



BURNET COUNTY, TEXAS

Comprehensive Annual Financial Report

For the Year Ended
September 30, 2015

BURNET COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended September 30, 2015

Prepared By

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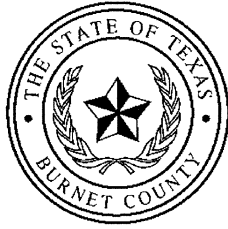
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INTRODUCTORY SECTION



THE COUNTY OF BURNET

BURNET, TEXAS 78611

March 30, 2016

To the Honorable District Judges, County Judge, County Commissioners and the Citizens of the County of Burnet:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the County of Burnet for the year ended September 30, 2015. This report is prepared by the County Auditor's office which is responsible for both the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the County.

This report has been prepared in accordance with generally accepted accounting principles (GAAP) for governments as promulgated by the Government Accounting Standards Board (GASB). To demonstrate further public accountability, the independent accounting firm of Davis Kinard & Co, PC, whose report is included herein, has audited the County's financial statements. The independent auditors' report is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, *Audits of State and Local Governments*.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the auditor's report.

PROFILE OF BURNET COUNTY

The financial statements present information on the financial position and operations of County government as a single comprehensive reporting entity. The various agencies, departments, boards, commissions and accounts of the County that constitute the County reporting entity are included in this report in accordance with criteria established by the GASB. The reporting entity consists of all the funds of the primary government (Burnet County).

The County provides a full range of services authorized by statute. Such services include general governmental functions such as recording and licensing, maintaining the County and District Court systems, maintaining public facilities, ensuring public safety, maintaining public health and welfare, aiding conservation and maintaining County roads and bridges. The costs associated with these services are presented within the financial statements in detail and summary form.

The County receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the County is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Government Accounting and Financial Reporting Standards, since County Commissioners and the County Judge are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The Burnet County Government is administered under a Commissioners’ Court system. The five-member Court is comprised of the County Judge and four Commissioners. The Commissioners are elected by precinct and the County Judge is elected at large. The County Judge is the presiding officer of the County Commissioners’ Court. The Court is responsible for setting the County’s annual tax rate, approving the tax roll and supervising all expenditures of County money. The Court is also responsible for issuing bonds to finance capital improvements. The County Judge is elected to a four-year term. Commissioners are elected to four-year staggered terms with two Commissioners elected every two years.

Internal Controls

The County’s internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that evaluation of costs and benefits requires estimates and judgments by management. A fulltime staff internal auditor has been assigned to perform these internal reviews, greatly enhancing the internal control process.

Budgetary Controls

The annual budget serves as the foundation for the County’s planning and control. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Commissioners’ Court. Activities of the General Fund, Special Revenue Funds and Debt Service Fund are included in the annual appropriated budget. Project length financial plans are adopted for the Capital Project Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level within each fund. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

The budgetary basis of accounting required by Local Government Code differs materially from the basis used to report revenues and expenditures in accordance with GAAP. In addition, the County’s budget is developed according to the statutorily required fund structure that differs extensively from the fund structure used in financial statements.

ECONOMIC CONDITION AND OUTLOOK

Community Profile

Burnet County, located in the Texas Hill Country, is 55 miles west of Austin and 100 miles north of San Antonio. The County covers 996 square miles with the Colorado River serving as the western boundary. The Llano River merges with the Colorado River in the southern portion of the County. A network of flood control dams has been built along this watershed creating a chain of five lakes in the county. The lakes coupled along with the excellent whitetail deer hunting and beautiful landscape make Burnet County one of the “hot spots” for tourism in the State of Texas.

The County, traversed by U.S. Highways 29, 71, 183 and 281, has a limited economy based on stone processing, tourism and agriculture. Activities that attract tourists to Burnet include hunting, fishing, water sports, Longhorn Caverns and Inks Lake State Park.

The duties and specific responsibilities of county government are unlike those of other entities, be they school, or special districts, however the differentiations are complimentary and not conflicting nor repetitive. Therefore, the role of the County and how its public servants are bringing those services to the citizens is our focus.

The primary components of the County’s services are public administration, criminal justice, facilities and infrastructure and public health and safety. Intertwined and commingled among these are the same guiding criteria as stated in our Mission Statement, as given below that apply to all of our service endeavors.

Mission Statement

The mission of Burnet County is to maintain overall efficient and financial management of county resources and provide services desired by the people of Burnet County and mandated by state and federal law. We are here to serve.

The County’s budget has maintained consistent service levels with a steady tax rate without taking on large amounts of bonded debt, all being accomplished in the face of an ever erratic economy, increasing operational expenses and diminishing available revenues.

The criminal justice requirements for County government account for more than one-half of all expenditures, excluding debt service. Included in this category are law enforcement, jail, prosecution and judiciary. Numerous policy, procedures and projects, implemented and planned, will hopefully hold the expenditures relatively constant or possibly reduce the costs for these services with increased efficiencies.

The value of the public’s tangible assets, excluding cash, such as land, buildings, equipment and vehicles exceeds \$49 million. The County continues to upgrade and maintain all these assets, with additional capital improvements to County facilities including the County jail, facility and equipment upgrades in the Road and Bridge and County radio communications towers and systems.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

The economy in the County remained somewhat steady in 2015. The construction industry continues to provide many jobs in the Central Texas area. Burnet has estimated its population to be 42,750 at September 2010. This represents a 25% increase in population since the 2000 census. The growth can be attributed to factors such as a large influx of retirement age citizens and the County's close proximity to the City of Austin. Numerous small businesses and some nationally recognized chains have opened in direct response to the growth of the county.

The cities of Burnet and Marble Falls continue to make aggressive efforts to attract job-producing industries into the County. A new 60-bed full hospital located in the south end of the county was completed in 2015.

Increasing growth creates challenges such as demand for increased services. Property values for FY 2014-2015 reflected a slight increase. The certified tax roll shows an increase of \$296,881,664 in value over the 2013-2014 roll. The County relies heavily on ad valorem taxes for its operating resources. Tax revenues generated from new construction were increased slightly over the last year. The Burnet and Marble Falls school districts are also realizing some growing pains due to the slight rise in school enrollments.

There are two pressing issues that will have a financial impact on the County and its citizens:

- 1) Legislative activities to cap or restrict Ad Valorem taxes and appraisals.
- 2) Program and facility expansions to keep up with growth and demand on services.

