

BOSQUE COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2015

**BOSQUE COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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INTRODUCTORY SECTION

**BOSQUE COUNTY, TEXAS
PRINCIPAL COUNTY OFFICIALS
SEPTEMBER 30, 2015**

DEWEY RATLIFF

COUNTY JUDGE

DOUG DAY

COMMISSIONER, PRECINCT 1

DURWOOD KOONSMAN

COMMISSIONER, PRECINCT 2

SAMMY LEACH

COMMISSIONER, PRECINCT 3

RONNY LIARDON

COMMISSIONER, PRECINCT 4

ARLENE SWINEY

TAX ASSESSOR-COLLECTOR

B.J. SHEPHERD

DISTRICT ATTORNEY

NATALIE KOEHLER

COUNTY ATTORNEY

JUANITA MILLER

DISTRICT CLERK

TABATHA FERGUSON

COUNTY CLERK

CHERYL NIEMER

COUNTY TREASURER

ANTHONY MALOTT

COUNTY SHERIFF

KENT REEVES

COUNTY AUDITOR

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Members
of the Commissioners' Court
Bosque County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bosque County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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 and pension funding progress information on page 8 through 14, 49 through 53 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 regarding 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bosque County's financial statements as a whole. The introductory section and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied by us 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Stephenville, Texas
September 5, 2016

Boucher, Morgan & Young

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

**BOSQUE COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2015**

The management of Bosque County presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2015.

FINANCIAL HIGHLIGHTS

- The assets of Bosque County exceed its liabilities at the close of the most recent fiscal year by \$12 million. Of this amount, \$4.14 million in unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the County's fiscal policies.
- The County's total net position increased by \$61 thousand.
- As of the close of the current fiscal year, the Bosque County's governmental funds reported an ending fund balance of \$3.8 million of which \$934k million is restricted for special purposes.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements — The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. This includes the Statement of Net Position and the statement of activities.

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

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

Fund Financial Statements — A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities for objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be categorized as governmental funds. The focus of the fund financial statements is on major funds that meet minimum criteria (a percentage of assets,

liabilities, revenue or expenditures of fund category and of the governmental funds combined), or those that the County wishes to report as major.

Nonmajor funds are aggregated and shown in a single column. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

The governmental fund financial statements can be found on pages 19-24 of this report.

Fiduciary Funds — Fiduciary Funds are used to account for resources held for the benefit of parties outside the government.

The Fiduciary Fund financial statement can be found on page 25 of this report.

Notes to Financial Statements — The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-47.

Required Supplementary Information Other than MD&A — Accounting standards generally accepted in the United States of America require, in addition to the basic financial statements and accompanying notes, the report present certain required supplementary information. Retirement plan funding progress is included in this section along with schedules of actual and budgetary comparisons of the County's General Fund and major Special Revenue Funds.

Combining Statements and Schedules — The combining statements in connection with nonmajor governmental funds are presented immediately following required supplementary information in the County's financials.

GOVERNMENT-WIDE FINANCIAL ANALYSIS:

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$12 million of September 30, 2015.

The largest portion of the County's net position reflected its investments in capital assets (e.g., land, building, and equipment), less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, the assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

BOSQUE COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2015	2014
Revenues:		
Program Revenues		
Charges for Services	\$ 1,976,507	\$ 2,103,096
Operating Grants & Contributions	266,839	120,917
Capital Grants	-	-
General Revenues		
Property Taxes	6,612,956	6,331,537
Other Taxes	588,758	498,701
Investment Earnings	18,203	29,494
Miscellaneous	220,998	344,821
Gain in sale of fixed assets	-	-
Total Revenues	<u>9,684,261</u>	<u>9,428,566</u>
Expenses:		
Governmental activities	<u>9,623,563</u>	<u>8,711,434</u>
Change in net position	60,698	717,132
Net position-beginning as restated	11,962,680	10,437,189
Net position-ending	<u>\$ 12,023,378</u>	<u>\$ 11,154,321</u>

During the current fiscal year, the County's net position increased by \$61 thousand.

BOSQUE COUNTY'S NET POSITION

	Governmental Activities	
	2015	2014
Current and other assets	\$ 5,313,802	\$ 4,714,004
Capital assets	6,876,030	7,128,962
Total Assets	12,189,832	11,842,966
Deferred outflows	245,437	-
Total assets and deferred outflows	12,435,269	11,842,966
Current liabilities	215,511	573,431
Noncurrent liabilities	117,272	115,214
Total Liabilities	332,783	688,645
Deferred inflows	79,108	-
Net Position:		
Invested in capital assets, net of related debt	6,801,341	6,953,418
Restricted	934,728	544,015
Unrestricted	4,287,309	3,656,888
Total Net Position	\$ 12,023,378	\$ 11,154,321

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS:

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 financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, fund balance of the General Fund was \$2.2 million, while total fund balance for all governmental funds was \$3.8 million.

During the current fiscal year, the fund balance of the County's General Fund decreased by \$268,884 thousand.

General Fund Budgetary Highlights - Differences between the original budget and the final amended budget resulted in no effect to the planned change in fund balance.

CAPITAL ASSETS

The County's investment in capital assets for its governmental activities as of September 30, 2015, amounts to \$6.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, and equipment.

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

- Construction on a new Annex Building in Clifton for JP1
- Vehicles for Various Departments

Capital assets at year-end, net of accumulated depreciation were as follows:

BOSQUE COUNTY'S CAPITAL ASSETS AT YEAR-END

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Land	\$ 82,479	\$ 82,479
Buildings and improvements	5,046,845	5,035,526
Furniture and equipment	1,710,386	1,823,844
Infrastructure	36,320	43,062
Construction in process	-	144,052
Total	<u>\$6,876,030</u>	<u>\$7,128,963</u>

Additional information on the County's capital assets can be found in the notes to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the County's total long-term debt outstanding was solely comprised of capital leases payable with maturity dates from 2016 and 2017. Lease balances outstanding for leased equipment were as follows:

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Vehicles	\$ 68,015	\$ 126,854
Video equipment for cars	-	17,957
NetData software	6,404	30,734
	<u>\$ 74,419</u>	<u>\$ 175,545</u>

During the current fiscal year, Bosque County's debt related to capital leases changed by a net decrease of \$101 thousand.

Additional information on Bosque County's long-term debt can be found in the notes to the financial statements of this report.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, and creditors with a general overview of the County's finances. If you have any questions about this report or need any additional information, contact the County Auditor, 110 S Main Suite 308, Meridian, Texas 76665, or call (254) 435-2611.

BASIC FINANCIAL STATEMENTS

BOSQUE COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	<u>Primary Government</u> Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,702,189
Investments-current	2,673,235
Taxes receivable (net of allowances for uncollectible)	294,950
Fines receivable	346,204
Due from agency fund	1,000
Intergovernmental receivables	62,196
Prepaid items	45,695
Due from other governments	188,333
Capital assets (net of accumulated depreciation):	
Land	82,479
Infrastructure	36,320
Buildings, net	5,046,845
Furniture and equipment, net	1,710,386
Construction in process	-
Total Assets	<u>12,189,832</u>
DEFERRED OUTFLOWS	
Deferred retirement contributions	161,891
Deferred actual vs. assumption	83,546
Total deferred outflows	<u>245,437</u>
 Total assets and deferred outflows	 <u>\$ 12,435,269</u>
LIABILITIES	
Deficit cash	1
Accounts payable	767,607
Accrued liabilities	122,735
Due to other funds	-
Noncurrent liabilities:	
Due within one year	48,868
Due in more than one year	117,272
Net pension liability (asset)	(723,700)
Total Liabilities	<u>332,783</u>
DEFERRED INFLOWS	
Deferred investment experience	79,108
Total deferred inflows	<u>79,108</u>
NET POSITION:	
Net investment in capital assets	6,801,611
Restricted for:	
Restricted for special revenue funds	934,728
Unrestricted net position	4,287,039
Total Net Position	<u>\$ 12,023,378</u>

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

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
PRIMARY GOVERNMENT:			
Governmental Activities:			
Public finance	\$ 736,760	\$ 271,111	\$ 91,689
General administration	2,641,238	176,574	-
Judicial	1,533,027	773,985	8,666
Law enforcement	2,933,063	110,829	56,488
Roads	1,774,560	644,008	109,996
Other - debt interest	4,915	-	-
Total Governmental Activities	<u>\$ 9,623,563</u>	<u>\$ 1,976,507</u>	<u>\$ 266,839</u>

General Revenues:

