453. Total transfers also had a positive variance of \$607,222, contributing to an ending total net positive variance for the general fund of \$833,659.

CAPITAL ASSETS

At the end of the year, the County's governmental activities and business-type invested \$13,378,976 in a variety of capital assets (net of accumulated depreciation). This represents a net increase of \$411,691.

Major capital asset events during the year included the following:

- Construction in progress of \$611,173
- Buildings and improvements of \$151,809
- Road and bridge equipment for a total of \$971,931

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

LEON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2017

LONG-TERM DEBT

At the end of the year, the County reported total obligations under capital leases of \$338,580. The County obtained \$210,410 in capital lease financing during fiscal year 2017. In addition, the County reported other long-term liabilities of \$298,928 related to compensated absences.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County continues to experience a decrease in oil and gas evaluations, with some small increase in ad valorem revenue due only to re-evaluations in properties. This became apparent in fiscal year 2017. Because of elected/appointed officials' cost cutting measures, the County has continued to provide services to the residents of Leon County at a superior level. The budget for fiscal year 2018 will allow the County to maintain services, improve employee compensation, and invest in capital projects with a slight increase in the tax rate of \$0.45917.

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 Melissa Abney, County Auditor, Leon County, P.O. Box 898, Centerville, Texas 75833.

BASIC FINANCIAL STATEMENTS

LEON COUNTY, TEXAS

STATEMENT OF NET POSITION

September 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 2,064,209	\$ -	\$ 2,064,209
Investments	6,525,865	-	6,525,865
Receivables, net	1,956,302	2,433	1,958,735
Due from other governments	4,956	-	4,956
Prepays	29,320	79	29,399
Total Current Assets	10,580,652	2,512	10,583,164
Noncurrent assets:			
Net pension asset	2,811,777	-	2,811,777
Nondepreciable capital assets	783,385	3,666,020	4,449,405
Net depreciable capital assets	8,849,443	80,128	8,929,571
Total Noncurrent Assets	12,444,605	3,746,148	16,190,753
Total Assets	23,025,257	3,748,660	26,773,917
<u>Deferred Outflows of Resources</u>			
Deferred outflows - pensions	1,219,522	-	1,219,522
Total Deferred Outflows of Resources	1,219,522	-	1,219,522
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	283,536	1,352	284,888
Accrued interest payable	4,138	-	4,138
Unearned revenue	15	-	15
Total Current Liabilities	287,689	1,352	289,041
Noncurrent liabilities:			
Long-term liabilities due within one year	377,507	-	377,507
Long-term liabilities due in more than one year	260,001	-	260,001
Total Noncurrent Liabilities	637,508	-	637,508
Total Liabilities	925,197	1,352	926,549
<u>Deferred Inflows of Resources</u>			
Deferred inflows - property taxes			
Deferred inflows - pensions	351,577	-	351,577
Total Deferred Inflows of Resources	351,577	-	351,577
<u>Net Position</u>			
Net investment in capital assets	9,294,248	3,746,148	13,040,396
Restricted for:			
Law enforcement	91,257	-	91,257
Social services	9,006	-	9,006
Other purposes	972,146	-	972,146
Unrestricted	12,601,348	1,160	12,602,508
Total Net Position	\$ 22,968,005	\$ 3,747,308	\$ 26,715,313

See Notes to Financial Statements.

LEON COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 4,655,337	\$ 5,570	\$ 153,107
Judicial	954,822	969,048	-
Legal	203,429	-	-
Public safety	2,641,387	-	27,234
Public welfare	773,714	-	134,357
Public transportation	4,579,514	-	940,937
Interest and fiscal charges	7,841	-	-
Total Governmental Activities	13,816,043	974,618	1,255,635
Business-Type Activities:			
Expo center	199,241	42,580	-
Airport	13,598	-	-
Total Business-Type Activities	212,839	42,580	-
Total Primary Government	\$ 14,028,882	\$ 1,017,198	\$ 1,255,635

General Revenues:

Property taxes
Sales taxes
Investment income
Other revenue
Transfers

Total General Revenues

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (4,496,660)	\$ -	\$ (4,496,660)
14,226	-	14,226
(203,429)	-	(203,429)
(2,614,153)	-	(2,614,153)
(639,357)	-	(639,357)
(3,638,577)	-	(3,638,577)
(7,841)	-	(7,841)
<u>(11,585,790)</u>	<u>-</u>	<u>(11,585,790)</u>
-	(156,661)	(156,661)
-	(13,598)	(13,598)
-	<u>(170,259)</u>	<u>(170,259)</u>
<u>(11,585,790)</u>	<u>(170,259)</u>	<u>(11,756,049)</u>
7,584,833	-	7,584,833
1,920,977	-	1,920,977
52,803	-	52,803
750,999	32,706	783,705
(313,500)	313,500	-
<u>9,996,112</u>	<u>346,206</u>	<u>10,342,318</u>
(1,589,678)	175,947	(1,413,731)
<u>24,557,683</u>	<u>3,571,361</u>	<u>28,129,044</u>
<u>\$ 22,968,005</u>	<u>\$ 3,747,308</u>	<u>\$ 26,715,313</u>

LEON COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2017

	General	Road and Bridge	Grant	Nonmajor Governmental Funds
<u>Assets</u>				
Cash and equity in pooled cash	\$ 986,406	\$ -	\$ 18,351	\$ 1,059,452
Investments	6,325,865	200,000	-	-
Receivables, net	1,122,242	312,860	429,998	42,397
Due from other funds	416,384	-	-	-
Due from other governments	4,956	-	-	-
Prepays	13,516	1,261	-	14,543
Total Assets	\$ 8,869,369	\$ 514,121	\$ 448,349	\$ 1,116,392
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 87,533	\$ 45,119	\$ -	\$ 15,739
Due to other funds	-	153,138	246,588	16,658
Due to others	-	-	11,061	6,074
Other liabilities	104,741	13,269	-	-
Unearned revenue	15	-	-	-
Total Liabilities	192,289	211,526	257,649	38,471
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	891,062	310,723	-	-
<u>Fund Balances</u>				
Nonspendable				
Prepays	13,516	1,261	-	14,543
Restricted:				
Law enforcement	-	-	-	91,257
Social services	-	-	-	9,006
Other purposes	-	-	-	972,146
Unassigned	7,772,502	(9,389)	190,700	(9,031)
Total Fund Balances	7,786,018	(8,128)	190,700	1,077,921
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,869,369	\$ 514,121	\$ 448,349	\$ 1,116,392

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$ 2,064,209
6,525,865
1,907,497
416,384
4,956
29,320
\$ 10,948,231

\$ 148,391
416,384
17,135
118,010
15
699,935

1,201,785

29,320
91,257
9,006
972,146
7,944,782
9,046,511
\$ 10,948,231

LEON COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
September 30, 2017

Fund balances - total governmental funds	\$	9,046,511
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Nondepreciable capital assets		783,385
Depreciable capital assets, net		8,849,443
Long-term assets and deferred outflows and deferred inflows related to pensions are not reported in the governmental funds.		
Net pension asset		2,811,777
Deferred outflows related to pensions		1,219,522
Deferred inflows related to pensions		(351,577)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Deferred revenue - delinquent property taxes		1,201,785
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable		(4,138)
Long-term liabilities due within one year		(377,507)
Long-term liabilities due in more than one year		(260,001)
Court fines receivable, net of related allowance, are not current financial resources and, therefore, are not reported in the governmental funds.		
		48,805
Net Position of Governmental Activities	\$	<u>22,968,005</u>

See Notes to Financial Statements.