The last three sessions of the Texas Legislature has been primarily focused on legislation that would limit local governments' ability to increase its Ad Valorem taxes as well as limiting the appraisal values on homesteads. Texas Counties rely primarily on Ad Valorem taxes as its major funding source for operational expenses. Local governments have been successful so far in battling the potential budget buster bills from passing; however, this next session promises to have a more united front and may get the necessary support to enact such legislation. If this type of legislation was to pass, counties across the state will be forced to reduce, if not eliminate, programs that are non-mandated (i.e. libraries, fire departments, EMS) in order to balance the budget.

Long-Term Financial Planning

The County has previously authorized the issuance of General Obligation Bonds. Proceeds from issues have been used for building renovation projects, right-of-way projects, technology equipment, and phone system upgrades. The County issued \$14,845,000 in Certificate of Obligations in June of 2015. The proceeds of that issuance were used to purchase the jail building from the Burnet County Public Facilities Corporation.

The County also works with its financial advisor to monitor the conditions of the tax-exempt credit market and issue refunding debt to defease outstanding obligations, when it can lower its cost of money.

At September 30, 2015, Burnet County had two (2) debt issues outstanding. The outstanding principal balance of the issues is \$15,820,000 and interest of \$7,740,518, for a grand total outstanding debt of

\$23,560,518 in certificates of obligation. According to the Constitution of the State of Texas, Burnet County's outstanding bonded debt is limited to an amount not exceeding 25% of the assessed taxable value of real property in the County.

The County has issued debt obligations, and in the process submitted financial information to various rating agencies. Based on the submission of that information, the Burnet County Commissioners' Court has determined that the County maintain adequate reserves for operating expense in the amount of not less than 25 percent of the operating expense in the General Fund.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to Burnet County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014. This was the twenty-second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of the CAFR on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the County Auditor's office and the competent services of the independent auditors. We also thank the members of the Commissioners' Court and their staff and all other County officials and employees who have given their support in planning and conducting the financial operations of the County in a responsible manner.

Respectfully submitted,

Karen L. Lester, CPA

County Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Burnet County
Texas**

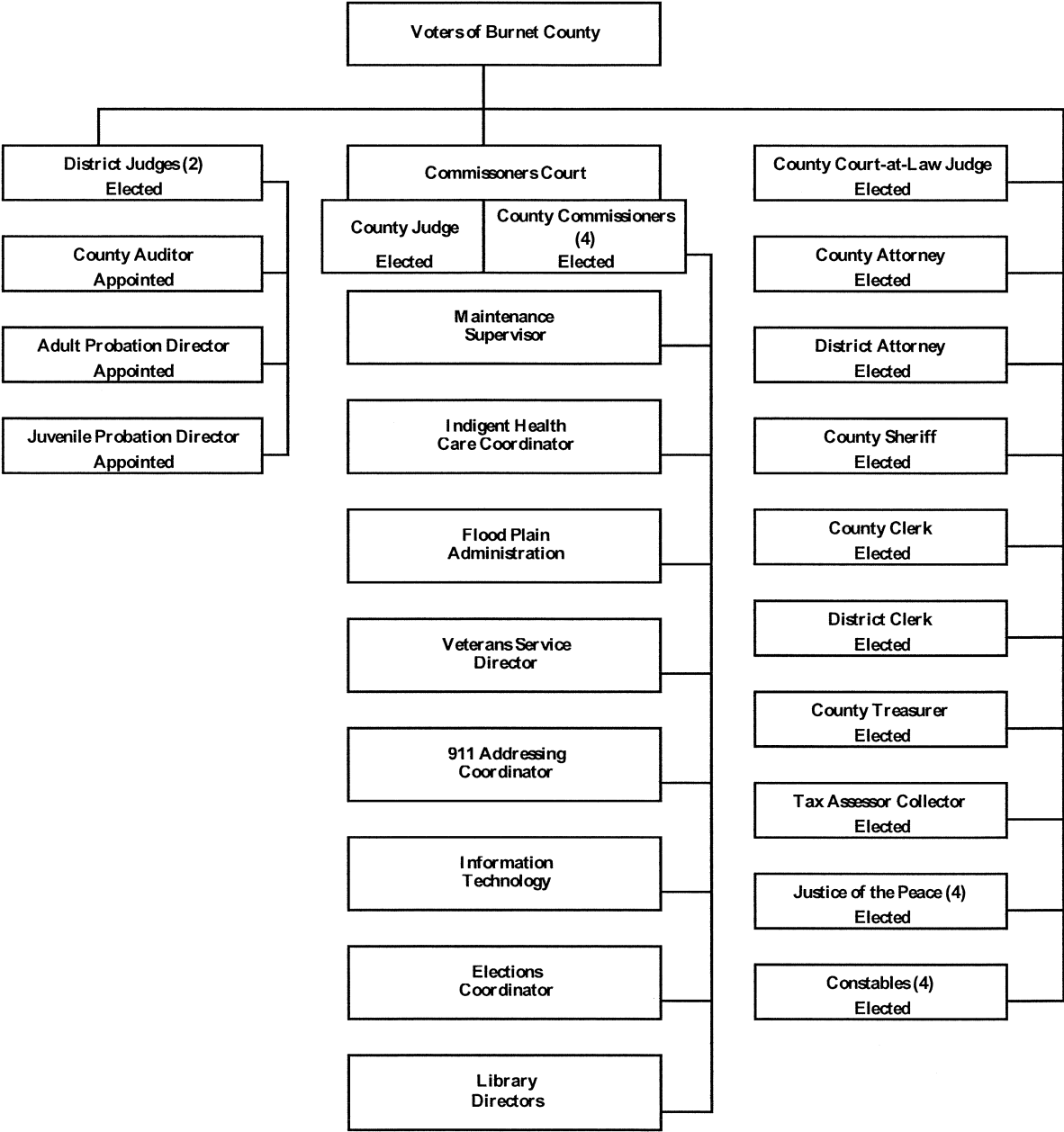
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