Property Taxes, levied for general purposes

Sales and other taxes

Miscellaneous revenue

Investment earnings

Total General Revenues

Change in Net Position

Net Position - Beginning, as previously stated

Prior period adjustment - cumulative effect of
change in accounting principle

Net Position - Beginning, as restated

Net Position - Ending

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

		<u>Net (Expense) Revenue and Changes in Net Position</u>	
<u>Capital Grants and Contributions</u>		<u>Primary Governmental Activities</u>	
\$	-	\$	(373,960)
	-		(2,464,664)
	-		(750,376)
	-		(2,765,746)
	-		(1,020,556)
	-		(4,915)
<u>\$</u>	<u>-</u>	<u>\$</u>	<u>(7,380,217)</u>
<div style="text-align: right;"> 6,612,956 588,758 220,998 18,203 <u>7,440,915</u> 60,698 11,154,321 808,359 <u>11,962,680</u> <u>\$ 12,023,378</u> </div>			

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

**BOSQUE COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015**

	General Fund	Road and Bridge	Capital Projects
ASSETS			
Cash and cash equivalents	\$ 399,583	\$ 516,746	\$ 450,023
Investments-current	2,330,341	76,000	202,286
Taxes receivable	274,700	18,681	1,112
Intergovernmental receivables	-	62,196	-
Due from other governments	188,333	-	-
Due from other funds	1,000	-	-
Prepaid items	35,240	10,308	-
Total Assets and Other Debits	<u>\$ 3,229,197</u>	<u>\$ 683,931</u>	<u>\$ 653,421</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Deficit cash	\$ -	\$ -	\$ -
Accounts payable	672,040	68,884	3,600
Due to other funds	-	-	-
Wages and salaries payable	93,481	21,345	-
Due to other governments	-	-	-
Total Liabilities	<u>765,521</u>	<u>90,229</u>	<u>3,600</u>
Deferred Inflows:			
Deferred revenues	216,352	18,681	1,112
Fund Balances:			
Nonspendable	35,240	10,308	-
Restricted	-	564,713	-
Assigned	-	-	648,709
Unassigned	2,212,084	-	-
Total Fund Balances	<u>2,247,324</u>	<u>575,021</u>	<u>648,709</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 3,229,197</u>	<u>\$ 683,931</u>	<u>\$ 653,421</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 335,837	\$ 1,702,189
64,608	2,673,235
307	294,800
-	62,196
-	188,333
-	1,000
147	45,695
<u>\$ 400,899</u>	<u>\$ 4,967,448</u>

\$ 1	\$ 1
23,083	767,607
-	-
7,907	122,733
-	-
<u>30,991</u>	<u>890,341</u>

307	236,452
-	45,548
370,015	934,728
-	648,709
(414)	2,211,670
<u>369,601</u>	<u>3,840,655</u>
<u>\$ 400,899</u>	<u>\$ 4,967,448</u>

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

**BOSQUE COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015**

Total Fund Balances - Governmental Funds \$ 3,840,655

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$14,956,407 and the accumulated depreciation was \$7,827,175. In addition, long-term liabilities of \$115,214, including capital lease payables, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position. 6,872,301

Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets with reductions in long-term debt in the Statement of Net Postion. Lease proceeds are reported as other financing sources in the fund financial statements but are increases in long-term debt in the government wide financial statements. The net effect of including the 2015 capital outlays, debt principal and lease proceeds is to increase net position. 333,526

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue and recognizing receivables only recorded in the government-wide financial statements. The net effect of these reclassifications and recognitions is to increase net position. 583,074

The 2015 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. (496,207)

The statement of net position includes the District's proportionate share of the TCDRS net pension liability (asset) as well as certain pension related transactions accounted for as Deferred Inflows and Outflows of resources.

Net pension asset (liability)	723,700	
Deferred retirement contributions	161,891	
Deferred investment experience	(79,108)	
Deferred actual vs. assumption	83,546	890,029

Net Position of Governmental Activities \$ 12,023,378

BOSQUE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Road and Bridge	Capital Projects
REVENUE			
Taxes:			
Property taxes	\$ 6,053,352	\$ 505,333	\$ 30,209
General sales and use taxes	588,758	-	-
Auto registrations	-	392,668	-
Intergovernmental revenue and grants	423,813	229,144	-
Fines and fees	312,628	377,557	-
Forfeitures	5,363	-	-
Investment earnings	18,038	40	84
Other revenue	130,652	88,125	-
Total Revenues	<u>7,532,604</u>	<u>1,592,867</u>	<u>30,293</u>
EXPENDITURES			
Current:			
General Government:			
Public finance	746,882	-	-
General administration	2,210,033	-	46,339
Judicial	1,202,439	-	-
Law Enforcement	2,763,264	-	-
Roads	-	1,639,562	-
Debt Service:			
Debt principal-capital leases	101,126	-	-
Debt interest-capital leases	4,915	-	-
Capital Outlay:			
Capital Outlay	248,078	63,892	-
Total Expenditures	<u>7,276,737</u>	<u>1,703,454</u>	<u>46,339</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>255,867</u>	<u>(110,587)</u>	<u>(16,046)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from capital leases	-	-	-
Other revenue	1,898	-	-
Transfers in	-	858,974	-
Transfers out (use)	(526,649)	(407,625)	-
Insurance proceeds	-	-	-
Total Other Financing Sources (Uses)	<u>(524,751)</u>	<u>451,349</u>	<u>-</u>
Net Change in Fund Balances	(268,884)	340,762	(16,046)
Fund Balances - Beginning	2,516,208	234,259	664,755
Fund Balances - Ending	<u>\$ 2,247,324</u>	<u>\$ 575,021</u>	<u>\$ 648,709</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,955	\$ 6,597,849
-	588,758
-	392,668
346,043	999,000
140,847	831,032
5,360	10,723
41	18,203
-	218,777
<u>501,246</u>	<u>9,657,010</u>
-	746,882
168,162	2,424,534
345,696	1,548,135
-	2,763,264
-	1,639,562
-	101,126
-	4,915
<u>2,243</u>	<u>314,213</u>
<u>516,101</u>	<u>9,542,631</u>
<u>(14,855)</u>	<u>114,379</u>
-	-
165	2,063
75,712	934,686
(412)	(934,686)
-	-
<u>75,465</u>	<u>2,063</u>
60,610	116,442
<u>308,991</u>	<u>3,724,213</u>
<u>\$ 369,601</u>	<u>\$ 3,840,655</u>

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

BOSQUE COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Total Net Change in Fund Balances-Governmental Funds	\$ 116,442
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. Proceeds from capital leases are shown as financial resources in fund financial statements but are increases in long-term debt in the government-wide financial statements. The net effect of removing the 2015 capital outlays and changes in long-term debt principal is to increase net position.	344,132
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(496,207)
Net pension assets as well as the related deferred inflows and outflows of resources generated from those assets are not payable from current resources and therefore, are not reported in the governmental funds. These balances increased (decreased) by this amount.	81,670
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, net of uncollectible taxes, eliminating interfund transactions, and recognizing the liabilities associated with long-term debt interest. The net effect of these reclassifications and recognitions is to increase net position.	14,661
Change in Net Position of Governmental Activities	<u>\$ 60,698</u>

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

BOSQUE COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015

	Agency Funds
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 748,313
Total Assets	<u>\$ 748,313</u>
LIABILITIES	
Due to other	\$ 748,313
Total Liabilities	<u>\$ 748,313</u>

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

NOTES TO FINANCIAL STATEMENTS

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bosque County was created in 1854 by the Texas Legislature under the provisions of Article 9, Section 1, of the Texas Constitution. The County operates under a commission form of government in which the Commissioners' Court composed of four County Commissioners, presided over by the County Judge, is the governing body. The Commissioners' Court is a court of limited jurisdiction empowered to do only those things which are specifically authorized by the State Constitution or by statute.

The financial statements of Bosque County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The more significant of these accounting policies are described below.

A. REPORTING ENTITY

The County is an independent political subdivision of the State of Texas governed by an elected four-member Commissioners' Court and County Judge and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the County's financial reporting entity. Based on these considerations, no other entities have been included in the County's reporting entity. Additionally, as the County is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are to be reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The County has no business-type activities or any component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County reports the following major governmental funds:

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

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

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of general capital assets.

Additionally, the County reports the following fund types:

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

Agency Funds These funds are used to report funds of the County's fees offices and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS, DEFERRED OUTFLOWS AND NET POSITION OR EQUITY

Cash and Investments

The government'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.

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

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

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectibles. As of September 30, 2015 the following allowances for property tax receivables were estimated by management, General fund \$99,048, Capital Improvement fund \$508, Jury fund \$140 and the Road and Bridge fund \$8,552. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles, which was \$0 as of September 30, 2015. The County's property taxes are levied annually in October on the basis of the Appraisal District's assessed values as of January 1 of that calendar year. Appraisal values are established by the Appraisal District at market value and assessed at 100% of appraised value less exemptions. The County's property taxes are billed and collected by the Tax Assessor/Collector. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property on February 1 of the subsequent calendar year. Property taxes are prorated between operations, road and bridge, and debt service based on rates adopted for the year of the levy. For the current year, the County levied property taxes of \$0.4365 per \$100 of assessed valuation that were prorated between General, Road and Bridge, Capital Projects and Jury Funds. The resulting adjusted tax levies were based on a total adjusted taxable valuation of approximately \$1,511,034,528 for the 2015 tax year.