LEON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2017

	<u>General</u>	<u>Road and Bridge</u>	<u>Grant</u>	<u>Nonmajor Governmental Funds</u>
Revenues				
Property taxes	\$ 5,590,334	\$ 1,929,275	\$ -	\$ -
Sales taxes	1,340,099	580,878	-	-
Intergovernmental revenue	152,682	-	940,937	162,016
Charges for services	-	-	-	108,344
Fines and forfeitures	868,412	-	-	13,055
Investment income	45,870	3,419	-	3,514
Other revenue	194,583	158,273	-	396,941
Total Revenues	<u>8,191,980</u>	<u>2,671,845</u>	<u>940,937</u>	<u>683,870</u>
Expenditures				
Current:				
General government	2,667,937	-	806,579	874,231
Judicial	652,062	-	-	311,079
Legal	203,184	-	-	-
Public safety	2,816,572	-	-	72,474
Public welfare	735,124	-	-	-
Public transportation	-	3,920,323	-	-
Debt service:				
Principal	-	144,307	-	-
Interest and fiscal charges	-	8,289	-	-
Capital outlay	<u>315,919</u>	<u>588,119</u>	<u>-</u>	<u>127,002</u>
Total Expenditures	<u>7,390,798</u>	<u>4,661,038</u>	<u>806,579</u>	<u>1,384,786</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>801,182</u>	<u>(1,989,193)</u>	<u>134,358</u>	<u>(700,916)</u>
Other Financing Sources (Uses)				
Capital leases	-	210,410	-	-
Transfers in	1,715	1,000,000	-	922,650
Transfers (out)	(1,936,248)	-	-	(301,617)
Sale of capital assets	-	1,202	-	-
Total Other Financing Sources (Uses)	<u>(1,934,533)</u>	<u>1,211,612</u>	<u>-</u>	<u>621,033</u>
Net Change in Fund Balances	<u>(1,133,351)</u>	<u>(777,581)</u>	<u>134,358</u>	<u>(79,883)</u>
Beginning fund balances	<u>8,919,369</u>	<u>769,453</u>	<u>56,342</u>	<u>1,157,804</u>
Ending Fund Balances	<u>\$ 7,786,018</u>	<u>\$ (8,128)</u>	<u>\$ 190,700</u>	<u>\$ 1,077,921</u>

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$ 7,519,609
1,920,977
1,255,635
108,344
881,467
52,803
749,797
12,488,632

4,348,747
963,141
203,184
2,889,046
735,124
3,920,323

144,307
8,289
1,031,040
14,243,201

(1,754,569)

210,410
1,924,365
(2,237,865)
1,202
(101,888)

(1,856,457)

10,902,968

\$ 9,046,511

LEON 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, 2017

Net changes in fund balances - total governmental funds \$ (1,856,457)

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	1,732,919
Depreciation expense	(1,238,738)
Net effect of capital disposals	(254,543)

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

Deferred revenue	65,224
Fines and fees receivable	(15,193)

The net pension asset and deferred outflows and deferred inflows related to pensions are not reported in the governmental funds.

Net pension asset	391,686
Deferred outflows related to pensions	(222,273)
Deferred inflows related to pensions	(93,625)

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

Principal payments	144,307
Capital leases	(210,410)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This adjustment reflects the net change on the accrual basis of accounting for accrued interest payable and compensated absences.

Accrued interest payable	448
Compensated absences	(33,023)

Change in Net Position of Governmental Activities \$ (1,589,678)

See Notes to Financial Statements.

LEON COUNTY, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2017

	Business-Type Activities		
	Expo Center	Nonmajor Airport	Total Funds
Assets			
Current assets:			
Receivables, net	\$ 2,433	\$ -	\$ 2,433
Prepays	79	-	79
Total Current Assets	2,512	-	2,512
Noncurrent assets:			
Capital assets:			
Nondepreciable capital assets	3,666,020	-	3,666,020
Net depreciable capital assets	80,128	-	80,128
Total Noncurrent Assets	3,746,148	-	3,746,148
Total Assets	3,748,660	-	3,748,660
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	1,352	-	1,352
Total Liabilities	1,352	-	1,352
Net Position			
Net investment in capital assets	3,746,148	-	3,746,148
Unrestricted	1,160	-	1,160
Total Net Position	\$ 3,747,308	\$ -	\$ 3,747,308

See Notes to Financial Statements.

LEON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCES
PROPRIETARY FUNDS
For the Year Ended September 30, 2017

	<u>Business-Type Activities</u>		
	<u>Expo Center</u>	<u>Nonmajor Airport</u>	<u>Total Funds</u>
<u>Operating Revenues</u>			
Charges for services	\$ 42,580	\$ -	\$ 42,580
Other revenue	32,706	-	32,706
Total Operating Revenues	<u>75,286</u>	<u>-</u>	<u>75,286</u>
<u>Operating Expenses</u>			
Personnel	77,721	-	77,721
Supplies	386	-	386
Contractual services	30,112	-	30,112
Depreciation	3,339	-	3,339
Other expense	87,683	13,598	101,281
Total Expenditures	<u>199,241</u>	<u>13,598</u>	<u>212,839</u>
(Loss) Before Transfers	<u>(123,955)</u>	<u>(13,598)</u>	<u>(137,553)</u>
Transfers in	299,902	13,598	313,500
Net Change in Fund Balances	175,947	-	175,947
Beginning fund balances	<u>3,571,361</u>	<u>-</u>	<u>3,571,361</u>
Ending Fund Balances	<u>\$ 3,747,308</u>	<u>\$ -</u>	<u>\$ 3,747,308</u>

See Notes to Financial Statements.

LEON COUNTY, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities		
	Expo Center	Nonmajor Airport	Total Funds
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 72,853	\$ -	\$ 72,853
Payments to suppliers	(119,757)	(13,598)	(133,355)
Payments to employees	(77,721)	-	(77,721)
Net Cash (Used) by Operating Activities	(124,625)	(13,598)	(138,223)
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers	299,902	13,598	313,500
Net Cash Provided by Noncapital Financing Activities	299,902	13,598	313,500
<u>Cash Flows from Capital and Related Financing Activities</u>			
Capital purchases	(175,392)	-	(175,392)
Net Cash (Used) by Capital and Related Financing Activities	(175,392)	-	(175,392)
Net Decrease in Cash and Cash Equivalents	(115)	-	(115)
Beginning cash and cash equivalents	\$ 115	\$ -	\$ 115
Ending Cash and Cash Equivalents	\$ -	\$ -	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (123,955)	\$ (13,598)	\$ (137,553)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation	3,339	-	3,339
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Receivables, net	(2,433)	-	(2,433)
Prepaid items	(79)	-	(79)
Increase (Decrease) in:			
Accounts payable and accrued liabilities	(1,497)	-	(1,497)
Net Cash (Used) by Operating Activities	\$ (124,625)	\$ (13,598)	\$ (138,223)

See Notes to Financial Statements.

LEON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2017

		<u>Total Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents	\$	3,003,952
Prepays		58
Due from others		5,494
Total Assets	\$	<u>3,009,504</u>
 <u>Liabilities</u>		
Accounts payable	\$	2,574
Due to other funds		4,956
Due to others		3,001,974
Total Liabilities	\$	<u>3,009,504</u>

See Notes to Financial Statements.

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Leon County, Texas (the “County”) is an independent governmental entity created in 1846 by an act of the Texas Legislature. The County is governed by Commissioners’ Court, which is 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 general government, judicial, legal, public safety, public welfare, and public transportation.

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 the 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.

Depending on the significance of the County’s financial and operational relationships with various separate entities, the organizations are classified as blended or discrete component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

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, while business-type activities incorporate data from the County’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial transactions not accounted for and reported in another fund. The principal sources of revenues include local property taxes, fees, fines and forfeitures, and charges for services. Disbursements include general government, judicial, legal, public safety, and public welfare. The general fund is always considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following special revenue fund is considered a major fund for reporting purposes:

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

Grants fund – This fund is used to account for various grants received by the County that are not reported in a separate fund.

The County reports the following enterprise funds:

Enterprise funds are used to account for and report the operation of the County's expo center and airport, including administration, operation, and maintenance. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges.

Additionally, the County reports the following fund types:

Fiduciary funds are used to account for and report resources held for the benefit of parties outside the County. The County maintains one type of fiduciary fund, agency funds. The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type 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. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

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

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

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

Property taxes, 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

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

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

1. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposits, are reported at 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 the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 County are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Building improvements	15-30 years
Infrastructure	40 years
Equipment and machinery	4-10 years

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category on the government-wide Statement of Net Position. A deferred outflow of resources is recognized as a result of the change in actuarial assumptions related to the County's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of the pension plan members. Another deferred charge has been recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year. This amount is deferred and recognized as a reduction to the net pension asset during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category in the government-wide Statement of Net Position. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience related to the

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

County's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan member. At the fund level, the County has one 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. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. Compensated Employee Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and compensatory time. Amounts accumulated may be paid to employees upon termination of employment or during employment in accordance with the County's personnel policy. 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.

7. Long-Term Obligations

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

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

The property tax rate is allocated each year between the general and road and bridge funds.

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

8. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

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

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Commissioners' Court is the highest level of decision-making authority for the County that can, by adoption of 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.

11. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

12. Pensions

For the purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County District Retirement System (TCDRS) and additions to/deductions from 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.

2. Property Taxes

General property taxes are recorded as receipts when levied for the current year and due, payable, and collected in the current year.

The property tax calendar dates are:

Levy date – October 1
Due date – October 1
Collection dates – October 1 through January 31
Lien date – January 1 (following year)

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 percent of its appraised value and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own discretion, requires more frequent reviews. The County may challenge the appraised values through

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The original budget is adopted by the Commissioners' Court prior to the beginning of the period. The legal level of control is the department level. Management may not amend the budget without the approval of Commissioners' Court.

The final amended budget is used in this report. Budgets are adopted for the general fund, road and bridge fund, and select special revenue funds. All funds that adopted a budget did so in accordance with generally accepted accounting principles. Several supplemental budget appropriations were made for the period ended September 30, 2017.