BURNET COUNTY ORGANIZATIONAL

CHART SEPTEMBER 2015



BURNET COUNTY, TEXAS

PRINCIPAL OFFICIALS

September 30, 2015

COMMISSIONERS

Bill Neve
Russell Graeter
Ronny Hibler
Joe Don Dockery

COUNTY ADMINISTRATIVE JUDGE

James Oakley

OTHER OFFICIALS

Linda Bayless	County Court-at-Law Judge
Eduardo Arredondo	County Attorney
Janet Parker	County Clerk
Casie Walker	District Clerk
Karen Lester	County Auditor
Karrie Crownover	County Treasurer
Sheri Frazier	Tax Assessor-Collector
W.T. Smith	County Sheriff
Calvin Boyd	Justice of Peace, Precinct 1
Lisa Whitehead	Justice of Peace, Precinct 2
Peggy Simon	Justice of Peace, Precinct 3
Guilford Jones	Justice of Peace, Precinct 4
Mike Harnisch	Constable, Precinct 1
Garry Adams	Constable, Precinct 2
Robert Ballard	Constable, Precinct 3
Chris Jett	Constable, Precinct 4

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

To the Honorable Judge and
Members of the Commissioners Court
Burnet County, Texas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the basic financial statements, the County implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, during the year ended September 30, 2015, which requires recognition of its net pension liability and a more comprehensive measure of pension expense. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the General Fund Budgetary Comparison Schedule, Road and Bridge Budgetary Comparison Schedule, Grants Fund Budgetary Comparison Schedule, Schedule of Changes in Net Pension Liability and Related Ratios, and Schedule of Employer Contributions on pages 3 through 11 and 51 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements (including the budgetary comparison schedules for nonmajor funds) and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Certified Public Accountants

Abilene, Texas
March 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Burnet County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended September 30, 2015. The MD&A should be read in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to the County's financial statements.

FINANCIAL HIGHLIGHTS

- Burnet County's total combined net position was \$20.1 million at September 30, 2015. The actual increase from current year operations is \$1.4 million. Of this amount, \$6.2 million (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designation fiscal policies.
- During fiscal year 2015, the County adopted GASB Statement No. 68 Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27, resulting in the County recording its proportionate share of the net pension liability of \$5.1 million and deferred outflows of resources of \$2.1 million. The comparative information presented for September 30, 2014 has not been restated to reflect this change. See Note 11 for further information.
- During the year, the County's governmental fund expenditures were \$15.3 million more than the \$26.5 million generated in taxes and other revenues.
- The General Fund reported a fund balance this year of \$7.8 million. All but \$2.6 million is available for spending at the government's discretion.
- Burnet County's revenues from grant sources were \$1.4 million in FY2015, a decrease of \$144 thousand or 10% less than last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *Government-Wide Financial Statements* that provide both *long-term* and *short-term* information about the County's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the government, reporting the County's operations in *more detail* than the government-wide statements.
- The *Governmental Funds* statements tell how general government services were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary Fund* statements provide information about the financial relationships in which the County acts solely as a *trustee* or *agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Figure A-1 summarizes the major features of the County’s financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of the overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**FIGURE A-1
MAJOR FEATURES OF THE COUNTY’S GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

<i>Type of Statement</i>	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency’s government (except fiduciary funds)	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses: self-insurance	Instances in which the County is the trustee or agent for someone else’s resources
Required financial statements	Statement of net position Statement of activities	Balance Sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of Changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency’s funds do not currently contain capital assets, although they can
Type of flow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-Wide Statements

The Government-Wide Statements are designed to provide readers with a broad overview of Burnet County’s finances, using accounting methods similar to those used by private-sector companies. The *statement of net position* (page 12) presents information on all of Burnet County’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net positions may serve as a useful indicator of whether Burnet County’s financial position is improving or deteriorating when examined in conjunction with non-financial factors. The *statement of activities* (pages 13-14) presents information showing how the government’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Both of these Government-Wide Financial Statements distinguish functions of Burnet County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, public safety, public transportation, health and welfare, culture and recreation, conservation and debt service. These activities are financed primarily by property taxes.

Burnet County has a discretely-presented component unit (Burnet County Public Facilities Corporation). The Burnet County Public Facilities Corporation is a nonprofit corporation created under Texas Local Government Code Section 303 on November 2, 2007. During 2008 the Corporation issued revenue bonds totaling \$35,380,000 to fund the construction of a new jail. In June 2015 Burnet County purchased jail from Public Facilities Corp and Public Facilities Corp was dissolved in August 2015. Further information regarding this discretely-presented component unit is included in the Summary of Significant Accounting Policies in Note 1 of the Notes to the Financial Statements.

Fund Financial Statements

The Fund Financial Statements provide more detailed information about Burnet County's most significant funds – not the County as a whole. Funds are groupings of related accounts that the County uses to keep track of specific sources of funding and spending for particular purposes. Burnet County, like other state and local governments, uses funds to show compliance with finance-related legal requirements as well as to control and manage money for other particular purposes. The County has three kinds of funds: governmental, proprietary and fiduciary.

- **Governmental funds** – Most of the County's basic services are included in governmental funds, which focus on short-term inflows and outflows of available resources and the balances of these resources that are available at the end of the year. 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 Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*. These reconciliations can be found on pages 17 and 20-21 of the basic financial statements section.

The County maintains nineteen individual governmental funds; however, four road and bridge funds are consolidated for report purposes, resulting in a report total of fifteen governmental funds. Information is presented separately in the governmental fund statements for the general fund, road and bridge fund (consolidated), grants fund, county jail fund, debt service fund and capital projects fund, which are considered to be major funds. Individual fund data for non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its funds. Budgetary comparison schedules have been provided on pages 51-58 and pages 67-74 to demonstrate compliance with this budget.

- **Proprietary funds** – Proprietary funds consist of two types of funds, enterprise and internal service funds. At this time, Burnet County has no enterprise funds. *Internal service funds* report activities that provide services and supplies for the County's other programs and activities. The internal service fund is presented in the proprietary fund financial statements on pages 22-24.
- **Fiduciary funds** – The County is the trustee, or *fiduciary*, for certain funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position, found on page 25. Fiduciary funds are not reflected in the government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