Prepaid Expenditures

When payment is made to a supplier of goods or services prior to the receipt of the goods or realization of the service, then the amount expended in excess of value received is recorded as a prepaid item.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment, construction in progress, and infrastructure (e.g. roads, bridges, sidewalks and similar items) are reported in the governmental activities for the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Assets	Years
Buildings	40
Furniture and Equipment	5-15
Infrastructure	20

Compensated Absences

The county's employees earn vacation and compensatory time which may either be taken or accumulated, up to certain amounts, until paid upon resignation or retirement. All vacation leave and compensatory time pay are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The current policy for vacation pay is that vacation pay accrues as of the "annual" anniversary date of each employee. Vacation leave from 10 to 15 days per year may be earned, based on longevity. Compensatory time accrues at 5 days a year up to a maximum paid benefit for entitlement of 10 days.

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. Bond premiums and discounts, as well as issuance costs, would be deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable would be reported net of the applicable bond premium or discount. There was no bonded debt of the County as of September 30, 2015.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, and expense bond issuance costs during the current periods in which they occur. 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. There was no bonded indebtedness payments made by the County during the year ended September 30, 2015.

Net position and Fund Equity

In government-wide financial statements net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal on related debt. Net investment in capital assets does not include the unspent proceeds of capital debt.

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position are considered unrestricted.

When both restricted and unrestricted sources are available for use, it is the County's policy to use restricted first, then unrestricted resources as they are needed. The government-wide statement of net position reports \$934,728 of restricted assets, primarily restricted for specified purposes as designated by grantors, contributors, by vote of citizens, or governmental entities over state or local program grants.

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

Nonspendable - Resources which cannot be spent because they are either a) not in spendable form or ; b) legally or contractually required to be maintained intact.

Restricted – Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned - Resources neither restricted nor committed for which a government has a stated intended use as established by those charged with governance or an official to which to those charged with governance has delegated the authority to assign amounts for specific purposes.

Unassigned – Resources which cannot be properly classified in one of the other four categories. There are no governmental funds that reported a positive unassigned fund balance amount at year end. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net 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.

In addition to liabilities, the statement of net 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 government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one sources: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions

For purposes of measuring the net pension liability (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 and District Retirement System (TCDRS) and additions to/deductions from TCDRS' Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. **RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

A. **Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position**

The *Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position* provides a summary of differences in accounting for funds and the total government net position. The primary elements reported differently are capital assets which are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities are not due and payable in the current period and are not reported as liabilities in the funds. Following are details of the summarized reconciliation amounts:

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)

Beginning of year capital assets and debt:	
Capital assets	\$ 14,956,408
Accumulated depreciation	(7,827,446)
Long-term capital leases	(175,545)
Accumulated compensated absences	(81,116)
Total capital asset debt adjustment beginning of year	\$ 6,872,301
Current year capital outlay and debt service:	
Capital outlay	\$ 243,005
Fixed asset disposals net of accum depreciation	-
Increase in compensated absences	(10,606)
Debt principal payments	101,127
Total capital asset debt adjustment current year	\$ 333,526
Other reclassification reconciliation items:	
Record fines receivable	\$ 346,622
Eliminate deferred revenue on taxes	236,454
Total other summarized adjustments	\$ 583,076
To record pension liability	
Net pension asset (liability)	\$ 723,700
Deferred retirement contributions	161,891
Deferred investment experience	(79,108)
Deferred actual vs. assumption	83,546
	\$ 890,029

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The Reconciliation of the Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances to the Statement of Activities provides summarized reconciliation amounts indicating differences in accounting methods between the net changes in fund balance as shown on the governmental fund statement and the changes in net position of governmental activities as reported on the government-wide statement of activities. The differences are again primarily related to current year capital outlays and debt principal payments presented as expenditures in the fund financial statements, but shown as increases in capital assets and decreases in long-term debt in the government-wide statements. Details of the various summarized amounts from the reconciliation are as follows:

**BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)**

Current year capital outlay and debt service:	
Capital outlay	\$ 243,005
Debt principal payments	101,127
Total capital asset debt adjustment current year	\$ 344,132
Various other reclassifications current year changes:	
Change in deferred revenue	\$ 15,107
Change in fines receivable	46,650
Change in compensated absences	(10,606)
Other	(36,490)
Total other reclassifications	\$ 14,661

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET DATA

The budget amounts presented in the required supplementary information include the original and final authorized amounts as amended during the year. In accordance with state statutes, an annual budget is adopted for certain governmental funds of the County in accordance with generally accepted accounting principles. The procedures followed by Bosque County in establishing the budgetary data reflected in the financial statements are presented below.

Budget Preparation

The County Judge, as the responsible budget officer, causes budget guidelines to be issued. Upon receiving operating requests from County officials, the County Judge submits a proposed operating budget covering the General, Road and Bridge, Special Revenue, and Debt Service Funds to the Commissioners' Court. The budget includes the proposed expenditures and the means of financing them.

Public Hearings

After proper publication of notices in compliance with various state statutes, a budget hearing for the purpose of obtaining public and taxpayer comments is conducted by the Commissioners' Court. Related public hearings are held regarding the proposed tax rates required to finance the proposed budget.

Budget Adoption

Following the public hearings, the Commissioners' Court makes such changes as may be warranted in the budget and adopts the budget through the passage of an order at one of its regularly scheduled meetings.

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budget Amendments

The Commissioners' Court, at its discretion, can transfer expenditures from one appropriation to another. The total expenditures may not be increased without additional public hearings.

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

The funds of the County must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the County's agent bank in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At September 30, 2015, the County's cash deposits were entirely covered by FDIC insurance or by pledged collateral held by the County's bank in the County's name.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

**BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. In addition, TexPool is subject to review by the State Auditor’s Office and by the Internal Auditor of the Comptroller’s Office.

Investments held by the County at September 30, 2015 consisted of the following:

<u>Investment Type</u>	<u>Historic Cost</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Tex Pool	<u>\$102,313</u>	<u>\$102,313</u>	<u>AAAm</u>

Policies Governing Deposits and Investments

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

Custodial Credit Risk – Deposits: This is the risk that in the event of bank failure, the County’s deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2015 were covered by depository insurance or by pledged collateral held by the County’s agent bank in the County’s name.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The County’s securities are all in securities backed by the United States of America and are not exposed to custodial credit risk.

Other Credit Risk - There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk, TexPool’s investment policy allows the portfolio’s investment manager to only invest in obligations of the U.S. Government, its agencies’ repurchase agreements; and no-load AAAM money market mutual funds registered with the SEC. As of September 30, 2015 TexPool’s investments credit quality rating was AAAM (Standard & Poor’s).

The County’s general policy is to report nonparticipating interest-earning investment contracts using a cost-based measure. The term “nonparticipating” means that the investment’s value does not vary with the market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest earning investment contracts.

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables and payables at September 30, 2015 except for agency funds of the County to the respective fund. The interfund receivables have not been eliminated from the statement of net position because agency funds assets and liabilities are not reported as assets owned by the government.

A pooled cash account is used to account for many of the governmental funds cash in bank. Several of the funds have a deficit cash balance included in the pooled cash account. The governmental fund financial statements present the negative cash balances as deficit cash rather than as having temporarily borrowed the cash from other governmental funds with positive cash balances. The government-wide financial statements present the cash at the consolidated balance of cash in the bank at year end.

C. CAPITAL ASSET ACTIVITY

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

	September 30, 2014	Increase	Decrease	September 30, 2015
Government activities capital assets:				
Non-depreciable assets:				
Land	\$ 82,479	\$ -	\$ -	\$ 82,479
Construction in process	144,052	40,767	184,819	-
Total non-depreciable assets	<u>226,531</u>	<u>40,767</u>	<u>184,819</u>	<u>82,479</u>
Depreciable assets:				
Buildings	8,147,589	194,418.00	-	8,342,007
Furniture and equipment	6,262,369	192,639	77,003	6,378,005
Infrastructure	319,919	-	-	319,919
Total depreciable assets	<u>14,729,877</u>	<u>387,057</u>	<u>77,003</u>	<u>15,039,931</u>
Totals at historic cost	<u>14,956,408</u>	<u>427,824</u>	<u>261,822</u>	<u>15,122,410</u>
Less accumulated depreciation:				
Buildings	3,112,064	183,100	-	3,295,164
Furniture and equipment	4,438,525	306,095	77,003	4,667,617
Infrastructure	276,857	6,742	-	283,599
Total accumulated depreciation	<u>7,827,446</u>	<u>495,937</u>	<u>77,003</u>	<u>8,246,380</u>
Total capital assets, being depreciated, net	<u>6,902,431</u>	<u>(108,880)</u>	<u>-</u>	<u>6,793,551</u>
Governmental capital assets, net	<u>\$ 7,128,962</u>	<u>\$ (68,113)</u>	<u>\$ 184,819</u>	<u>\$ 6,876,030</u>

**BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Current year depreciation expense was charged to governmental functions as follows:

General administration	\$	154,447
Law enforcement		118,221
Road and bridge		266,499
Total Depreciation Expense	\$	539,167

E. ACCUMULATED UNPAID ANNUAL LEAVE

Accumulated unpaid annual leave amounts are not accrued in governmental funds using the modified accrual basis of accounting, but are reflected in the Government-Wide Statement of Net Position. At September 30, 2015, accrued employee benefits recorded on the Statement of Net Position were for accumulated vacation pay and amounted to \$91,722, an increase of \$10,606 from the previous year end.