A. Deficit Fund Equity

The special revenue funds below had deficit fund balances at September 30, 2017, as follows:

Road and bridge	\$	(8,128)
Capital Expenditures	\$	(4,160)
Juvenile probation	\$	(697)
County attorney	\$	(308)
VCLG grant	\$	(849)

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

B. Expenditures in Excess of Appropriations

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

General:		
County clerk	\$	3,975
County auditor	\$	340
Justice center	\$	15,780
Waste disposal site	\$	2,796
Capital outlay	\$	78,279
Road and bridge:		
Public transportation, No. 2		2,907
Principal	\$	144,307
Interest	\$	8,289
Grant:		
General government	\$	338,692
Nonmajor:		
Law library:		
Capital outlay	\$	848
Juvenile probation:		
Judicial	\$	1,226
Court house security:		
Capital outlay	\$	7,726
JP technology:		
General government	\$	634
Hotel/motel tax:		
Transfers out	\$	24,510
AAA senior services:		
General government	\$	951
Pretrial diversion:		
General government	\$	577

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2017, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 6,525,865	0.50

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

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

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

funds on deposit at the depository bank to be collateralized. As of September 30, 2017, bank balances were sufficiently covered by FDIC and market values of pledged securities.

B. Receivables

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

	General	Road and Bridge	Grant	Nonmajor Governmental Funds	Total Funds
Property taxes	\$ 990,086	\$ 345,247	\$ -	\$ -	\$ 1,335,333
Sales taxes	217,398	-	-	-	217,398
Other	13,767	2,138	429,998	42,397	488,300
Less allowance	(99,009)	(34,525)	-	-	(133,534)
Total Receivables	\$ 1,122,242	\$ 312,860	\$ 429,998	\$ 42,397	\$ 1,907,497

C. Capital Assets

A summary of changes in capital assets for governmental activities for the year end September 30, 2017 is as follows:

	Beginning Balance *	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 176,174	\$ -	\$ -	\$ 176,174
Construction in process	8,806	609,177	(10,772)	607,211
Total capital assets not being depreciated	184,980	609,177	(10,772)	783,385
Other capital assets:				
Buildings and improvements	9,020,602	151,809	-	9,172,411
Infrastructure	15,313,474	-	-	15,313,474
Equipment and machinery	9,256,088	971,931	(565,464)	9,662,555
Total other capital assets	33,590,164	1,123,740	(565,464)	34,148,440
Less accumulated depreciation for:				
Buildings and improvements	(2,688,748)	(328,702)	-	(3,017,450)
Infrastructure	(15,255,535)	(1,485)	-	(15,257,020)
Equipment and machinery	(6,437,669)	(908,551)	321,693	(7,024,527)
Total accumulated depreciation	(24,381,952)	(1,238,738)	321,693	(25,298,997)
Other capital assets, net	9,208,212	(114,998)	(243,771)	8,849,443
Governmental Activities Capital Assets, Net	\$ 9,393,192	\$ 494,179	\$ (254,543)	\$ 9,632,828
			Less associated debt	(338,580)
			Net Investment in Capital Assets	\$ 9,294,248

* Beginning balances have been restated.

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

Depreciation was charged to governmental functions as follows:

General government	\$	359,304
Legal		2,772
Public safety		505
Public welfare		44,152
Public transportation		832,005
Total Governmental Activities Depreciation Expense	\$	<u>1,238,738</u>

A summary of changes in capital assets for business-type activities for the year end September 30, 2017 is as follows:

	<u>Beginning Balance *</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 392,437	\$ -	\$ -	\$ 392,437
Construction in process	3,098,191	175,392	-	3,273,583
Total capital assets not being depreciated	<u>3,490,628</u>	<u>175,392</u>	<u>-</u>	<u>3,666,020</u>
Other capital assets:				
Buildings and improvements	100,160	-	-	100,160
Total other capital assets	<u>100,160</u>	<u>-</u>	<u>-</u>	<u>100,160</u>
Less accumulated depreciation for:				
Buildings and improvements	(16,693)	(3,339)	-	(20,032)
Total accumulated depreciation	<u>(16,693)</u>	<u>(3,339)</u>	<u>-</u>	<u>(20,032)</u>
Other capital assets, net	83,467	(3,339)	-	80,128
Business-Type Activities Capital Assets, Net	<u>\$ 3,574,095</u>	<u>\$ 172,053</u>	<u>\$ -</u>	<u>\$ 3,746,148</u>
		Net Investment in Capital Assets		<u>\$ 3,746,148</u>

* Beginning balances have been restated.

Depreciation was charged to business-type functions as follows:

Expo center	\$	3,339
Total Business-Type Activities Depreciation Expense	\$	<u>3,339</u>

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

D. Long-Term Liabilities

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2017. In general, the County uses the general and road and bridge funds to liquidate governmental long-term liabilities.

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Capital leases:					
Obligations under capital leases	\$ 272,477	\$ 210,410	\$ (144,307)	\$ 338,580	* \$ 108,472
Other:					
Compensated absences	265,905	124,889	(91,866)	298,928	269,035
Total Governmental Activities	<u>\$ 538,382</u>	<u>\$ 335,299</u>	<u>\$ (236,173)</u>	<u>\$ 637,508</u>	<u>\$ 377,507</u>
				Long-term liabilities due in more than one year	<u>\$ 260,001</u>
				*Debt associated with capital assets	<u>\$ 338,580</u>

Long-term debt obligations of the County as of September 30, 2017 are as follows:

	<u>Interest Rate Percentage</u>	<u>Original Amount</u>	<u>Balance</u>
Capital Leases			
Caterpillar Financial Services	3.2%	\$ 168,150	\$ 128,170
John Deere	4.8%	76,760	76,760
Caterpillar Financial Services	4.2%	133,650	133,650
		Total	<u>\$ 338,580</u>

Future minimum payments, including interest, to retire capital leases are as follows:

<u>Year Ending Sept. 30</u>	<u>Capital Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 108,472	\$ 13,438
2019	112,771	9,137
2020	117,337	4,568
Totals	<u>\$ 338,580</u>	<u>\$ 27,143</u>

Machinery and equipment acquired under current capital lease obligations totaled \$602,228.

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

E. Interfund Transfers

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

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amounts</u>
Governmental funds:		
General fund	Road and bridge funds	\$ 1,000,000
General fund	Nonmajor governmental funds	922,650
General fund	Nonmajor proprietary funds	13,598
Nonmajor governmental funds	General fund	1,715
Nonmajor governmental funds	Expo center	299,902
	Total	<u><u>\$ 2,237,865</u></u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the County must account for in the other governmental and business-type funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

The composition of interfund balances as of September 30, 2017 is as follows:

<u>Due to</u>	<u>Due from</u>	<u>Amounts</u>
Major funds:		
General fund	Road and bridge funds	\$ 153,138
General fund	Grant funds	246,588
General fund	Nonmajor governmental funds	16,658
	Total	<u><u>\$ 416,384</u></u>

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

F. Restatement of Beginning Net Position/Fund Balance

The County has restated beginning net position and fund balance to move the expo center fund from a government fund to a proprietary fund. Beginning net position and fund balance was also restated to move the juvenile probation fund to an agency type fund. The beginning net position was restated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Nonmajor Governmental Funds</u>
Beginning net position/fund balance - as reported	\$ 28,164,816	\$ -	\$ 1,257,401
Change in reporting of nonmajor to major	-	-	(66,559)
Change in reporting of capital assets	(3,574,095)	3,574,095	-
Change in reporting of expo center fund	2,734	(2,734)	2,734
Change in reporting of special revenue funds	(35,772)	-	(35,772)
Beginning Net Position/Fund Balance - Restated	<u><u>\$ 24,557,683</u></u>	<u><u>\$ 3,571,361</u></u>	<u><u>\$ 1,157,804</u></u>

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 279 other entities in the Texas Association of Counties' (TAC) Workers' Compensation Self-Insurance Fund (the "Pool"). The TAC created this Pool in 1974 to insure the County for workers' compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the TAC's Insurance Trust Fund.

This Pool purchases commercial insurance at group rates for participants in the Pool. The County has no additional risk or responsibility to either of the Pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three 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 which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

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

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

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

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 of the County must be enrolled in the plan.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. The benefit provisions are adopted by the Commissioners' Court within the options available in Texas state statutes governing TCDRS. Members can retire at age 60 and above with eight or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any County-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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

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

Employees Covered by Benefit Terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	71
Inactive employees entitled to, but not yet receiving, benefits	110
Active employees	133
Total	<u><u>314</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 four percent, five percent, six percent, or seven percent of compensation, as adopted by the employer's governing body.

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

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

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

Employees for the County were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the County were 1.57 percent and 0.62 percent in calendar years 2016 and 2017, respectively. However, the County elected to contribute 7 percent. The County’s contributions to TCDRS for the fiscal year ended September 30, 2017 were \$332,422 and were equal to the required contributions.