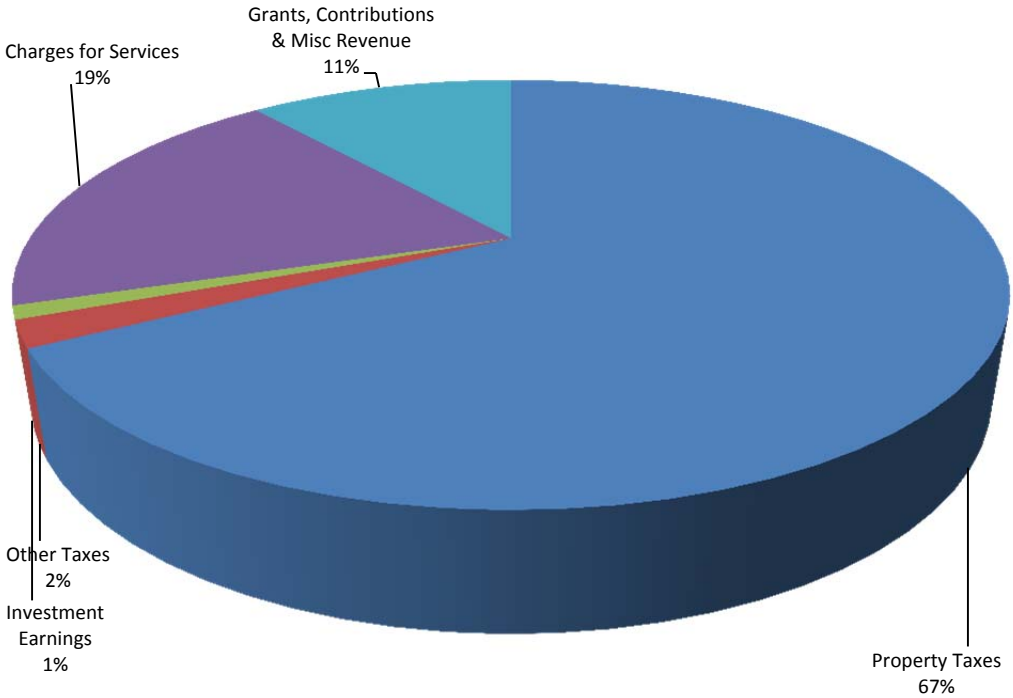
Burnet County’s combined net position was approximately \$20.1 million at September 30, 2015. By far the largest portion of the County’s net position reflects its investment in capital assets (e.g. land, buildings, machinery, equipment), less accumulated depreciation and any related outstanding debt. An additional portion of the County’s net position (approximately 13.4%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the County’s ongoing obligations to citizens and creditors.

**Table A-1
Burnet County’s Net Position**

	Governmental Activities	
	2015	2014 (not restated)
Current and Other Assets	\$ 14,462,372	\$ 13,529,936
Capital Assets	28,043,334	13,540,492
Total Assets	42,505,706	27,070,428
Deferred Outflows of Resources	2,171,780	43,694
Current Liabilities	3,495,567	2,080,909
Long Term Liabilities	21,064,949	2,749,800
Total Liabilities	24,560,516	4,830,709
Net position:		
Net investment in capital assets	11,223,818	11,133,474
Restricted	2,703,255	3,877,891
Unrestricted	6,189,897	7,272,048
Total Net Position	\$ 20,116,970	\$ 22,283,413

A portion of the County’s net position \$2.7 million, represents resources that are subject to external restriction on how they may be used. The remaining balance \$6.2 million of unrestricted net position may be used to meet the County’s ongoing obligation to citizens and creditors in accordance with the County’s fund designation and fiscal policies. The overall financial condition of the county remained steady from FY2014 to FY2015.

Governmental Activities – Total revenues for the fiscal year ended September 30th were \$27.5 million. Approximately 69% of the County’s revenue comes from taxes, with 67% from property taxes alone. Property tax revenue increased 5.6% due to an increase in the ad valorem rate. Expenses increased by \$2.3 million from the prior year. For the most part, this reflects a cost increase of Burnet County resuming operations of the Burnet County Jail. The graph below shows the sources of revenues for FY2015. Table A-2 shows the changes in net position between FY2014 and FY2015.



SOURCES OF REVENUE FOR FY 2015

Table A-2 Burnet County Changes in Net Position

	Governmental Activities	
	2015	2014 (not restated)
REVENUES:		
Program Revenues		
Charges for Services	\$ 5,258,681	\$ 4,200,801
Grants and Contributions	1,855,659	1,764,627
General Revenues		
Property Taxes	18,516,562	17,535,790
Other Taxes	434,747	402,748
Investment Earnings	154,339	53,603
Other Revenue, Not Restricted	1,256,892	639,551
Total Revenues	<u>27,476,880</u>	<u>24,597,120</u>
EXPENSES:		
General Government	10,009,382	9,836,316
Public Safety	10,671,618	9,213,061
Public Transportation	2,950,608	2,925,573
Health and Welfare	540,270	618,282
Culture and Recreation	811,745	786,521
Conservation	250,383	256,130
Debt Service	821,885	87,962
Total Expenses	<u>26,055,891</u>	<u>23,723,845</u>
INCREASE IN NET POSITION	1,420,989	873,275
NET POSITION, BEGINNING	22,283,413	21,218,399
Prior Period Adjustment	(3,587,432)	191,739
NET POSITION, ENDING	<u>\$ 20,116,970</u>	<u>\$ 22,283,413</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of the end of the fiscal year, Burnet County's governmental funds reported a *combined* fund balance of \$11.3 million, an increase of \$1.3 million or 13% in comparison with the prior year. Approximately 46% of this total amount (\$5.2 million) is *unassigned* fund balance, which is available for spending at the government's discretion. The remainder of fund balance is divided among assigned fund balance of \$2.2 million, committed fund balance of \$1.0 million, restricted fund balance of \$2.7million, and nonspendable fund balance of \$128 thousand. The County's ability to spend each of these types of fund balance is more limited than with the unassigned fund balance, and the limitations on spending are discussed more fully in the notes to the financial statements.

The General Fund is the chief operating fund of the County. At the end of the fiscal year, \$5.2 million of the total fund balance of \$7.8 million is unassigned. As a measure of the fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37% of total general fund expenditures, while total fund balance represents 55% of that same amount.

The County's General Fund balance increased by \$19 thousand during the current fiscal year. The Grants Fund increased by \$61 thousand, mainly attributable to a decrease in grant funds received. The Road & Bridge Fund increased by \$172 thousand mainly due to capital purchases through capital leases. The Debt Service Fund has a total fund balance of \$674 thousand, which is all restricted for the payment of debt service. This fund balance increased by \$381 thousand which was budgeted to increase the fund balance in order to be able to service the current debt payments.

General Fund Budgetary Highlights – Over the course of the year, the County made revisions to the original appropriations budget approved by the Commissioners' Court. Overall, these changes resulted in an increase from the original budget by \$1.2 million.