F. LONG-TERM DEBT

During the year ended September 30, 2015, the County did not enter into any new capital lease agreements. The combined monthly principal and interest payments for existing leases will be \$4,298. The terms are from 2016 to 2017.

Capital lease agreements made in previous years are also secured by equipment and continue to require payments expiring 2016 and 2017.

Capital lease debt service requirements are as follows:

Year Ended September 30,	Total Principal	Total Interest	Total Requirements
2016	\$ 48,869	\$ 2,097	\$ 50,966
2017	25,550	335	25,885
Total	\$ 74,419	\$ 2,432	\$ 76,851

Amortization of leased buildings and equipment under capital assets is included with depreciation expense.

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Long-term debt activity for the year ended September 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital leases payable, secured by equipment	\$ 175,544	\$ -	\$ 101,127	\$ 74,417	\$ 48,869
Other Liabilities:					
Compensated absences	<u>81,116</u>	<u>10,606</u>	<u>-</u>	<u>\$ 91,722</u>	<u>45,861</u>
Total governmental activities long-term liabilities	<u>\$ 256,660</u>	<u>\$ 10,606</u>	<u>\$ 101,127</u>	<u>\$ 166,139</u>	<u>\$ 94,730</u>

G. RISK MANAGRISK MANAGEMENT

Health Insurance

During the year ended September 30, 2015 employees of Bosque County were covered by a health insurance plan (the Plan). The County paid annual health insurance premiums of \$806,509. Employees, at their option, authorized payroll deductions to pay any additional cost for dependent coverage. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

Workers' Compensation

During the year ended September 30, 2015, employees of Bosque County were covered by a workers' compensation plan administered by the Texas Association of Counties. The County paid a contribution of \$33,200 for the year ended September 30, 2015. These figures are subject to change based upon actual payroll figures.

Contingencies

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

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Litigation

The County's Attorney has indicated that there are various claims and lawsuits filed and pending against the County. The claims are being strongly defended by the County. As of September 30, 2015, the potential liability of the County cannot be reasonably estimated, but is not expected to have a material impact on the County's financial position.

H. RETIREMENT PLAN

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for administration of the statewide agent multiple-employer public employee retirement system consisting of 677 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

Benefits Provided

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can expect to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes, including automatic COLAs.

**BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

Inactive employees of beneficiaries currently receiving benefits	63
Inactive employees entitled to but not yet receiving benefits	27
Active employees	106
	196
	196

Contributions

The employer has elected the annually determined contribution rate (Variable Rate) plan provision of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

The employer contributed using the actuarially determined rate of 4.70% for the calendar year ending in 2015. The deposit rate payable by the employee members for calendar year 2015 is the rate of 5% as adopted by the governing body of the employer. The employee and employer deposit rates may be changed by the governing body of the employer within the options available in the TCDRS Act.

Net Pension Liability

The employer's Net Pension Liability (NPL) for the year ended September 30, 2015, was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

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

Inflation	3.0% per year	
Overall payroll growth	3.5% per year	
Investment Rate of Return	8.0%, net of pension plan investment expense, including inflation	

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and .5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

**BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Mortality rates for depositing members were based on the RP-2000 Active Employee Mortality Table for males and females as appropriate, with adjustment, with the projection scale AA. Serve retirees, beneficiaries and non-depositing members were based on RP-2000 Combined Mortality Table for males and females as appropriate, with adjustments, with the projection scale AA. Disabled retirees were based on RP-2000 Disabled Mortality Table for males and females as appropriate, with adjustments, with the projection scale AA

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB 68.

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 numbers shown are based on January 2015 information for a 7-10 year time horizon and are re-assessed at a minimum every four years, and it is set based on a 30-year time horizon, the most recent analysis was performed in 2013 based on the period January 1, 2009 – December 31, 2013. Best estimates of geometric real rates of return (net of inflation, assumed at 1.7%) for each major asset class included in the target asset allocation (as adopted by the TCDRS board in April 2015) are summarized below:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus inflation)
US Equities	Dow Jones U.S. Total Stock Market Index	16.5%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	12.0%	8.35%
Global Equities	MSCI World (net) Index	1.5%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.0%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.0%	6.35%
Investment-Grade Bonds	Barclays Cpaital Aggregate Bond Index	3.0%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.0%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.0%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.0%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.0%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.0%	4.00%
Commodities	Bloomberg Commodities Index	2.0%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.0%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	3.0%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.0%	5.15%
Total		100.0%	

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Discount Rate:

The discount rate used to measure the Total Pension Liability was 8.1%. Using the alternative method, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments based on the funding requirements under the District's funding policy and the legal requirements under the TCDRS Act.

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and the net pension liability of the District is equal to the long-term assumed rate of return on investments.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2013	\$ 7,921,023	\$ 8,596,618	\$ (675,595)
Changes for the year:			
Service cost	318,363	-	318,363
Interest on total pension liability	638,921	-	638,921
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(105,477)	-	(105,477)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(90,749)	(90,749)	-
Benefit payments	(295,151)	(295,151)	-
Administrative expenses	-	(6,824)	6,824
Member contributions	-	182,862	(182,862)
Net investment income	-	595,482	(595,482)
Employer contributions	-	175,546	(175,546)
Other	-	(47,154)	47,154
Net changes	\$ 465,907	\$ 514,012	\$ (48,105)
Balance at 12/31/2014	\$ 8,386,930	\$ 9,110,630	\$ (723,700)

**BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the District, calculated using the discount rate of 8.1%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.1%) or 1-percentage 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%)
Total pension liability	\$ 9,431,749	\$ 8,386,930	\$ 7,527,733
Fiduciary net position	9,110,628	9,110,630	9,110,628
Net pension liability (asset)	\$ 321,121	\$ (723,700)	\$ (1,582,895)

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 of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2015, the District recognized pension expense of \$123,003.

As of September 30, 2015, the District 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 experience	\$ -	\$ 79,108
Changes of assumptions	-	-
Net difference between projected and actual earnings	83,546	-
Contributions subsequent to the measurement date	161,891	-
Total	\$ 245,437	\$ 79,108

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

\$161,891 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Valuation year ended December 31:	
2015	\$ (5,483)
2016	(5,483)
2017	(5,483)
2018	20,887
2019	-
Thereafter	-

5. NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions in June 2012, which became effective for the County in fiscal year 2015. The objective of this Statement is to improve accounting and financial reporting of state and local governmental pension plans. This Statement applies to all state and governmental entities and replaces Statements 27 and 50. This Statement requires the recognition of the entire net pension liability and a more comprehensive measure of pension expense, along with additional required footnote disclosures.

The GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68 in November 2013, which was effective for the County in fiscal year 2015. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. This Statement requires that, at transition, a government recognizes a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The GASB issued Statement No. 72, Fair Value Measurement and Application in February 2015, and will be effective for the County in fiscal year 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The County has not yet determined the impact of this statement.

The GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in June 2015 and will be effective for the County in fiscal year 2018. This Statement replaces the requirement of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans for OPEB. This Statement establishes new accounting and financial reporting requirements for OPEB plans. The County has not yet determined the impact of this statement.

BOSQUE COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

5. NEW ACCOUNTING PRONOUNCEMENTS (Continued)

The GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments in June 2015 and will be effective for the County in fiscal year 2016. This Statement supersedes Statement No. 55, the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP Hierarchy” consists of the sources of accounting principles use to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use and authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The County has not yet determined the impact of this Statement.