Net Pension Liability/Asset

The County’s Net Pension Asset (NPA) was measured as of December 31, 2016 and the Total Pension Liability (TPL) used to calculate the NPA was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The actuarial assumptions that determined the TPL as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2009 through October 31, 2012, except where required to be different by GASB 68.

Key assumptions used in the December 31, 2016 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	Straight-line amortization over expected working life
Asset Valuation Method	
Smoothing Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career, including inflation
Investment Rate of Return	8.10%

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The 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	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	4.70%
International Equities - Emerging	MSCI World Ex USA (net)	7.00%	5.70%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	10.00%	8.15%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLP)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

Discount Rate

The discount rate used to measure the TPL was 8.1 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

Changes in the NPA

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(A)	(B)	(A-B)
Changes for the year:			
Service cost	\$ 488,034	\$ -	\$ 488,034
Interest	948,400	-	948,400
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(274,891)	-	(274,891)
Changes in assumptions	-	-	-
Contributions - employer	-	326,477	(326,477)
Contributions - employee	-	326,477	(326,477)
Net investment income	-	1,039,187	(1,039,187)
Benefit payments, including refunds of employee contributions	(487,734)	(487,734)	-
Administrative expense	-	(11,368)	11,368
Other changes	-	(127,544)	127,544
Net changes	673,809	1,065,495	(391,686)
Balance at December 31, 2015	11,708,495	14,128,586	(2,420,091)
Balance at December 31, 2016	\$ 12,382,304	\$ 15,194,081	\$ (2,811,777)

Sensitivity of the NPA to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
County's Net Pension (Asset)	\$ (1,383,377)	\$ (2,811,777)	\$ (4,015,733)

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended September 30, 2017, the County recognized pension expense of \$256,634.

LEON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2017

At September 30, 2017, 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	\$ -	\$ 351,577
Changes in actuarial assumptions	60,696	-
Difference between projected and actual investment earnings	895,397	-
Contributions subsequent to the measurement date	263,429	-
Total	\$ 1,219,522	\$ 351,577

\$263,429 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase of the NPA for the fiscal year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Pension Expense
2018	\$ 153,225
2019	164,181
2020	265,855
2021	21,255
Total	\$ 604,516

TCDRS – Optional Group Term Life

Plan Description

The County participates in a cost-sharing multiple-employer defined-benefit group term life insurance plan operated by the 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 employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a post employment benefit other than pension benefits (OPEB). 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 may be obtained by writing to the Texas County and District Retirement System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800-823-7782. TCDRS's CAFR is also available at www.tcdrs.org.

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's contributions to the GTLF for the years ended September 30, 2017, 2016, and 2015 were \$33,556, \$36,577, and \$31,640, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)
GENERAL FUND

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 5,903,666	\$ 5,903,666	\$ 5,590,334	\$ (313,332)
Sales taxes	1,575,898	1,575,898	1,340,099	(235,799)
Intergovernmental revenue	147,279	147,279	152,682	5,403
Fines and forfeitures	637,455	637,455	868,412	230,957
Investment income	60,000	59,949	45,870	(14,079)
Other revenue	156,698	156,749	194,583	37,834
Total Revenues	8,480,996	8,480,996	8,191,980	(289,016)
Expenditures				
General Government:				
Commissioners' court	296,736	296,736	274,365	22,371
County clerk	288,740	288,740	292,715	(3,975) *
County court	195,037	200,353	176,990	23,363
District clerk	340,075	340,075	316,998	23,077
County auditor	200,485	200,485	200,825	(340) *
County treasurer	143,800	143,800	140,752	3,048
County tax assessor	344,430	344,430	329,714	14,716
Nondepartmental	1,055,620	1,017,546	628,272	389,274
County courthouse complex	332,150	335,266	307,306	27,960
	3,197,073	3,167,431	2,667,937	499,494
Judicial:				
Adult probation services	3,600	3,600	3,200	400
District court	283,440	283,931	283,721	210
Justices of the peace	373,446	373,446	365,141	8,305
	660,486	660,977	652,062	8,915
Legal:				
County attorney	199,927	206,230	203,184	3,046
Public Safety:				
Justice center	2,737,930	2,650,982	2,666,762	(15,780) *
Constables	54,634	54,634	41,418	13,216
License and weights	53,698	53,716	50,722	2,994
Texas ranger	6,000	6,000	5,322	678
Highway patrol	52,934	52,934	52,348	586
	2,905,196	2,818,266	2,816,572	1,694

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

For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (continued)</u>				
Public Welfare:				
Social services	\$ 23,363	\$ 23,363	\$ 21,880	\$ 1,483
Janitorial services	187,250	187,250	185,755	1,495
Waste disposal site	323,624	327,684	330,480	(2,796) *
Keep Texas beautiful	1,900	1,900	855	1,045
Extension service	166,152	166,152	135,411	30,741
Domestic violence advocacy	19,998	21,858	14,567	7,291
Health and welfare	87,500	87,500	46,176	41,324
	<u>809,787</u>	<u>815,707</u>	<u>735,124</u>	<u>80,583</u>
Capital Outlay	<u>135,000</u>	<u>237,640</u>	<u>315,919</u>	<u>(78,279) *</u>
Total Expenditures	<u>7,907,469</u>	<u>7,906,251</u>	<u>7,390,798</u>	<u>515,453</u>
Excess of				
Revenues Over Expenditures	<u>573,527</u>	<u>574,745</u>	<u>801,182</u>	<u>226,437</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	1,715	1,715
Transfers (out)	<u>(2,516,476)</u>	<u>(2,541,755)</u>	<u>(1,936,248)</u>	<u>605,507</u>
Total Other Financing (Uses)	<u>(2,516,476)</u>	<u>(2,541,755)</u>	<u>(1,934,533)</u>	<u>607,222</u>
Net Change in Fund Balance	<u>\$ (1,942,949)</u>	<u>\$ (1,967,010)</u>	<u>(1,133,351)</u>	<u>\$ 833,659</u>
Beginning fund balance			<u>8,919,369</u>	
Ending Fund Balance			<u>\$ 7,786,018</u>	

Notes to Required Supplementary Information:

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

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

For the Year Ended September 30, 2017

<u>Revenues</u>	Budgeted Amounts		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	Original	Final		
Property taxes	\$ 2,055,480	\$ 2,055,480	\$ 1,929,275	\$ (126,205)
Sales taxes	548,139	548,139	580,878	32,739
Investment income	39,562	39,562	3,419	(36,143)
Other revenue	215,740	215,740	158,273	(57,467)
Total Revenues	2,858,921	2,858,921	2,671,845	(187,076)
 <u>Expenditures</u>				
Public Transportation:				
Precinct No. 1	2,096,497	2,809,571	1,221,774	1,587,797
Precinct No. 2	1,029,936	997,729	1,000,636	(2,907) *
Precinct No. 3	799,149	924,147	698,010	226,137
Precinct No. 4	965,526	939,876	845,776	94,100
Forestry control	165,671	168,716	154,127	14,589
Debt Service:				
Principal	-	-	144,307	(144,307) *
Interest and fiscal charges	-	-	8,289	(8,289) *
Capital Outlay	137,142	777,590	588,119	189,471
Total Expenditures	5,193,921	6,617,629	4,661,038	1,956,591
(Deficiency) of				
Revenues (Under) Expenditures	(2,335,000)	(3,758,708)	(1,989,193)	1,769,515
 <u>Other Financing Sources (Uses)</u>				
Capital leases	-	-	210,410	210,410
Transfers in	999,999	999,999	1,000,000	1
Transfers (out)	-	-	-	-
Sale of capital assets	15,000	15,000	1,202	(13,798)
Total Other Financing Sources	1,014,999	1,014,999	1,211,612	196,613
Net Change in Fund Balance	\$ (1,320,001)	\$ (2,743,709)	(777,581)	\$ 1,966,128
Beginning fund balance			769,453	
Ending Fund Balance			\$ (8,128)	

Notes to Required Supplementary Information:

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

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

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Intergovernmental revenue	\$ 302,626	\$ 846,553	\$ 940,937	\$ 94,384
Total Revenues	302,626	846,553	940,937	94,384
<u>Expenditures</u>				
Curret:				
General government	308,830	467,887	806,579	(338,692) *
Total Expenditures	308,830	467,887	806,579	(338,692)
Net Change in Fund Balance	\$ (6,204)	\$ 378,666	134,358	\$ (244,308)
Beginning fund balance			56,342	
Ending Fund Balance			\$ 190,700	

Notes to Required Supplementary Information:

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

LEON COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

For the Year Ended September 30, 2017

	Measurement Year*		
	2014	2015	2016
Total Pension Liability			
Service cost	\$ 442,901	\$ 473,396	\$ 488,034
Interest on the total pension liability	839,500	900,446	948,400
Effect of plan changes	-	(44,908)	-
Effect of assumption changes or inputs	(43,822)	121,391	-
Effect of economic/demographic (gains) or losses	-	(314,721)	(274,891)
Benefit payments, including refunds of contributions	(539,348)	(537,822)	(487,734)
Net Change in Total Pension Liability	<u>699,232</u>	<u>597,782</u>	<u>673,809</u>
Beginning total pension liability	<u>10,411,481</u>	<u>11,110,713</u>	<u>11,708,495</u>
Ending Total Pension Liability	<u>\$ 11,110,713</u>	<u>\$ 11,708,495</u>	<u>\$ 12,382,304</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 312,643	\$ 311,730	\$ 326,477
Contributions - employee	312,643	311,730	326,477
Net investment income	899,902	(59,822)	1,039,187
Benefit payments, including refunds of employee contributions	(539,348)	(537,822)	(487,734)
Administrative expense	(10,628)	(10,224)	(11,368)
Other	(4,956)	(164,934)	(127,544)
Net Change in Plan Fiduciary Net Position	<u>970,257</u>	<u>(149,342)</u>	<u>1,065,495</u>
Beginning plan fiduciary net position	<u>13,307,671</u>	<u>14,277,928</u>	<u>14,128,586</u>
Ending Plan Fiduciary Net Position	<u>\$ 14,277,928</u>	<u>\$ 14,128,586</u>	<u>\$ 15,194,081</u>
Net Pension Asset	<u>\$ (3,167,215)</u>	<u>\$ (2,420,091)</u>	<u>\$ (2,811,777)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	128.51%	120.67%	122.71%
Covered Employee Payroll	\$ 4,466,334	\$ 4,453,288	\$ 4,663,957
Net Pension (Asset) as a Percentage of Covered Employee Payroll	-70.91%	-54.34%	-60.29%

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

LEON COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2017

	Fiscal Year*			
	2014	2015	2016	2017
Actuarially determined contribution	\$ 108,636	\$ 93,287	\$ 80,247	\$ 38,806
Contributions in relation to the actuarially determined contribution	312,643	309,712	336,565	332,422
Contribution deficiency (excess)	<u>\$ (204,007)</u>	<u>\$ (216,424)</u>	<u>\$ (256,318)</u>	<u>\$ (293,616)</u>
Covered employee payroll	\$ 4,466,334	\$ 4,425,535	\$ 4,809,035	\$ 4,748,876
Contributions as a percentage of covered employee payroll	7.00%	7.00%	7.00%	7.00%

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

Notes to Required Supplementary Information:

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

***COMBINING STATEMENTS
AND SCHEDULES***

LEON COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2017

SPECIAL REVENUE FUNDS

The Sheriff's office fund accounts for revenues received by the Sheriff's office for participation in the seizure of property during criminal investigations. Funds are restricted for law enforcement purposes.

The law library fund accounts for the operation of a law library for use by members of the Texas Bar Association. Financing is provided from fees assessed in each civil case filed in County and District courts.

The juvenile probation fund accounts for fees received for juvenile probation.

The courthouse security fund accounts for funds received to be used for security of the courthouse.

The JP technology fund accounts for technology fees collected as a cost of court from defendants convicted of misdemeanor offenses. The funds may be used only to finance the purchase of technological enhancements for a justice court and are administered by the Commissioners' Court.

The juvenile probation restitution fund accounts for restitution received from juveniles.

The hotel/motel tax fund accounts for revenues generated from a hotel occupancy tax and expenditures for improvements that serve the purpose of attracting visitors.

The County clerk records management fund accounts for revenues received from a special records management and preservation fee designated for records management and preservation services performed by the County clerk.

The District clerk records management fund accounts for revenues received from a special records management and preservation fee designated for records management and preservation services performed by the District clerk.

The District attorney fund accounts for revenues received from the State of Texas and fees collected in connection with processing checks issued or passed in violation of the Texas Penal Code. Fees deposited in this fund are used to defray expenses of the District attorney's office.

The 911 rural addressing fund accounts for funds received and expenses for 911 addressing and homeland security.

The County attorney fund accounts for fees collected in connection with processing checks issued or passed in violation of the Texas Penal Code. Fees deposited in this fund are used to defray expenses of the County attorney's office.

LEON COUNTY, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2017

SPECIAL REVENUE FUNDS (Continued)

The Hilltop Lakes security payroll fund accounts for payroll expenses for deputies at Hilltop Lakes.

The AAA senior services fund accounts for revenues and expenses for meals and senior services.

The capital expenditures fund accounts for revenues and expenses related to capital expenditures for the County.

The election administration fund accounts for County funds related to election activities.

The clinic fund accounts for County funds for the clinic.

The County veterans services fund accounts for County funds for benefits of veterans within the County.

The County and District clerk technology fund accounts for County funds for both clerks.

The Texas Agri Life fund accounts for grant revenue used to promote agriculture within the County.

The Chapter 19 Election fund accounts for grant revenues received for election expenses.

The emergency management fund accounts for grant revenue.

The VCLG grant fund accounts for grant revenues received by the County.

The pretrial diversion fund accounts for grant revenue received for trials.

The Normangee ISD security fund accounts for payroll expenses for deputies at Normangee ISD.

LEON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)
September 30, 2017

Special Revenue Funds				
	Sheriff's Office	Law Library	Juvenile Probation	Courthouse Security
<u>Assets</u>				
Cash and cash equivalents	\$ 1,000	\$ 22,782	\$ -	\$ 966
Receivables	-	-	30	54
Prepays	-	-	175	29
Total Assets	\$ 1,000	\$ 22,782	\$ 205	\$ 1,049
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 587	\$ 902	\$ -
Due to other funds	967	-	-	-
Due to others	-	-	-	-
Total Liabilities	967	587	902	-
<u>Fund Balances</u>				
Nonspendable	-	-	175	29
Restricted:				
Law enforcement	33	22,195	-	1,020
Social services	-	-	-	-
Other purpose	-	-	-	-
Unassigned	-	-	(872)	-
Total Fund Balances	33	22,195	(697)	1,049
Total Liabilities and Fund Balances	\$ 1,000	\$ 22,782	\$ 205	\$ 1,049

Special Revenue Funds

JP Technology	Juvenile Probation Restitution	Hotel/Motel Tax	County Clerk Records Management	District Clerk Records Management	District Attorney
\$ 52,512	\$ 9,028	\$ 451,969	\$ 448,083	\$ 30,116	\$ 2,343
-	-	21,647	8	8	79
-	-	-	50	-	1,780
<u>\$ 52,512</u>	<u>\$ 9,028</u>	<u>\$ 473,616</u>	<u>\$ 448,141</u>	<u>\$ 30,124</u>	<u>\$ 4,202</u>
\$ -	\$ -	\$ 325	\$ -	\$ -	\$ 3,741
-	-	-	12,761	-	-
-	361	-	-	-	-
<u>-</u>	<u>361</u>	<u>325</u>	<u>12,761</u>	<u>-</u>	<u>3,741</u>
-	-	-	50	-	1,780
52,512	8,667	-	-	-	-
-	-	-	-	-	-
-	-	473,291	435,330	30,124	-
-	-	-	-	-	(1,319)
<u>52,512</u>	<u>8,667</u>	<u>473,291</u>	<u>435,380</u>	<u>30,124</u>	<u>461</u>
<u>\$ 52,512</u>	<u>\$ 9,028</u>	<u>\$ 473,616</u>	<u>\$ 448,141</u>	<u>\$ 30,124</u>	<u>\$ 4,202</u>

LEON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)
September 30, 2017

	<u>Special Revenue Funds</u>			
	<u>911 Rural Addressing</u>	<u>County Attorney</u>	<u>Hilltop Lakes Security Payroll</u>	<u>AAA Senior Services</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 5,405	\$ 3,581	\$ -
Receivables	7,515	-	5,547	4,767
Prepays	24	-	139	184
Total Assets	\$ 7,539	\$ 5,405	\$ 9,267	\$ 4,951
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ 2,352	\$ 2,126
Due to other funds	-	-	-	-
Due to others	-	5,713	-	-
Total Liabilities	-	5,713	2,352	2,126
<u>Fund Balances</u>				
Nonspendable	24	-	139	184
Restricted:				
Law enforcement	-	-	6,776	-
Social services	-	-	-	-
Other purpose	7,515	-	-	2,641
Unassigned	-	(308)	-	-
Total Fund Balances	7,539	(308)	6,915	2,825
Total Liabilities and Fund Balances	\$ 7,539	\$ 5,405	\$ 9,267	\$ 4,951