Following are the main components of the increase:

- To reflect department year end projections and re-appropriate funds within or between departments,
- To re-appropriate funds from other governmental units received during the year (grants),
- To re-appropriate funds to pay for commitments in the form of encumbrances established prior to September 30th, but not paid by that date.

Although the total amended budget expenditures totaled \$16.6 million, actual expenditures totaled \$14.2 million, a \$2.4 million positive variance. This is a result of all departments not expending their total appropriations. Revenues also increased from the original budget of \$18.0 million to a final of \$19.2 million an increase of \$1.2 million reflected from intergovernmental revenue and grants that are not budgeted until received along with an increase in charges for services and other revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of September 30, 2015, the County had invested \$50.3 million in a broad range of capital assets, including land, buildings, roads, bridges and equipment. This amount represents a net increase (including additions, retirements and adjustments) of \$16.2 million or 48% over last year as you can see in Table A-3 below.

Major capital asset events affecting capital assets during the year were:

- Additional equipment purchases for the sheriff, maintenance, and road and bridge departments.
- Road and bridge improvement projects.
- Purchase of jail from PFC.

**Table A-3
Burnet County's Capital Assets**

	Governmental Activities		Percent Change
	2015	2014	
Land	\$ 966,013	\$ 831,013	16%
Construction In Progress	236,941	655,896	-64%
Infrastructure	7,526,671	7,029,849	7%
Buildings & Other Improvements	29,049,564	14,207,966	104%
Office & Miscellaneous Equipment	6,083,443	5,491,363	11%
Road Equipment	6,445,148	5,805,554	11%
Total	50,307,780	34,021,641	48%
Total Accumulated Depreciation	22,264,446	20,481,149	9%
Net Capital Assets	28,043,334	\$ 13,540,492	107%

Additional information about the County's capital assets can be found in Note 5 of this report.

Long Term Debt – At the end of the fiscal year, the County had \$16.3 million of outstanding debt. Of this amount, \$475 thousand is debt backed by the full faith and credit of the government and \$15.8 million represents bonds secured solely by specified revenue sources.

Burnet County's Long Term Debt

	Governmental Activities		Percent Change
	2015	2014	
Bonds Payable	\$ 15,820,000	\$ 2,185,000	624%
Capital Leases Payable	475,200	210,875	125%
Total Bonds, Notes and Leases Payable	\$ 16,295,200	2,395,875	580%

During the year, Burnet County's bond and capital lease debt increased by a total of \$15.2 million. Capital leases had a net increase of \$264 thousand.

The State limits the amount of general obligation debt that a County can issue to 25% of its total assessed valuation. The current debt limitation is close to \$1.0 billion, which is significantly higher than the County's outstanding general obligation debt.

More detailed information about the County's long-term obligations can be found in Note 8 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The taxable value used for the FY2016 budget preparation is estimated to be up slightly to \$298 million or 6.4% from FY2015.
- The tax rate established for the FY2016 budget is \$.4025, which is the same as the effective rate.
- Burnet County's unemployment rate is currently 3.9%, which is a decrease from a rate of 4.0% one year ago. Burnet County's rate is favorable to the state's average unemployment rate of 4.5%.
- Inflationary trends in the region are comparable to national indices.

These factors and others were taken into consideration when preparing the General Fund budget for the 2016 fiscal year.

Amounts available for appropriation in the FY2016 governmental fund budgets are \$30.9 million, an increase of 6.8% over the FY2015 budget of \$28.9 million. Property taxes (benefiting from increases in assessed valuations) and licenses and permit revenue are expected to lead to this increase.

Budgeted expenditures are expected to increase approximately 11% to \$34.1 million.

If these estimates are realized, the County's budgetary General Fund balance is expected to remain the same.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Burnet County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Office of Burnet County Auditor, 220 South Pierce, Burnet, TX 78611.

BASIC FINANCIAL STATEMENTS

BURNET COUNTY, TEXAS
Statement of Net Position
September 30, 2015

Exhibit A-1

	Primary Government	Component Unit Burnet County Public Facilities Co
	Governmental Activities	
ASSETS:		
Cash and cash equivalents	\$ 10,376,543	\$
Investments	882,797	
Receivables (net of allowance for uncollectibles)	1,583,288	
Due from other governments	1,297,072	
Due from others	185,111	
Inventory	1,210	
Prepaid items	126,672	
Restricted Assets:		
Restricted cash and cash equivalents	9,679	
Capital Assets:		
Land	966,013	
Infrastructure, net	2,768,785	
Buildings, net	19,842,477	
Improvements other than buildings, net	223,515	
Machinery and equipment, net	4,005,603	
Construction in progress	236,941	
Total assets	42,505,706	-
DEFERRED OUTFLOW OF RESOURCES:		
Deferred charge on refunding	21,847	
Deferred outflows - Pension items	2,149,933	
Total deferred outflows of resources	2,171,780	-
LIABILITIES:		
Accounts payable	1,438,941	
Payroll taxes and related items	503,145	
Intergovernmental payable	15	
Accrued interest payable	265,048	
Due to others	70,730	
Unearned revenues	5,000	
Claims payable from restricted resources	500	
Noncurrent Liabilities		
Due within one year	1,212,188	
Due in more than one year	16,003,413	
Net pension liability	5,061,536	
Total liabilities	24,560,516	-
NET POSITION:		
Net investment in capital assets	11,223,818	
Restricted net position	2,703,255	
Unrestricted net position	6,189,897	
Total net position	\$ 20,116,970	\$ -

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

BURNET COUNTY, TEXAS
Statement of Activities
For the Year Ended September 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Capital Grants and Contributions
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 10,009,382	\$ 1,525,027	\$ 469,730	\$ 109,167
Public safety	10,671,618	1,265,530	1,057,913	-
Public transportation	2,950,608	2,400,852	128,353	-
Health and welfare	540,270	25,055	60,393	-
Culture and recreation	811,745	42,217	14,933	-
Conservation	250,383	-	15,170	-
Debt interest	302,315	-	-	-
Fiscal agent's fees	519,570	-	-	-
Total Governmental Activities	<u>26,055,891</u>	<u>5,258,681</u>	<u>1,746,492</u>	<u>109,167</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 26,055,891</u>	<u>\$ 5,258,681</u>	<u>\$ 1,746,492</u>	<u>\$ 109,167</u>
COMPONENT UNIT				
Burnet County Public Facilities Co	\$ 2,800,243	\$ -	\$ -	\$ -
TOTAL COMPONENT UNITS	<u>\$ 2,800,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for debt purposes
- Other taxes
- Grants and contributions not restricted
- Settlement proceeds
- Miscellaneous revenue
- Investment earnings
- Gain on debt forgiveness, net of loss on disposition of asset
- Total general revenues