The GASB issues Statement No. 77, Tax Abatement Disclosures in August 2015 and will be effective for the County in fiscal year 2017. This Statement requires governments that enter in tax abatement agreements to disclose 1) brief descriptive information about the abatement, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; 2) The gross dollar amount of taxes abated during the period; and 3) Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. The County has not yet determined the impact of this Statement.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes	\$ 6,118,477	\$ 6,118,477	\$ 6,053,352	\$ (65,125)
General sales and use taxes	477,500	477,500	588,758	111,258
Intergovernmental revenue and grants	508,219	508,219	423,813	(84,406)
Fines and fees	305,050	305,050	312,628	7,578
Forfeitures	1,000	1,000	5,363	4,363
Investment earnings	20,000	20,000	18,038	(1,962)
Other revenue	32,350	32,350	130,652	98,302
Total Revenues	<u>7,462,596</u>	<u>7,462,596</u>	<u>7,532,604</u>	<u>70,008</u>
EXPENDITURES:				
Current:				
General Government:				
Public finance	771,672	779,012	746,882	32,130
General administration	2,119,056	2,011,663	2,210,033	(198,370)
Judicial	1,159,704	1,214,022	1,202,439	11,583
Law enforcement	2,835,251	2,885,049	2,763,264	121,785
Debt Service:				
Debt principal-capital leases	-	-	101,126	(101,126)
Debt interest-capital leases	-	-	4,915	(4,915)
Capital Outlay:				
Capital outlay	253,200	263,615	248,078	15,537
Total Expenditures	<u>7,138,883</u>	<u>7,153,361</u>	<u>7,276,737</u>	<u>(123,376)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>323,713</u>	<u>309,235</u>	<u>255,867</u>	<u>(53,368)</u>
OTHER FINANCING SOURCES (USES):				
Other Revenue	-	-	1,898	1,898
Proceeds from sale of property	1,500	1,500	-	(1,500)
Transfers in	70,000	70,000	-	(70,000)
Transfers out	-	(521,349)	(526,649)	-
Insurance proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>71,500</u>	<u>(449,849)</u>	<u>(524,751)</u>	<u>(69,602)</u>
Change in Fund Balance	395,213	(140,614)	(268,884)	(122,970)
Fund Balance-Beginning	<u>2,516,208</u>	<u>2,516,208</u>	<u>2,516,208</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 2,911,421</u>	<u>\$ 2,375,594</u>	<u>\$ 2,247,324</u>	<u>\$ (122,970)</u>

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

BOSQUE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes	\$ 511,914	\$ 511,914	\$ 505,333	\$ (6,581)
Auto registrations	380,000	380,000	392,668	12,668
Intergovernmental revenue and grants	335,568	335,568	229,144	(106,424)
Fines and fees	416,000	416,000	377,557	(38,443)
Investment earnings	200	200	40	(160)
Total Revenues	<u>1,643,682</u>	<u>1,643,682</u>	<u>1,504,742</u>	<u>(138,940)</u>
EXPENDITURES:				
Current:				
Roads	2,137,603	2,157,626	1,639,562	518,064
Debt Service:				
Debt principal-capital leases	-	-	-	-
Debt interest-capital leases	-	-	-	-
Capital Outlay:				
Capital outlay	112,000	107,000	63,892	43,108
Total Expenditures	<u>2,249,603</u>	<u>2,264,626</u>	<u>1,703,454</u>	<u>561,172</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(605,921)</u>	<u>(620,944)</u>	<u>(198,712)</u>	<u>422,232</u>
OTHER FINANCING SOURCES (USES):				
Other revenue	4,000	4,000	88,125	84,125
Proceeds from capital leases	32,500	32,500	-	(32,500)
Transfers in	881,462	881,462	858,974	(22,488)
Transfers out (use)	(250,000)	(400,000)	(407,625)	(7,625)
Total Other Financing Sources (Uses)	<u>667,962</u>	<u>517,962</u>	<u>539,474</u>	<u>21,512</u>
Change in Fund Balance	62,041	(102,982)	340,762	443,744
Fund Balance-Beginning	234,259	234,259	234,259	-
Fund Balance-Ending	<u>\$ 296,300</u>	<u>\$ 131,277</u>	<u>\$ 575,021</u>	<u>\$ 443,744</u>

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

BOSQUE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes	\$ 30,456	\$ 30,456	\$ 30,209	\$ (247)
Investment earnings	50	50	84	34
Total Revenues	<u>30,506</u>	<u>30,506</u>	<u>30,293</u>	<u>(213)</u>
EXPENDITURES:				
Current:				
General Government:				
Major repairs	85,000	85,000	46,339	38,661
Capital Outlay:				
Capital outlay	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>
Total Expenditures	<u>165,000</u>	<u>165,000</u>	<u>46,339</u>	<u>(41,339)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	55,000	55,000	-	(55,000)
Transfers out (use)	-	-	-	-
Total Other Financing Sources (Uses)	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>
Change in Fund Balance	(79,494)	(79,494)	(16,046)	(96,552)
Fund Balance-Beginning	<u>664,755</u>	<u>664,755</u>	<u>664,755</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 585,261</u>	<u>\$ 585,261</u>	<u>\$ 648,709</u>	<u>\$ (96,552)</u>

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

BOSQUE COUNTY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
Last 10 Years (will ultimately be displayed)

Total Pension Liability	<u>2015</u>
Service Cost	\$ 318,363
Interest on total pension liability	638,921
Effect of plan changes	-
Effect of assumption changes or inputs	-
Effect of economic/demographic (gains) or losses	(105,477)
Benefit payments/refunds of contributions	<u>(385,900)</u>
Net Change in Total Pension Liability	465,907
Total Pension Liability, beginning	<u>7,921,023</u>
Total Pension Liability, ending (a)	<u><u>\$ 8,386,930</u></u>
Fiduciary Net Position	
Employer contributions	\$ 175,546
Member contributions	182,862
Investment income net of investment expenses	595,482
Benefit payments/refunds of contributions	(385,900)
Administrative expenses	(6,824)
Other	<u>(47,154)</u>
Net Change in Fiduciary Net Position	514,012
Fiduciary Net Position, beginning	<u>8,596,618</u>
Fiduciary Net Position, ending (b)	<u><u>\$ 9,110,630</u></u>
Net Pension Liability (Asset), ending = (a) - (b)	\$ (723,700)
Fiduciary net position as a % of total pension liability	108.63%
Pensionable covered payroll	\$ 3,629,498
Net pension liability as a % of covered payroll	-19.94%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented

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

BOSQUE COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Years (will ultimately be displayed)

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	Not Available	Not Available	Not Available	Not Available	Not Available
2006	49,492	140,604	(91,112)	2,812,073	5.0%
2007	57,757	147,339	(89,582)	2,946,780	5.0%
2008	52,825	159,113	(106,288)	3,182,250	5.0%
2009	54,527	175,894	(121,367)	3,517,872	5.0%
2010	74,638	252,401	(177,763)	3,605,722	7.0%
2011	68,340	88,067	(19,727)	3,522,655	2.5%
2012	70,841	85,146	(14,305)	3,405,794	2.5%
2013	113,043	146,796	(33,753)	3,364,368	4.4%
2014	174,216	175,546	(1,330)	3,629,498	4.8%

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

BOSQUE COUNTY, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

GENERAL BUDGET POLICIES

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

- The County Judge, as budget officer, with the assistance of the County Auditor, prepares a budget to cover all proposed expenditures and the means for financing them for the fiscal year beginning October 1, and submits the proposed budget to the Commissioners' Court. The budget is prepared on the modified accrual basis, which is consistent with the fund financial statements.
- The Commissioners' Court holds budget hearings for the public to make comments.
- The Commissioners' Court, prior to October 1, formally adopts the budget in an open court meeting.
- The adopted budget becomes the authorization for all legal expenditures for the County for the fiscal year. Appropriations lapse at the end of the fiscal year.

The formally adopted budget may be legally amended by commissioners in accordance with Article 689A-11 or 689A-20 of Vernon's Annotated Civil Statutes.

The County maintains its legal level of budgetary control at the department level. Amendments to the 2015 budget were approved by the Commissioners' Court as provided by law throughout the year. All departmental expenditures remained within the appropriations budgets for the year.

ENCUMBRANCES

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at September 30, and encumbrances outstanding at the time are to be either canceled or appropriately provided for in the subsequent year's budget. There were no end-of year outstanding encumbrances that were provided for in the subsequent year's budget.

RETIREMENT SCHEDULES

Valuation Date

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later. GASB 68, Paragraph 81.2.b requires that the data in the Schedule of Contributions be presented as of the District's current fiscal year as opposed to the valuation measurement date as provided in other schedules of these financial statements.

BOSQUE COUNTY, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT SCHEDULES (Continued)

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	3.5%
Investment Rate of Return	8.1%
Cost of Living Adjustments	Cost-of-Living Adjustments for Bosque County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of (a) age 60 or (b) earliest retirement eligibility. For all eligible members age 75 and older, retirement is assumed to occur immediately.
Turnover	The rate of assumed future termination from active participation in the plan for reasons other than death, disability, or retirement are calculated in a service-based table. The rates vary by length of service, entry-age group (age at hire) and sex.
Mortality	Mortality rates for depositing members were based on the RP-2000 Active Employee Mortality Table, for service retirees, beneficiaries and non-depositing members were based on RP-2000 Combined Mortality Table, and for disabled retirees were based on RP-2000 Disabled Mortality Table. Each rate was calculated for males and females as appropriate, with adjustments, with the projection scale AA

COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenue that is legally restricted to expenditures for particular purposes.