Special Revenue Funds

Capital Expenditures	Election Administration	Clinic	County Veterans Services	County and District Clerk Technology	Texas Agri Life
\$ -	\$ -	\$ -	\$ 8,999	\$ 22,243	\$ -
-	15	-	7	-	-
-	7,484	4,531	-	-	-
<u>\$ -</u>	<u>\$ 7,499</u>	<u>\$ 4,531</u>	<u>\$ 9,006</u>	<u>\$ 22,243</u>	<u>\$ -</u>
\$ 4,160	\$ 979	\$ 547	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,160</u>	<u>979</u>	<u>547</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	7,484	4,531	-	-	-
-	-	-	-	-	-
-	-	-	9,006	-	-
-	-	-	-	22,243	-
<u>(4,160)</u>	<u>(964)</u>	<u>(547)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(4,160)</u>	<u>6,520</u>	<u>3,984</u>	<u>9,006</u>	<u>22,243</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 7,499</u>	<u>\$ 4,531</u>	<u>\$ 9,006</u>	<u>\$ 22,243</u>	<u>\$ -</u>

LEON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)
September 30, 2017

Special Revenue Funds				
	Chapter 19 Election	Emergency Management	VCLG Grant	Pretrial Diversion
Assets				
Cash and cash equivalents	\$ 425	\$ -	\$ -	\$ -
Receivables	-	8	2,081	577
Prepays	-	147	-	-
Total Assets	\$ 425	\$ 155	\$ 2,081	\$ 577
Liabilities				
Accounts payable	\$ -	\$ 20	\$ -	\$ -
Due to other funds	-	-	2,930	-
Due to others	-	-	-	-
Total Liabilities	-	20	2,930	-
Fund Balances				
Nonspendable	-	147	-	-
Restricted:				
Law enforcement	-	-	-	-
Social services	-	-	-	-
Other purpose	425	-	-	577
Unassigned	-	(12)	(849)	-
Total Fund Balances	425	135	(849)	577
Total Liabilities and Fund Balances	\$ 425	\$ 155	\$ 2,081	\$ 577

<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>	
<u>Normangee ISD Security</u>			
\$	-	\$	1,059,452
	54		42,397
	-		14,543
<u>\$</u>	<u>54</u>	<u>\$</u>	<u>1,116,392</u>
\$	-	\$	15,739
	-		16,658
	-		6,074
<u>\$</u>	<u>-</u>	<u>\$</u>	<u>38,471</u>
	-		14,543
	54		91,257
	-		9,006
	-		972,146
	-		(9,031)
<u>\$</u>	<u>54</u>	<u>\$</u>	<u>1,077,921</u>
<u>\$</u>	<u>54</u>	<u>\$</u>	<u>1,116,392</u>

LEON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)
For the Year Ended September 30, 2017

	<u>Special Revenue Funds</u>			
	<u>Sheriff's Office</u>	<u>Law Library</u>	<u>Juvenile Probation</u>	<u>Courthouse Security</u>
<u>Revenues</u>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	15,537
Fines and forfeitures	-	10,765	-	-
Investment income	-	-	-	-
Other revenue	1,200	-	16,203	-
Total Revenues	<u>1,200</u>	<u>10,765</u>	<u>16,203</u>	<u>15,537</u>
<u>Expenditures</u>				
Current:				
General government	-	4	-	53,740
Judicial	1,167	-	56,103	-
Public safety	-	-	-	-
Capital Outlay	-	8,844	-	7,726
Total Expenditures	<u>1,167</u>	<u>8,848</u>	<u>56,103</u>	<u>61,466</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33</u>	<u>1,917</u>	<u>(39,900)</u>	<u>(45,929)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	32,954	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>32,954</u>	<u>-</u>
Net Change in Fund Balances	33	1,917	(6,946)	(45,929)
Beginning fund balances	-	20,278	6,249	46,978
Ending Fund Balances	<u>\$ 33</u>	<u>\$ 22,195</u>	<u>\$ (697)</u>	<u>\$ 1,049</u>

Special Revenue Funds

JP Technology	Juvenile Probation Restitution	Hotel/Motel Tax	County Clerk Records Management	District Clerk Records Management	District Attorney
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,668	-	-	52,631	10,417	3,998
-	2,290	-	-	-	-
-	35	-	3,452	-	-
-	-	90,460	8	8	-
<u>10,668</u>	<u>2,325</u>	<u>90,460</u>	<u>56,091</u>	<u>10,425</u>	<u>3,998</u>
21,634	-	5,170	46,317	5,239	-
-	2,064	-	-	-	250,822
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,634</u>	<u>2,064</u>	<u>5,170</u>	<u>46,317</u>	<u>5,239</u>	<u>250,822</u>
<u>(10,966)</u>	<u>261</u>	<u>85,290</u>	<u>9,774</u>	<u>5,186</u>	<u>(246,824)</u>
-	-	-	-	-	249,628
-	-	(124,510)	-	-	-
-	-	(124,510)	-	-	249,628
(10,966)	261	(39,220)	9,774	5,186	2,804
<u>63,478</u>	<u>8,406</u>	<u>512,511</u>	<u>425,606</u>	<u>24,938</u>	<u>(2,343)</u>
<u>\$ 52,512</u>	<u>\$ 8,667</u>	<u>\$ 473,291</u>	<u>\$ 435,380</u>	<u>\$ 30,124</u>	<u>\$ 461</u>

LEON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)
For the Year Ended September 30, 2017

	<u>Special Revenue Funds</u>			
	<u>911 Rural Addressing</u>	<u>County Attorney</u>	<u>Hilltop Lakes Security Payroll</u>	<u>AAA Senior Services</u>
Revenues				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 134,357
Charges for services	6,512	924	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	27	-	-
Other revenue	30,845	-	194,245	-
Total Revenues	<u>37,357</u>	<u>951</u>	<u>194,245</u>	<u>134,357</u>
Expenditures				
Current:				
General government	41,174	-	195,726	263,714
Judicial	-	923	-	-
Public safety	-	-	-	-
Capital Outlay	2,000	-	-	-
Total Expenditures	<u>43,174</u>	<u>923</u>	<u>195,726</u>	<u>263,714</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,817)</u>	<u>28</u>	<u>(1,481)</u>	<u>(129,357)</u>
Other Financing Sources (Uses)				
Transfers in	13,356	-	-	126,622
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>13,356</u>	<u>-</u>	<u>-</u>	<u>126,622</u>
Net Change in Fund Balances	7,539	28	(1,481)	(2,735)
Beginning fund balances	-	(336)	8,396	5,560
Ending Fund Balances	<u>\$ 7,539</u>	<u>\$ (308)</u>	<u>\$ 6,915</u>	<u>\$ 2,825</u>

Special Revenue Funds

<u>Capital Expenditures</u>	<u>Election Administration</u>	<u>Clinic</u>	<u>County Veterans Service</u>	<u>County and District Clerk Technology</u>	<u>Texas Agri Life</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	5,570	-	-	2,087	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	30,765	13,428	-	-
-	5,570	30,765	13,428	2,087	-
-	122,561	53,037	17,399	1,295	-
-	-	-	-	-	-
-	-	-	-	-	-
108,432	-	-	-	-	-
108,432	122,561	53,037	17,399	1,295	-
(108,432)	(116,991)	(22,272)	(3,971)	792	-
289,881	123,767	5,151	10,404	-	-
(175,392)	-	-	-	-	(1,715)
114,489	123,767	5,151	10,404	-	(1,715)
6,057	6,776	(17,121)	6,433	792	(1,715)
(10,217)	(256)	21,105	2,573	21,451	1,715
<u>\$ (4,160)</u>	<u>\$ 6,520</u>	<u>\$ 3,984</u>	<u>\$ 9,006</u>	<u>\$ 22,243</u>	<u>\$ -</u>

LEON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)
For the Year Ended September 30, 2017

	<u>Special Revenue Funds</u>			
	<u>Chapter 19 Election</u>	<u>Emergency Management</u>	<u>VCLG Grant</u>	<u>Pretrial Diversion</u>
Revenues				
Intergovernmental revenue	\$ 425	\$ -	\$ 22,620	\$ 4,614
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other revenue	-	10	-	-
Total Revenues	<u>425</u>	<u>10</u>	<u>22,620</u>	<u>4,614</u>
Expenditures				
Current:				
General government	-	-	23,469	4,037
Judicial	-	-	-	-
Public safety	-	72,474	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>72,474</u>	<u>23,469</u>	<u>4,037</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>425</u>	<u>(72,464)</u>	<u>(849)</u>	<u>577</u>
Other Financing Sources (Uses)				
Transfers in	-	70,887	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>70,887</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>425</u>	<u>(1,577)</u>	<u>(849)</u>	<u>577</u>
Beginning fund balances	-	1,712	-	-
Ending Fund Balances	<u>\$ 425</u>	<u>\$ 135</u>	<u>\$ (849)</u>	<u>\$ 577</u>