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR, AS RESTATED

NET POSITION AT END OF YEAR

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Total
\$ (7,905,458)	\$ (8,348,175)
(421,403)	(454,822)
(754,595)	(235,213)
(302,315)	(519,570)
<u>(18,941,551)</u>	
<u>(18,941,551)</u>	
	\$ <u>(2,800,243)</u>
	\$ <u>(2,800,243)</u>
17,034,419	
1,482,143	
434,747	
55,856	
850,000	
351,036	
154,339	
-	5,807,727
<u>20,362,540</u>	<u>5,807,727</u>
1,420,989	3,007,484
<u>18,695,981</u>	<u>(3,007,484)</u>
<u>\$ 20,116,970</u>	<u>\$ -</u>

BURNET COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2015

	General Fund	Road and Bridge Fund	Grants Fund
ASSETS			
Cash and Cash Equivalents	\$ 8,631,867	\$ 226,643	\$
Investments	364,678	15,635	
Taxes receivable (net)	505,493	70,405	
Fines, fees, and court costs receivable (net)	517,722		
Receivables others (net)	153,461	61,803	13,122
Due from other governments	334,424	279,599	585,821
Due from other funds	306,582	943,376	
Due from others	101,615	83,496	
Inventories	1,210		
Prepaid items	105,964	17,070	
Total assets	\$ 11,023,016	\$ 1,698,027	\$ 598,943
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable and other accrued liabilities	\$ 668,431	\$ 369,648	\$ 135,436
Wages and salaries payable	315,179	187,966	
Intergovernmental payable		15	
Due to other funds	1,184,564		308,295
Due to others			46,649
Unearned revenues	5,000		
Total liabilities	2,173,174	557,629	490,380
Deferred inflows of resources:			
Unavailable revenue - fines, fees, and court costs	526,514		
Unavailable revenue - property taxes	505,493	65,999	
Total deferred inflows of resources	1,032,007	65,999	-
Fund balances:			
Nonspendable fund balances	107,174	17,070	
Restricted	963,195	876,716	108,563
Committed	112,034		
Assigned	1,450,559	180,613	
Unassigned	5,184,873		
Total fund balances	7,817,835	1,074,399	108,563
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 11,023,016	\$ 1,698,027	\$ 598,943

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

County Jail Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 466,337	\$ 121,701	\$ 7,186	\$ 922,809	\$ 10,376,543
500,000	749		1,735	882,797
	48,899			624,797
10,100	3,169		1,017	518,739
40,812			198,097	439,752
	549,483		56,416	1,297,072
				1,799,441
				185,111
				1,210
712			2,926	126,672
<u>\$ 1,017,961</u>	<u>\$ 724,001</u>	<u>\$ 7,186</u>	<u>\$ 1,183,000</u>	<u>\$ 16,252,134</u>
\$ 126,558	\$ 719	\$	\$ 138,149	\$ 1,438,941
				503,145
306,582				15
				1,799,441
			24,081	70,730
				5,000
<u>433,140</u>	<u>719</u>		<u>162,230</u>	<u>3,817,272</u>
				526,514
	48,899			620,391
-	48,899	-	-	1,146,905
712			2,926	127,882
	674,383	7,186	71,219	2,701,262
			946,625	1,058,659
584,109			-	2,215,281
				5,184,873
<u>584,821</u>	<u>674,383</u>	<u>7,186</u>	<u>1,020,770</u>	<u>11,287,957</u>
<u>\$ 1,017,961</u>	<u>\$ 724,001</u>	<u>\$ 7,186</u>	<u>\$ 1,183,000</u>	<u>\$ 16,252,134</u>

BURNET COUNTY, TEXAS
 Reconciliation of the Governmental Funds Balance Sheet
 To The Statement of Net Position
 September 30, 2015

Exhibit A-4

Total Fund Balances - Governmental Fund Balance Sheet	\$ 11,287,957
 Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. The net effect is to increase net position.	28,043,334
The due to/from amounts on the governmental funds balance sheet are eliminated on the statement of net position in the amount of \$1,799,441. This causes no change to the net position.	-
Internal service funds are used by management to account for the self-insurance fund of the government. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The net effect is an increase to net position.	9,179
Certain assets, such as property taxes receivable and imposed fines receivable, are not available to pay for current-period expenditures and, therefore, are deferred inflows in the governmental funds. Unavailable revenue recognized in the government-wide financial	1,146,905
Long-term liabilities, including bonds payable, compensated absences and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in the governmental funds. The net effect is a decrease in net position.	(17,215,601)
Payables for bond interest which are not due in the current period are not reported in the funds.	(265,048)
Charges incurred during the refunding of bonds payable are deferred in the statement of net position. The net effect is an increase in net position.	21,847
Included in the items related to debt is the recognition of the County's proportionate share of the net pension liability in the amount of \$5,061,536, and a deferred outflow of resources of \$2,149,933. The net effect is a decrease to net position.	<u>(2,911,603)</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>20,116,970</u></u>

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

BURNET 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 Fund	Grants Fund
REVENUES:			
Taxes			
Property taxes	\$ 15,204,244	\$ 1,877,998	\$
Other taxes	73,292		
Penalty and interest on taxes	183,443	22,329	
Licenses and permits	604,460	910,123	
Intergovernmental revenue and grants	184,016	34,266	1,581,006
Charges for services	1,449,819		
Fines and forfeitures	530,612		
Investment earnings	48,559	6,289	
Rents and royalties	41,038		
Contributions and donations	60,475		
Other revenue	68,424	1,160	
Total revenues	<u>18,448,382</u>	<u>2,852,165</u>	<u>1,581,006</u>
EXPENDITURES:			
Current:			
General government	7,909,647		1,112,755
Public safety	5,527,468		148,616
Public transportation		2,563,894	
Health and welfare	53,289		
Culture and recreation	4,157		15,170
Conservation	241,531		
Debt service:			
Debt principal	82,233	16,537	
Debt interest	2,057	491	
Fiscal agent's fees			
Capital outlay	369,083	442,752	588,931
Total expenditures	<u>14,189,465</u>	<u>3,023,674</u>	<u>1,865,472</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>4,258,917</u>	<u>(171,509)</u>	<u>(284,466)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets and insurance proceeds	20,227	12,994	
Proceeds from issuance of certificate of obligation			
Premium on certificate of obligation			
Issuance of capital leases		363,095	
Transfers in	46,054		393,287
Transfers out	(4,306,057)	(32,266)	(47,662)
Total other financing sources (uses)	<u>(4,239,776)</u>	<u>343,823</u>	<u>345,625</u>
SPECIAL ITEMS			
Settlement proceeds			
NET CHANGE IN FUND BALANCES	19,141	172,314	61,159
FUND BALANCES, BEGINNING OF YEAR (RESTATED)	<u>7,798,694</u>	<u>902,085</u>	<u>47,404</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,817,835</u>	<u>\$ 1,074,399</u>	<u>\$ 108,563</u>