BOSQUE COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Probation	Record Preservation	Jury	Law Library
ASSETS				
Cash and cash equivalents	\$ 330	\$ 52,945	\$ 28,729	\$ 43,779
Investments-current	-	-	-	20,000
Taxes receivable	-	-	307	-
Due from other government	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	\$ 330	\$ 52,945	\$ 29,036	\$ 63,779
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Deficit cash	\$ 1	\$ -	\$ -	\$ -
Accounts payable	-	4,023	10	152
Due to other funds	-	-	-	-
Wages and salaries payable	-	320	-	-
Total Liabilities	1	4,343	10	152
Deferred Inflows:				
Deferred revenue	-	-	307	-
Fund Balances:				
Restricted	329	48,602	28,719	63,627
Unassigned	-	-	-	-
Total Fund Balances	329	48,602	28,719	63,627
Total Liabilities, Deferred Inflows and Fund Balances	\$ 330	\$ 52,945	\$ 29,036	\$ 63,779

County Attorney's Hot Check	District Attorney	Districts Attorney's Hot Check	D.A. Drug Forfeiture	Court Reporter	Security	Grant
\$ 11,147	\$ 81,346	\$ 8,681	\$ 12,069	\$ 14,306	\$ 3,072	\$ (893)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	147	-	-	-	-	-
<u>\$ 11,147</u>	<u>\$ 81,493</u>	<u>\$ 8,681</u>	<u>\$ 12,069</u>	<u>\$ 14,306</u>	<u>\$ 3,072</u>	<u>\$ (893)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	13,565	94	-	-	1,459	-
-	-	-	-	-	-	-
-	6,453	-	-	-	1,134	-
-	20,018	94	-	-	2,593	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11,147	61,475	8,587	12,069	14,306	-	-
-	-	-	-	-	479	(893)
<u>11,147</u>	<u>61,475</u>	<u>8,587</u>	<u>12,069</u>	<u>14,306</u>	<u>479</u>	<u>(893)</u>
<u>\$ 11,147</u>	<u>\$ 81,493</u>	<u>\$ 8,681</u>	<u>\$ 12,069</u>	<u>\$ 14,306</u>	<u>\$ 3,072</u>	<u>\$ (893)</u>

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

BOSQUE COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Special Forfeiture	Constable 1 Education	Constable 2 Education	Law Enforcement Education
ASSETS				
Cash and cash equivalents	\$ 5,185	\$ 4,503	\$ 1,429	\$ 4,559
Investments-current	-	-	-	-
Taxes receivable	-	-	-	-
Due from other government	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	\$ 5,185	\$ 4,503	\$ 1,429	\$ 4,559
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Deficit cash	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Wages and salaries payable	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows:				
Deferred revenue	-	-	-	-
Fund Balances:				
Restricted	5,185	4,503	1,429	4,559
Unassigned	-	-	-	-
Total Fund Balances	5,185	4,503	1,429	4,559
Total Liabilities, Deferred Inflows and Fund Balances	\$ 5,185	\$ 4,503	\$ 1,429	\$ 4,559

Constable 1 Special Forfeiture	D.A. Art 18 Special Forfeiture	JP 1 & 2 & District Clerk Tech Fees	Pre-Trial Fees	Voting Machine	Total Nonmajor Governmental Funds
\$ 19,064	\$ -	\$ 32,151	\$ 13,339	\$ 96	335,837
-	44,608	-	-	-	64,608
-	-	-	-	-	307
-	-	-	-	-	-
-	-	-	-	-	147
<u>\$ 19,064</u>	<u>\$ 44,608</u>	<u>\$ 32,151</u>	<u>\$ 13,339</u>	<u>\$ 96</u>	<u>\$ 400,899</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
-	-	-	-	3,780	23,083
-	-	-	-	-	-
-	-	-	-	-	7,907
-	-	-	-	3,780	30,991
-	-	-	-	-	307
19,064	44,608	32,151	13,339	(3,684)	370,015
-	-	-	-	-	(414)
<u>19,064</u>	<u>44,608</u>	<u>32,151</u>	<u>13,339</u>	<u>(3,684)</u>	<u>369,601</u>
<u>\$ 19,064</u>	<u>\$ 44,608</u>	<u>\$ 32,151</u>	<u>\$ 13,339</u>	<u>\$ 96</u>	<u>\$ 400,899</u>

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

BOSQUE COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Probation	Record Preservation	Jury	Law Library
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ 8,955	\$ -
Intergovernmental revenue and grants	-	-	6,868	-
Fines and fees	-	94,703	-	11,500
Forfeitures	-	-	3,223	-
Investment earnings	-	5	-	7
Total Revenues	<u>-</u>	<u>94,708</u>	<u>19,046</u>	<u>11,507</u>
EXPENDITURES:				
Current:				
General Government:				
Public finance	-	-	-	-
General administration	-	64,717	-	-
Judicial	-	-	16,567	3,948
Capital Outlay:				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>64,717</u>	<u>16,567</u>	<u>3,948</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>-</u>	<u>29,991</u>	<u>2,479</u>	<u>7,559</u>
OTHER FINANCING SOURCES (USES):				
Other revenue	-	-	165	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>165</u>	<u>-</u>
Net Change in Fund Balance	-	29,991	2,644	7,559
Fund Balance-Beginning	<u>329</u>	<u>18,611</u>	<u>26,075</u>	<u>56,068</u>
Fund Balance-Ending	<u>\$ 329</u>	<u>\$ 48,602</u>	<u>\$ 28,719</u>	<u>\$ 63,627</u>

County Attorney's Hot Check	District Attorney	Districts Attorney's Hot Check	D.A. Drug Forfeiture	Court Reporter	Security	Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	330,509	-	-	-	-	8,666
2,180	-	292	-	3,460	13,002	-
-	-	-	1,505	-	-	-
1	9	5	1	2	-	-
<u>2,181</u>	<u>330,518</u>	<u>297</u>	<u>1,506</u>	<u>3,462</u>	<u>13,002</u>	<u>8,666</u>
-	-	-	-	-	-	-
-	-	-	1,600	-	51,758	9,559
-	320,560	-	-	417	-	-
-	2,243	-	-	-	-	-
<u>-</u>	<u>322,803</u>	<u>-</u>	<u>1,600</u>	<u>417</u>	<u>51,758</u>	<u>9,559</u>
<u>2,181</u>	<u>7,715</u>	<u>297</u>	<u>(94)</u>	<u>3,045</u>	<u>(38,756)</u>	<u>(893)</u>
-	-	-	-	-	-	-
-	-	-	412	-	40,000	-
-	(412)	-	-	-	-	-
<u>-</u>	<u>(412)</u>	<u>-</u>	<u>412</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
2,181	7,303	297	318	3,045	1,244	(893)
8,966	54,172	8,290	11,751	11,261	(765)	-
<u>\$ 11,147</u>	<u>\$ 61,475</u>	<u>\$ 8,587</u>	<u>\$ 12,069</u>	<u>\$ 14,306</u>	<u>\$ 479</u>	<u>\$ (893)</u>

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

BOSQUE COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Forfeiture	Constable 1 Education	Constable 2 Education	Law Enforcement Education
REVENUES:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue and grants	-	-	-	-
Fines and fees	-	659	659	2,300
Forfeitures	632	-	-	-
Investment earnings	-	-	-	-
Total Revenues	<u>632</u>	<u>659</u>	<u>659</u>	<u>2,300</u>
EXPENDITURES:				
Current:				
General Government:				
Public finance	-	-	-	-
General administration	-	-	-	-
Judicial	-	610	-	-
Capital Outlay:				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>610</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>632</u>	<u>49</u>	<u>659</u>	<u>2,300</u>
OTHER FINANCING SOURCES (USES):				
Other revenue	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	632	49	659	2,300
Fund Balance-Beginning	<u>4,553</u>	<u>4,454</u>	<u>770</u>	<u>2,259</u>
Fund Balance-Ending	<u>\$ 5,185</u>	<u>\$ 4,503</u>	<u>\$ 1,429</u>	<u>\$ 4,559</u>

Constable 1 Special Forfeiture	D.A. Art 18 Special Forfeiture	JP 1 & 2 & District Clerk Tech Fees	Pre-Trial Fees	Voting Machine Fees	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,955
-	-	-	-	-	346,043
-	105	10,443	-	1,544	140,847
-	-	-	-	-	5,360
-	-	4	7	-	41
<u>-</u>	<u>105</u>	<u>10,447</u>	<u>7</u>	<u>1,544</u>	<u>501,246</u>
-	-	-	-	-	-
-	-	-	-	40,528	168,162
-	-	1,258	2,336	-	345,696
-	-	-	-	-	-
-	-	-	-	-	2,243
<u>-</u>	<u>-</u>	<u>1,258</u>	<u>2,336</u>	<u>40,528</u>	<u>516,101</u>
-	105	9,189	(2,329)	(38,984)	(14,855)
-	-	-	-	-	165
-	-	-	-	35,300	75,712
-	-	-	-	-	(412)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,300</u>	<u>75,465</u>
-	105	9,189	(2,329)	(3,684)	60,610
19,064	44,503	22,962	15,668	-	308,991
<u>\$ 19,064</u>	<u>\$ 44,608</u>	<u>\$ 32,151</u>	<u>\$ 13,339</u>	<u>\$ (3,684)</u>	<u>\$ 369,601</u>