<u>Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Normangee ISD Security	
\$ -	\$ 162,016
-	108,344
-	13,055
-	3,514
<u>19,769</u>	<u>396,941</u>
<u>19,769</u>	<u>683,870</u>
19,715	874,231
-	311,079
-	72,474
-	127,002
<u>19,715</u>	<u>1,384,786</u>
<u>54</u>	<u>(700,916)</u>
-	922,650
-	<u>(301,617)</u>
-	<u>621,033</u>
54	(79,883)
-	<u>1,157,804</u>
<u>\$ 54</u>	<u>\$ 1,077,921</u>

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF'S OFFICE

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Other revenue	\$ 1,000	\$ 1,000	\$ 1,200	\$ 200
Total Revenues	1,000	1,000	1,200	200
 <u>Expenditures</u>				
Current:				
Judicial	1,000	2,000	1,167	833
Total Expenditures	1,000	2,000	1,167	833
Net Change in Fund Balance	\$ -	\$ (1,000)	33	\$ 1,033
Beginning fund balance			-	
Ending Fund Balance			\$ 33	

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

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 8,000	\$ 8,000	\$ 10,765	\$ 2,765
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>10,765</u>	<u>2,765</u>
Expenditures				
Capital outlay	8,000	7,996	8,844	(848) *
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>8,848</u>	<u>(848)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,917	<u>\$ 1,917</u>
Beginning fund balance			<u>20,278</u>	
Ending Fund Balance			<u>\$ 22,195</u>	

* Expenditures in excess of appropriations at the legal level of control.

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUVENILE PROBATION FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other revenue	\$ -	\$ -	\$ 16,203	\$ 16,203
Total Revenues	<u>-</u>	<u>-</u>	<u>16,203</u>	<u>16,203</u>
<u>Expenditures</u>				
Current:				
Judicial	45,155	54,877	56,103	(1,226) *
Total Expenditures	<u>45,155</u>	<u>54,877</u>	<u>56,103</u>	<u>(1,226)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(45,155)</u>	<u>(54,877)</u>	<u>(39,900)</u>	<u>14,977</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	45,155	45,155	32,954	(12,201)
Transfers out	-	(194)	-	194
Total Other Financing Sources	<u>45,155</u>	<u>44,961</u>	<u>32,954</u>	<u>(12,007)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (9,916)</u>	<u>(6,946)</u>	<u>\$ 2,970</u>
Beginning fund balance			<u>6,249</u>	
Ending Fund Balance			<u>\$ (697)</u>	

* Expenditures in excess of appropriations at the legal level of control.

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT HOUSE SECURITY FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for services	\$ 17,846	\$ 17,846	\$ 15,537	\$ (2,309)
Total Revenues	<u>17,846</u>	<u>17,846</u>	<u>15,537</u>	<u>(2,309)</u>
<u>Expenditures</u>				
Current:				
General government	53,901	53,901	53,740	161
Capital Outlay	<u>-</u>	<u>-</u>	<u>7,726</u>	<u>(7,726) *</u>
Total Expenditures	<u>53,901</u>	<u>53,901</u>	<u>61,466</u>	<u>(7,565)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(36,055)</u>	<u>(36,055)</u>	<u>(45,929)</u>	<u>(9,874)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	20,000	20,000	-	(20,000)
Total Other Financing Sources	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Net Change in Fund Balance	<u>\$ (16,055)</u>	<u>\$ (16,055)</u>	<u>(45,929)</u>	<u>\$ (29,874)</u>
Beginning fund balance			<u>46,978</u>	
Ending Fund Balance			<u>\$ 1,049</u>	

* Expenditures in excess of appropriations at the legal level of control.

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JP TECHNOLOGY FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for services	\$ 21,000	\$ 21,000	\$ 10,668	\$ (10,332)
Total Revenues	<u>21,000</u>	<u>21,000</u>	<u>10,668</u>	<u>(10,332)</u>
<u>Expenditures</u>				
Current:				
General government	21,000	21,000	21,634	(634) *
Total Expenditures	<u>21,000</u>	<u>21,000</u>	<u>21,634</u>	<u>(634)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(10,966)	<u>\$ (10,966)</u>
Beginning fund balance			<u>63,478</u>	
Ending Fund Balance			<u>\$ 52,512</u>	

* Expenditures in excess of appropriations at the legal level of control.

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUVENILE PROBATION RESTITUTION AND FEES FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Fines and forfeitures	\$ 650	\$ 650	\$ 2,290	\$ 1,640
Investment income	18	18	35	17
Total Revenues	<u>668</u>	<u>668</u>	<u>2,325</u>	<u>1,657</u>
<u>Expenditures</u>				
Current:				
Judicial	668	3,168	2,064	1,104
Total Expenditures	<u>668</u>	<u>3,168</u>	<u>2,064</u>	<u>1,104</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (2,500)</u>	261	<u>\$ 2,761</u>
Beginning fund balance			<u>8,406</u>	
Ending Fund Balance			<u>\$ 8,667</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other revenue	\$ 100,000	\$ 100,000	\$ 90,460	\$ (9,540)
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>90,460</u>	<u>(9,540)</u>
<u>Expenditures</u>				
Current:				
General government	10,000	10,000	5,170	4,830
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>5,170</u>	<u>4,830</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>90,000</u>	<u>90,000</u>	<u>85,290</u>	<u>(4,710)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(100,000)	(100,000)	(124,510)	(24,510) *
Total Other Financing (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(124,510)</u>	<u>(24,510)</u>
Net Change in Fund Balance	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>(39,220)</u>	<u>\$ (29,220)</u>
Beginning fund balance			<u>512,511</u>	
Ending Fund Balance			<u>\$ 473,291</u>	

* Expenditures in excess of appropriations at the legal level of control.

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT FUND

For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for services	\$ 42,000	\$ 42,000	\$ 52,631	\$ 10,631
Investment income	1,500	1,500	3,452	1,952
Other revenue	-	-	8	8
Total Revenues	<u>43,500</u>	<u>43,500</u>	<u>56,091</u>	<u>12,591</u>
<u>Expenditures</u>				
Current:				
General government	43,500	58,818	46,317	12,501
Total Expenditures	<u>43,500</u>	<u>58,818</u>	<u>46,317</u>	<u>12,501</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (15,318)</u>	9,774	<u>\$ 25,092</u>
Beginning fund balance			<u>425,606</u>	
Ending Fund Balance			<u>\$ 435,380</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for services	\$ 8,270	\$ 8,270	\$ 10,417	\$ 2,147
Other revenue	-	-	8	8
Total Revenues	<u>8,270</u>	<u>8,270</u>	<u>10,425</u>	<u>2,155</u>
<u>Expenditures</u>				
Current:				
General government	<u>8,270</u>	<u>8,270</u>	<u>5,239</u>	<u>3,031</u>
Total Expenditures	<u>8,270</u>	<u>8,270</u>	<u>5,239</u>	<u>3,031</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	5,186	<u>\$ 5,186</u>
Beginning fund balance			<u>24,938</u>	
Ending Fund Balance			<u>\$ 30,124</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY FUND
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Charges for services	\$ 31,700	\$ 31,700	\$ 3,998	\$ (27,702)
Total Revenues	31,700	31,700	3,998	(27,702)
<u>Expenditures</u>				
Current:				
Judicial	310,661	310,661	250,822	59,839
Total Expenditures	310,661	310,661	250,822	59,839
(Deficiency) of				
Revenues (Under) Expenditures	(278,961)	(278,961)	(246,824)	32,137
<u>Other Financing Sources (Uses)</u>				
Transfers in	278,961	278,961	249,628	(29,333)
Total Other Financing Sources	278,961	278,961	249,628	(29,333)
Net Change in Fund Balance	\$ -	\$ -	2,804	\$ 2,804
Beginning fund balance			(2,343)	
Ending Fund Balance			\$ 461	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
911 RURAL ADDRESSING FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for services	\$ 7,500	\$ 7,500	\$ 6,512	\$ (988)
Other revenue	30,450	30,450	30,845	395
Total Revenues	<u>37,950</u>	<u>37,950</u>	<u>37,357</u>	<u>(593)</u>
<u>Expenditures</u>				
Current:				
General government	41,394	48,894	41,174	7,720
Capital outlay	50,000	50,000	2,000	48,000
Total Expenditures	<u>91,394</u>	<u>98,894</u>	<u>43,174</u>	<u>55,720</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(53,444)</u>	<u>(60,944)</u>	<u>(5,817)</u>	<u>55,127</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	53,444	53,444	13,356	(40,088)
Total Other Financing Sources	<u>53,444</u>	<u>53,444</u>	<u>13,356</u>	<u>(40,088)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (7,500)</u>	7,539	<u>\$ 15,039</u>
Beginning fund balance			-	
Ending Fund Balance			<u>\$ 7,539</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HILLTOP LAKES SECURITY PAYROLL FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other revenue	\$ 221,029	\$ 221,029	\$ 194,245	\$ (26,784)
Total Revenues	<u>221,029</u>	<u>221,029</u>	<u>194,245</u>	<u>(26,784)</u>
<u>Expenditures</u>				
Current:				
General government	221,029	221,029	195,726	25,303
Total Expenditures	<u>221,029</u>	<u>221,029</u>	<u>195,726</u>	<u>25,303</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(1,481)	<u>\$ (1,481)</u>
Beginning fund balance			<u>8,396</u>	
Ending Fund Balance			<u>\$ 6,915</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AAA SENIOR SERVICES FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental revenue	\$ 103,986	\$ 103,986	\$ 134,357	\$ 30,371
Total Revenues	<u>103,986</u>	<u>103,986</u>	<u>134,357</u>	<u>30,371</u>
<u>Expenditures</u>				
Current:				
General government	262,763	262,763	263,714	(951) *
Total Expenditures	<u>262,763</u>	<u>262,763</u>	<u>263,714</u>	<u>(951)</u>
(Deficiency) of				
Revenues (Under) Expenditures	<u>(158,777)</u>	<u>(158,777)</u>	<u>(129,357)</u>	<u>29,420</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	158,777	158,777	126,622	(32,155)
Total Other Financing Sources	<u>158,777</u>	<u>158,777</u>	<u>126,622</u>	<u>(32,155)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,735)</u>	<u>\$ (2,735)</u>
Beginning fund balance			<u>5,560</u>	
Ending Fund Balance			<u>\$ 2,825</u>	