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

County Jail Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$	\$ 1,471,815	\$	\$	\$ 18,554,057
	17,884		361,455	434,747
	860		28,400	223,656
1,382,824			211,108	1,514,583
			29,689	1,828,548
1,299	1,896	93,689	2,607	3,043,751
				560,301
				154,339
				41,038
			4,000	64,475
34			21,057	90,675
<u>1,384,157</u>	<u>1,492,455</u>	<u>93,689</u>	<u>658,316</u>	<u>26,510,170</u>
			527,993	9,550,395
4,285,688			39,024	10,000,796
				2,563,894
			486,981	540,270
			780,585	799,912
				241,531
	1,210,000			1,308,770
	29,967			32,515
	808	518,762		519,570
5,935		14,850,000		16,256,701
<u>4,291,623</u>	<u>1,240,775</u>	<u>15,368,762</u>	<u>1,834,583</u>	<u>41,814,354</u>
<u>(2,907,466)</u>	<u>251,680</u>	<u>(15,275,073)</u>	<u>(1,176,267)</u>	<u>(15,304,184)</u>
				33,221
		14,845,000		14,845,000
		559,301		559,301
				363,095
2,642,287	129,194		1,266,803	4,477,625
		(129,194)		(4,515,179)
<u>2,642,287</u>	<u>129,194</u>	<u>15,275,107</u>	<u>1,266,803</u>	<u>15,763,063</u>
<u>850,000</u>				<u>850,000</u>
584,821	380,874	34	90,536	1,308,879
	293,509	7,152	930,234	9,979,078
-				
<u>584,821</u>	<u>674,383</u>	<u>7,186</u>	<u>1,020,770</u>	<u>11,287,957</u>

BURNET 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

Net Change in Fund Balances - Total Government Funds	\$ 1,308,879
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>	
<p>Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays subject to capitalization is to increase net position.</p>	16,256,701
<p>Assets donated to governmental entities by private parties are not recorded in the governmental fund financial statements whereas in the government-wide financial statements are recorded as capital contributions.</p>	109,167
<p>Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of recording current year depreciation expense is to decrease net position.</p>	(1,863,026)
<p>Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. The current year decrease in revenue recognized in the government-wide financial statements results in an increase in net position.</p>	11,876
<p>Current year long-term debt principal payments on long-term debt are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements. This results in an increase in net position.</p>	1,308,770
<p>The issuance of bonds and bond premium and discounts are sources of funds in the governmental funds, but the issuance increases long-term liabilities in the statement of net position and is not a source of funds on the statement of activities. Proceeds from capital leases of \$363,095, proceeds from debt issuance of \$14,845,000, proceeds of bond premium of \$559,301, result in a decrease in net position.</p>	(15,767,396)
<p>The net increase in compensated absences payable is a decrease to net position.</p>	(24,270)
<p>Internal service funds are used by management to charge the costs of self-insurance in individual funds. The change in net position of the internal service funds are included in governmental activities in the statement of activities. This results in a decrease to net position.</p>	9,179
<p>Bond premiums are recorded as expenditures when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is the current year amortization.</p>	17,095
<p>Current year amortization of deferred charges incurred during refunding of bonds results in a decrease to net position.</p>	(21,847)
<p>Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due. This is a net increase in accrual.</p>	(265,048)

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

Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$1,184,418. The County's share of the unrecognized deferred inflows and outflows for TCDRS as of the measurement date must be amortized and the County's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease in the amount of \$843,509. The net effect is an increase in net position.

	340,909
Change in Net Position of Governmental Activities - Statement of Activities	\$ 1,420,989

BURNET COUNTY, TEXAS
Statement of Net Position
Proprietary Fund
September 30, 2015

Exhibit A-7

	<u>Governmental Activities Internal Service Fund</u>
ASSETS	
Current assets:	
Restricted assets:	
Pooled cash and cash equivalents	\$ <u>9,679</u>
Total assets	9,679
LIABILITIES	
Current liabilities:	
Claims payable from restricted assets	<u>500</u>
Total liabilities	500
NET POSITION	
Restricted for insurance claims	<u>9,179</u>
Total net position	<u><u>\$ 9,179</u></u>

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

BURNET COUNTY, TEXAS
Statement of Revenues,
Expenses and Changes in Fund Net Position - Proprietary Fund
For the Year Ended September 30, 2015

Exhibit A-8

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
OPERATING EXPENSES	
Insurance claims and reimbursements	\$ 24,019
Administrative fees	<u>4,356</u>
Total operating expenses	<u>28,375</u>
OPERATING LOSS	<u>(28,375)</u>
Loss before transfers	<u>(28,375)</u>
Transfer in	<u>37,554</u>
Change in net position	9,179
NET POSITION AT BEGINNING OF YEAR	<u>-</u>
NET POSITION AT END OF YEAR	<u>\$ 9,179</u>

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

BURNET COUNTY, TEXAS
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2015

Exhibit A-9

	Governmental Activities <u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash payments for claims and reimbursements	\$ (23,519)
Cash payments for administrative fees	<u>(4,356)</u>
Net cash used in operating activities	<u>(27,875)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfer In	<u>37,554</u>
Net cash provided by investing activities	<u>37,554</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,679
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 9,679</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (28,375)
Adjustments to reconcile operating loss to net cash used in operating activities	
Changes in:	
Accounts payable	500
Net cash used in operating activities	<u><u>\$ (27,875)</u></u>

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

BURNET COUNTY, TEXAS
Statement of Fiduciary Net Position - Fiduciary Funds
September 30, 2015

Exhibit A-10

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,910,877
Accounts receivable	<u>404</u>
Total assets	<u>\$ 1,911,281</u>
LIABILITIES	
Due to others	<u>1,911,281</u>
Total liabilities	<u>\$ 1,911,281</u>

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

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 1: Summary of Significant Accounting Policies

The financial statements of Burnet County, Texas (the County) included in the accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's Basic Financial Statements.