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

ROAD AND BRIDGE FUND

**BOSQUE COUNTY, TEXAS
COMBINING BALANCE SHEET
ROAD AND BRIDGE FUNDS
SEPTEMBER 30, 2015**

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3
ASSETS			
Cash and cash equivalents	\$ 80,904	\$ 73,111	\$ 179,928
Investments-current	-	75,000	-
Taxes receivable	3,949	5,273	5,273
Intergovernmental receivables	7,478	7,478	7,478
Prepaid items	2,409	2,833	2,523
Total Assets	<u>\$ 94,740</u>	<u>\$ 163,695</u>	<u>\$ 195,202</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Deficit cash	\$ -	\$ -	\$ -
Accounts payable	31,887	13,193	14,710
Wages and salaries payable	6,463	5,409	5,246
Total Liabilities	<u>38,350</u>	<u>18,602</u>	<u>19,956</u>
Deferred inflows:			
Deferred revenue	<u>3,949</u>	<u>5,273</u>	<u>5,273</u>
Fund Balances:			
Nonspendable	2,409	2,833	2,523
Restricted	50,032	136,987	167,450
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>52,441</u>	<u>139,820</u>	<u>169,973</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 94,740</u>	<u>\$ 163,695</u>	<u>\$ 195,202</u>

Road and Bridge #4	Road and Bridge Maintenance	Fema Funds	Total Road and Bridge Funds
\$ 149,238	\$ 30,792	\$ 2,773	\$ 516,746
1,000	-	-	76,000
3,949	237	-	18,681
7,480	32,282	-	62,196
2,543	-	-	10,308
<u>\$ 164,210</u>	<u>\$ 63,311</u>	<u>\$ 2,773</u>	<u>\$ 683,931</u>
\$ -	\$ -	\$ -	\$ -
8,343	580	171	68,884
4,227	-	-	21,345
<u>12,570</u>	<u>580</u>	<u>171</u>	<u>90,229</u>
<u>3,949</u>	<u>237</u>	<u>-</u>	<u>18,681</u>
2,543	-	-	10,308
145,148	62,494	2,602	564,713
-	-	-	-
<u>147,691</u>	<u>62,494</u>	<u>2,602</u>	<u>575,021</u>
<u>\$ 164,210</u>	<u>\$ 63,311</u>	<u>\$ 2,773</u>	<u>\$ 683,931</u>

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

BOSQUE COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ROAD AND BRIDGE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3
REVENUES:			
Taxes:			
Property taxes	\$ 106,824	\$ 142,644	\$ 142,644
Auto registrations	98,167	98,167	98,167
Intergovernmental revenue and grants	64,780	7,478	49,118
Fines and fees	33,048	33,048	33,048
Investment earnings	-	14	-
Total Revenues	<u>302,819</u>	<u>281,351</u>	<u>322,977</u>
EXPENDITURES:			
Current:			
Roads	560,483	408,298	423,952
Debt Service:			
Debt principal - capital leases	-	-	-
Debt interest - capital leases	-	-	-
Capital Outlay:			
Capital outlay	40,392	4,199	-
Total Expenditures	<u>600,875</u>	<u>412,497</u>	<u>423,952</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>(298,056)</u>	<u>(131,146)</u>	<u>(100,975)</u>
OTHER FINANCING SOURCES (USES):			
Other revenue	15,421	5,731	10,042
Proceeds from capital leases	-	-	-
Transfers in	341,695	148,894	259,096
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>357,116</u>	<u>154,625</u>	<u>269,138</u>
Net Change in Fund Balance	59,060	23,479	168,163
Fund Balance-Beginning	<u>(6,619)</u>	<u>116,341</u>	<u>1,810</u>
Fund Balance-Ending	<u>\$ 52,441</u>	<u>\$ 139,820</u>	<u>\$ 169,973</u>

Road and Bridge #4	Road and Bridge Maintenance	Fema Funds	Total Road and Bridge Funds
\$ 106,824	\$ 6,397	\$ -	\$ 505,333
98,167	-	-	392,668
18,532	89,236	-	229,144
33,048	245,365	-	377,557
<u>6</u>	<u>20</u>	<u>-</u>	<u>40</u>
<u>256,577</u>	<u>341,018</u>	<u>-</u>	<u>1,504,742</u>
238,906	7,923	-	1,639,562
-	-	-	-
-	-	-	-
<u>19,301</u>	<u>-</u>	<u>-</u>	<u>63,892</u>
<u>258,207</u>	<u>7,923</u>	<u>-</u>	<u>1,703,454</u>
<u>(1,630)</u>	<u>333,095</u>	<u>-</u>	<u>(198,712)</u>
11,699	45,232	-	88,125
-	-	-	-
109,289	-	-	858,974
-	(407,625)	-	(407,625)
<u>120,988</u>	<u>(362,393)</u>	<u>-</u>	<u>539,474</u>
119,358	(29,298)	-	340,762
<u>28,333</u>	<u>91,792</u>	<u>2,602</u>	<u>234,259</u>
<u>\$ 147,691</u>	<u>\$ 62,494</u>	<u>\$ 2,602</u>	<u>\$ 575,021</u>

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

BOSQUE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE PRECINCT 1
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes	\$ 108,215	\$ 108,215	\$ 106,824	\$ (1,391)
Auto registrations	95,000	95,000	98,167	3,167
Intergovernmental revenue and grants	68,892	68,892	64,780	(4,112)
Fines and fees	41,000	41,000	33,048	(7,952)
Investment earnings	-	-	-	-
Total Revenues	<u>313,107</u>	<u>313,107</u>	<u>302,819</u>	<u>(10,288)</u>
EXPENDITURES:				
Current:				
Roads	604,301	624,681	560,483	64,198
Debt Service:				
Debt principal-capital leases	-	-	-	-
Debt interest-capital leases	-	-	-	-
Capital Outlay:				
Capital outlay	<u>50,000</u>	<u>40,500</u>	<u>40,392</u>	<u>108</u>
Total Expenditures	<u>654,301</u>	<u>665,181</u>	<u>600,875</u>	<u>64,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(341,194)</u>	<u>(352,074)</u>	<u>(298,056)</u>	<u>54,018</u>
OTHER FINANCING SOURCES (USES):				
Other revenue	-	-	15,421	15,421
Sale of real and personal property	-	-	-	-
Proceeds from capital leases	32,500	32,500	-	(32,500)
Transfers in	<u>341,695</u>	<u>341,695</u>	<u>341,695</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>374,195</u>	<u>374,195</u>	<u>357,116</u>	<u>(17,079)</u>
Change in Fund Balance	33,001	22,121	59,060	36,939
Fund Balance-Beginning	<u>(6,619)</u>	<u>(6,619)</u>	<u>(6,619)</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 26,382</u>	<u>\$ 15,502</u>	<u>\$ 52,441</u>	<u>\$ 36,939</u>

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

BOSQUE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE PRECINCT 2
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes	\$ 144,502	\$ 144,502	\$ 142,644	\$ (1,858)
Auto registrations	95,000	95,000	98,167	3,167
Intergovernmental revenue and grants	68,892	68,892	7,478	(61,414)
Fines and fees	41,000	41,000	33,048	(7,952)
Investment earnings	150	150	14	(136)
Total Revenues	<u>349,544</u>	<u>349,544</u>	<u>281,351</u>	<u>(68,193)</u>
EXPENDITURES:				
Current:				
Roads	498,328	495,856	408,298	87,558
Debt Service:				
Debt principal-capital leases	-	-	-	-
Capital Outlay:				
Capital outlay	-	4,500	4,199	301
Total Expenditures	<u>498,328</u>	<u>500,356</u>	<u>412,497</u>	<u>87,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(148,784)</u>	<u>(150,812)</u>	<u>(131,146)</u>	<u>19,666</u>
OTHER FINANCING SOURCES (USES):				
Other revenue	-	-	5,731	5,731
Sale of real and personal property	-	-	-	-
Proceeds from capital leases	-	-	-	-
Transfers in	148,894	148,894	148,894	-
Transfers out (use)	-	-	-	-
Total Other Financing Sources (Uses)	<u>148,894</u>	<u>148,894</u>	<u>154,625</u>	<u>5,731</u>
Change in Fund Balance	110	(1,918)	23,479	25,397
Fund Balance-Beginning	<u>116,341</u>	<u>116,341</u>	<u>116,341</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 116,451</u>	<u>\$ 114,423</u>	<u>\$ 139,820</u>	<u>\$ 25,397</u>