* Expenditures exceeded appropriations at the legal level of control.

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ELECTION ADMINISTRATION FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for services	\$ 10,000	\$ 10,000	\$ 5,570	\$ (4,430)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>5,570</u>	<u>(4,430)</u>
<u>Expenditures</u>				
Current:				
General government	147,571	147,571	122,561	25,010
Total Expenditures	<u>147,571</u>	<u>147,571</u>	<u>122,561</u>	<u>25,010</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(137,571)</u>	<u>(137,571)</u>	<u>(116,991)</u>	<u>20,580</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	137,571	137,571	123,767	(13,804)
Total Other Financing Sources	<u>137,571</u>	<u>137,571</u>	<u>123,767</u>	<u>(13,804)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	6,776	<u>\$ 6,776</u>
Beginning fund balance			<u>(256)</u>	
Ending Fund Balance			<u>\$ 6,520</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CLINIC FUND

For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other revenue	\$ 21,000	\$ 21,000	\$ 30,765	\$ 9,765
Total Revenues	<u>21,000</u>	<u>21,000</u>	<u>30,765</u>	<u>9,765</u>
<u>Expenditures</u>				
Current:				
General government	50,643	53,843	53,037	806
Total Expenditures	<u>50,643</u>	<u>53,843</u>	<u>53,037</u>	<u>806</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(29,643)</u>	<u>(32,843)</u>	<u>(22,272)</u>	<u>10,571</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	29,643	29,643	5,151	(24,492)
Total Other Financing Sources	<u>29,643</u>	<u>29,643</u>	<u>5,151</u>	<u>(24,492)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (3,200)</u>	<u>(17,121)</u>	<u>\$ (13,921)</u>
Beginning fund balance			<u>21,105</u>	
Ending Fund Balance			<u>\$ 3,984</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY VETERANS SERVICE FUND
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Other revenue	\$ 1,100	\$ 1,100	\$ 13,428	\$ 12,328
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>13,428</u>	<u>12,328</u>
Expenditures				
Current:				
General government	15,500	19,000	17,399	1,601
Total Expenditures	<u>15,500</u>	<u>19,000</u>	<u>17,399</u>	<u>1,601</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(14,400)</u>	<u>(17,900)</u>	<u>(3,971)</u>	<u>13,929</u>
Other Financing Sources (Uses)				
Transfers in	14,400	14,400	10,404	(3,996)
Total Other Financing Sources	<u>14,400</u>	<u>14,400</u>	<u>10,404</u>	<u>(3,996)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (3,500)</u>	6,433	<u>\$ 9,933</u>
Beginning fund balance			<u>2,573</u>	
Ending Fund Balance			<u>\$ 9,006</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHAPTER 19 ELECTION FUND
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 3,000	\$ 3,000	\$ 425	\$ (2,575)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>425</u>	<u>(2,575)</u>
Expenditures				
Current:				
General government	3,000	3,000	-	3,000
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	425	<u>\$ 425</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ 425</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY AND DISTRICT CLERK TECHNOLOGY FUND

For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for services	\$ 4,750	\$ 4,750	\$ 2,087	\$ (2,663)
Total Revenues	<u>4,750</u>	<u>4,750</u>	<u>2,087</u>	<u>(2,663)</u>
<u>Expenditures</u>				
Current:				
General government	4,750	4,750	1,295	3,455
Total Expenditures	<u>4,750</u>	<u>4,750</u>	<u>1,295</u>	<u>3,455</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	792	<u>\$ 792</u>
Beginning fund balance			<u>21,451</u>	
Ending Fund Balance			<u>\$ 22,243</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMERGENCY MANAGEMENT FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other revenue	\$ 1,000	\$ 1,000	\$ 10	\$ (990)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>10</u>	<u>(990)</u>
<u>Expenditures</u>				
Current:				
Public safety	77,025	77,206	72,474	4,732
Total Expenditures	<u>77,025</u>	<u>77,206</u>	<u>72,474</u>	<u>4,732</u>
(Deficiency) of				
Revenues (Under) Expenditures	<u>(76,025)</u>	<u>(76,206)</u>	<u>(72,464)</u>	<u>3,742</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	76,025	76,025	70,887	(5,138)
Total Other Financing Sources	<u>76,025</u>	<u>76,025</u>	<u>70,887</u>	<u>(5,138)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (181)</u>	<u>(1,577)</u>	<u>\$ (1,396)</u>
Beginning fund balance			<u>1,712</u>	
Ending Fund Balance			<u>\$ 135</u>	

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

For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental revenue	\$ 40,608	\$ 40,608	\$ 22,620	\$ (17,988)
Total Revenues	<u>40,608</u>	<u>40,608</u>	<u>22,620</u>	<u>(17,988)</u>
<u>Expenditures</u>				
Current:				
General government	40,608	40,608	23,469	17,139
Total Expenditures	<u>40,608</u>	<u>40,608</u>	<u>23,469</u>	<u>17,139</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(849)	<u>\$ (849)</u>
Beginning fund balance			-	
Ending Fund Balance			<u>\$ (849)</u>	

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PRETRIAL DIVERSION FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental revenue	\$ -	\$ 3,460	\$ 4,614	\$ 1,154
Total Revenues	<u>-</u>	<u>3,460</u>	<u>4,614</u>	<u>1,154</u>
<u>Expenditures</u>				
Current:				
General government	-	3,460	4,037	(577) *
Total Expenditures	<u>-</u>	<u>3,460</u>	<u>4,037</u>	<u>(577)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>577</u>	<u>\$ 577</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ 577</u>	

* Expenditures in excess of appropriations at the legal level of control.

LEON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NORMANGEE ISD SECURITY FUND
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other revenue	\$ 50,000	\$ 50,000	\$ 19,769	\$ (30,231)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>19,769</u>	<u>(30,231)</u>
<u>Expenditures</u>				
Current:				
General government	50,000	50,000	19,715	30,285
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>19,715</u>	<u>30,285</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	54	<u>\$ 54</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ 54</u>	

LEON COUNTY, TEXAS

AGENCY FUNDS

For the Year Ended September 30, 2017

The personal bond fund accounts for assets held by the County as an agent for other governments, courts, or individuals.

The non-County funded fund accounts for assets held by the County as an agent for other governments, courts, or individuals.

The juvenile probation grant A accounts for assets held by the County as an agent for the juvenile probation department.

The juvenile probation title IV-E accounts for assets held by the County as an agent for the juvenile probation department.

LEON COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2017

	<u>Personal Bond</u>	<u>Non-County Funded</u>	<u>Juvenile Probation Grant A</u>	<u>Juvenile Probation Title IV-E</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 41,820	\$ 2,929,728	\$ 1,978	\$ 30,426
Prepays	-	-	58	-
Due from others	-	-	5,494	-
Total Assets	<u>\$ 41,820</u>	<u>\$ 2,929,728</u>	<u>\$ 7,530</u>	<u>\$ 30,426</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ 2,574	\$ -
Due to other funds	-	-	4,956	-
Due to others	41,820	2,929,728	-	30,426
Total Liabilities	<u>\$ 41,820</u>	<u>\$ 2,929,728</u>	<u>\$ 7,530</u>	<u>\$ 30,426</u>

**Total
Agency
Funds**

\$ 3,003,952
58
5,494

\$ 3,009,504

\$ 2,574
4,956
3,001,974

\$ 3,009,504