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

BOSQUE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE PRECINCT 3
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes	\$ 144,502	\$ 144,502	\$ 142,644	\$ (1,858)
Auto registrations	95,000	95,000	98,167	3,167
Intergovernmental revenue and grants	68,892	68,892	49,118	(19,774)
Fines and fees	41,000	41,000	33,048	(7,952)
Investment earnings	-	-	-	-
Total Revenues	<u>349,394</u>	<u>349,394</u>	<u>322,977</u>	<u>(26,417)</u>
EXPENDITURES:				
Current:				
Roads	576,390	576,690	423,952	152,738
Debt Service:				
Debt principal-capital leases	-	-	-	-
Debt interest-capital leases	-	-	-	-
Capital Outlay:				
Capital outlay	<u>32,000</u>	<u>32,000</u>	<u>-</u>	<u>32,000</u>
Total Expenditures	<u>608,390</u>	<u>608,690</u>	<u>423,952</u>	<u>184,738</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(258,996)</u>	<u>(259,296)</u>	<u>(100,975)</u>	<u>158,321</u>
OTHER FINANCING SOURCES (USES):				
Other revenue	-	-	10,042	(10,042)
Sale of real and personal property	-	-	-	-
Proceeds from capital leases	-	-	-	-
Transfers in	<u>259,096</u>	<u>259,096</u>	<u>259,096</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>259,096</u>	<u>259,096</u>	<u>269,138</u>	<u>(10,042)</u>
Change in Fund Balance	100	(200)	168,163	148,279
Fund Balance-Beginning	<u>1,810</u>	<u>1,810</u>	<u>1,810</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 1,910</u>	<u>\$ 1,610</u>	<u>\$ 169,973</u>	<u>\$ 148,279</u>

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

BOSQUE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE PRECINCT 4
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes	\$ 108,215	\$ 108,215	\$ 106,824	\$ (1,391)
Auto registrations	95,000	95,000	98,167	3,167
Intergovernmental revenue and grants	68,892	68,892	18,532	(50,360)
Fines and fees	41,000	41,000	33,048	(7,952)
Investment earnings	-	-	6	6
Total Revenues	<u>313,107</u>	<u>313,107</u>	<u>256,577</u>	<u>(56,530)</u>
EXPENDITURES:				
Current:				
Roads	418,584	420,399	238,906	181,493
Debt Service:				
Debt principal-capital leases	-	-	-	-
Debt interest-capital leases	-	-	-	-
Capital Outlay:				
Capital outlay	30,000	30,000	19,301	10,699
Total Expenditures	<u>448,584</u>	<u>450,399</u>	<u>258,207</u>	<u>192,192</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(135,477)</u>	<u>(137,292)</u>	<u>(1,630)</u>	<u>135,662</u>
OTHER FINANCING SOURCES (USES):				
Sale of real and personal property	4,000	4,000	-	(4,000)
Other revenues	-	-	11,699	11,699
Transfers in	131,777	131,777	109,289	(22,488)
Transfers out (use)	-	-	-	-
Total Other Financing Sources (Uses)	<u>135,777</u>	<u>135,777</u>	<u>120,988</u>	<u>(14,789)</u>
Change in Fund Balance	300	(1,515)	119,358	120,873
Fund Balance-Beginning	<u>28,333</u>	<u>28,333</u>	<u>28,333</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 28,633</u>	<u>\$ 26,818</u>	<u>\$ 147,691</u>	<u>\$ 120,873</u>

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

BOSQUE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE MAINTENANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes	\$ 6,480	\$ 6,480	\$ 6,397	\$ (83)
Intergovernmental revenue and grants	60,000	60,000	89,236	29,236
Fines and fees	252,000	252,000	245,365	(6,635)
Investment earnings	50	50	20	(30)
Total Revenues	<u>318,530</u>	<u>318,530</u>	<u>341,018</u>	<u>22,488</u>
EXPENDITURES:				
Current:				
Roads	40,000	40,000	7,923	32,077
Debt Service:				
Debt principal-capital leases	-	-	-	-
Debt interest-capital leases	-	-	-	-
Capital Outlay:				
Capital outlay	-	-	-	-
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>7,923</u>	<u>32,077</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>278,530</u>	<u>278,530</u>	<u>333,095</u>	<u>54,565</u>
OTHER FINANCING SOURCES (USES):				
Sale of real and personal property	-	-	-	-
Other revenues	-	-	45,232	45,232
Transfers in	-	-	-	-
Transfers out (use)	(250,000)	(400,000)	(407,625)	(7,625)
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(400,000)</u>	<u>(362,393)</u>	<u>37,607</u>
Change in Fund Balance	28,530	(121,470)	(29,298)	92,172
Fund Balance-Beginning	<u>91,792</u>	<u>91,792</u>	<u>91,792</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 120,322</u>	<u>\$ (29,678)</u>	<u>\$ 62,494</u>	<u>\$ 92,172</u>

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

BOSQUE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FEMA FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Administration Fees	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES:				
Current:				
FEMA Expense	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance-Beginning	2,602	2,602	2,602	-
Fund Balance-Ending	\$ 2,602	\$ 2,602	\$ 2,602	\$ -

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

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

BOSQUE COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BALANCE OCTOBER 1 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
SHERIFF'S DEPARTMENT				
Assets:				
Cash and cash equivalents	\$ 8,965	\$ 46,523	\$ 47,132	\$ 8,356
Liabilities:				
Due to others	\$ 8,965	\$ 46,523	\$ 47,132	\$ 8,356
COUNTY ATTORNEY				
Assets:				
Cash and cash equivalents	\$ 22,135	\$ 16,609	\$ 18,163	\$ 20,581
Liabilities:				
Due to others	\$ 22,135	\$ 16,609	\$ 18,163	\$ 20,581
COUNTY CASH BOND				
Assets:				
Cash and cash equivalents	\$ 19,854	\$ -	\$ 19,854	\$ -
Liabilities:				
Due to others	\$ 19,854	\$ -	\$ 19,854	\$ -
DISTRICT CASH BOND				
Assets:				
Cash and cash equivalents	\$ 21,268	\$ -	\$ 21,268	\$ -
Liabilities:				
Due to others	\$ 21,268	\$ -	\$ 21,268	\$ -
DISTRICT CLERK				
Assets:				
Cash and cash equivalents	\$ 298,228	\$ 187,843	\$ 386,353	\$ 99,718
Liabilities:				
Due to others	\$ 298,228	\$ 187,843	\$ 386,353	\$ 99,718
COUNTY CLERK				
Assets:				
Cash and cash equivalents	\$ 176,358	\$ 7,024	\$ 39,612	\$ 143,770
Liabilities:				
Due to others	\$ 176,358	\$ 7,024	\$ 39,612	\$ 143,770

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

BOSQUE COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BALANCE SEPTEMBER 30 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
TAX ASSESSOR/COLLECTOR				
Assets:				
Cash and cash equivalents	\$ 501,928	\$ 27,095,758	\$ 27,130,757	\$ 466,929
Liabilities:				
Due to others	\$ 501,928	\$ 27,095,758	\$ 27,130,757	\$ 466,929
HISTORICAL COMMISSION				
Assets:				
Cash and cash equivalents	\$ 9,025	\$ -	\$ 9,025	\$ -
Liabilities:				
Due to others	\$ 9,025	\$ -	\$ 9,025	\$ -
JUSTICE OF THE PEACE #1				
Assets:				
Cash and cash equivalents	\$ 23,824	\$ 95,929	\$ 110,794	\$ 8,959
Liabilities:				
Due to others	\$ 23,824	\$ 95,929	\$ 110,794	\$ 8,959
JUSTICE OF THE PEACE #2				
Assets:				
Cash and cash equivalents	\$ 21,228	\$ 48,819	\$ 70,047	\$ -
Liabilities:				
Due to others	\$ 21,228	\$ 48,819	\$ 70,047	\$ -
TREASURER'S COURT COSTS				
Assets:				
Cash and cash equivalents	\$ 28,810	\$ -	\$ 28,810	\$ -
Investments	-	-	-	-
Total Assets	\$ 28,810	\$ -	\$ 28,810	\$ -
Liabilities:				
Due to others	\$ 28,810	\$ -	\$ 28,810	\$ -

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

BOSQUE COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BALANCE SEPTEMBER 30 2014	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2015
BOSQUE CO. AGRICULTURE				
Assets:				
Cash and cash equivalents	\$ 3,936	\$ -	\$ 3,936	\$ -
Liabilities:				
Due to others	\$ 3,936	\$ -	\$ 3,936	\$ -
EXTENSION PROGRAM COUNCIL				
Assets:				
Cash and cash equivalents	\$ 1,904	\$ -	\$ 1,904	\$ -
Liabilities:				
Due to others	\$ 1,904	\$ -	\$ 1,904	\$ -
TOTAL AGENCY FUNDS				
Assets:				
Cash and cash equivalents	\$ 1,137,463	\$ 27,498,505	\$ 27,887,655	\$ 748,313
Investments	-	-	-	-
Total Assets	\$ 1,137,463	\$ 27,498,505	\$ 27,887,655	\$ 748,313
Liabilities:				
Due to others	\$ 1,137,463	\$ 27,498,505	\$ 27,887,655	\$ 748,313
Total Liabilities	\$ 1,137,463	\$ 27,498,505	\$ 27,887,655	\$ 748,313

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