A. Reporting Entity

Burnet County, Texas is a public corporation and political subdivision of the State of Texas. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general administration, tax and recording (e.g. tax collection), judicial (courts, juries, etc), legal (district attorney, county attorney, etc) public safety (sheriff, jail, etc), transportation, facilities, and public service (e.g. rural fire protection and emergency management).

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

1. the organization is legally separate (can sue and be sued in its name)
2. the County holds the corporate powers of the organization
3. the County appoints a voting majority of the organization's board
4. the County is able to impose its will on the organization
5. the organization has the potential to impose a financial benefit/burden on the County
6. there is fiscal dependency by the organization on the County
7. the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; 2) the County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the County.

B. Discretely Presented Component Unit

Burnet County Public Facility Corporation

Burnet County Public Facility Corporation (the "Corporation") has been included in the reporting entity as a discretely presented component unit. The Corporation was created by the County in 2007 under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of the County. The Board of Directors is appointed by and serves at the discretion of the Commissioners Court of the County. The operations of the Corporation are presented in the Government Wide Financial Statements. Separate financial statements of the Corporation may be obtained from the County Auditor's office. Additional information regarding this component unit is presented in Note 16.

The County is not a component unit of any other reporting entity as defined by the GASB Statement.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

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

Basis of Presentation

Government-wide financial statements. The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements. The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Governmental Fund Types:

The County reports the following major governmental funds:

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

Road & Bridge Fund. The Road & Bridge Fund is a special revenue fund that accounts for and reports the financial resources received from a designated part of the annual property tax levy and auto registration fees and traffic fines, which are used for operating and maintaining County owned roads and bridges.

Grants Fund. To account for federal, state and local monies provided for the enhancement of programs not fully funded by the County.

Capital Projects Fund. This fund accounts for financial resources that are restricted, committed or assigned to be used for the acquisition or construction of major capital facilities.

Debt Service Fund. This fund is used to account for the accumulation of resources that are legally restricted, committed or assigned to expenditures for the specified purpose of the retirement of long-term debt, including debt principal, interest and related costs.

County Jail Fund. This fund is used to account for the financial resources used to operate the County jail.

In addition, the County reports the following fund types:

Special Revenue Funds. These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

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

Proprietary Fund Types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. The internal service fund is used to account for the provision of health insurance to employees of the County. The general fund is contingently liable for liabilities of this fund. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements. The County uses this fund to account for and report the County's reimbursement to employees the cost of their health care insurance deductible up to \$500 per year. The County elected a new health care plan beginning October 1, 2009 and increased the deductible from \$250 to \$750 per year in order to reduce the County's premium. The funds are transferred from the General Fund per the budget.

Fiduciary Fund Types:

Agency Funds: These funds are used to report funds of the County's fee 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. Fees are generated and retained by the fee offices until notification is received to disburse funds to the proper individual or entity. Fees generated include fines, restitution, bail bond deposits, and inmate trust funds.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

Measurement Focus and Basis of Accounting

Government-wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Revenues from local sources consist primarily of property taxes. Property taxes revenue and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expenses for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows/Outflows of Revenues, and Net Position or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available 1) when they become due or past due and receivable within the current period and 2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The County uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed. In the fund financial statements, they are offset by a designation of nonspendable fund balance which indicates they do not represent "available spendable resources".

Inventories

Inventory is valued at cost using the first in/first out (FIFO) method. Inventory in the governmental funds consists of expendable supplies held for consumption and the cost is recorded as expenditures when consumed rather than when purchased. Reported inventories are offset by nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net position.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction is included as part of the capitalized value of the assets constructed. There was no capitalized interest during the current fiscal year.

In the case of the initial capitalization of general infrastructure assets (i.e., streets and bridges), the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the County constructs or acquires additional capital assets each year, including infrastructure assets, they are capitalized and reported at historical cost.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows/Outflows of Revenues, and Net Position or Equity (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	20 years
Buildings and Improvements	22 years
Improvements	20 years
Office Equipment	3-15 years
Vehicles and Road Equipment	5-10 years
Computer Equipment	5-6 years

Receivables and Payable Balances

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue.

The County expects to collect the following amounts net of deferral in one year:

1. Taxes receivable of \$620,391
2. Fines receivable of \$526,514

Compensated Absences

A liability for unused vacation for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

1. Leave or compensation is attributable to services already rendered
2. Leave or compensation is not contingent on specific event (such as illness)

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued as long-term debt in the government-wide statements.

Upon termination from the County employment, an employee shall be entitled to payment for total accrued but unused days of vacation and comp time. Comp time earned, but not taken, is paid at the end of each fiscal year. Vacation time cannot accumulate beyond 80 hours during the first nine years of employment and beyond 120 hours for the 10th year and beyond of employment per eligible employee. Sick leave accrues at 6.67 hours per month with a maximum of 90 days (720 hours), but compensation is paid only for an illness-related absence. All unpaid employee leave is due to active employees. Any unpaid leave due to an employee who is terminated is paid immediately upon the termination. Unused sick leave is non-vesting and will not be paid on termination, thus vacation and comp times are the only accrued compensation liabilities recorded.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows and Outflows of Revenues and Net Position or Equity (continued)

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and Transfers out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line on the government-wide statement of net position.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

Deferred Inflows/Outflows of Resources

The County reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in current period. Deferred inflows of resources also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows of resources for the difference between projected and actual earnings for its pension plan and contributions made to the pension plan after the measurement date, but before the end of the fiscal year.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows of resources for the differences between expected and actual experience related to its pension plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned Revenue

The County reports unearned revenue when potential revenue is received before it has legally been earned according to revenue recognition principles.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows and Outflows of Revenues and Net Position or Equity (continued)

Assets limited as to use or restricted

Resources are set aside for the terms of bond agreements or self insurance arrangements.

Legally adopted budgets

All governmental funds have legally adopted budgets:

Pensions

The fiduciary net position of the Texas County & District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCERS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities 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.

Cash Deposits

At September 30, 2015, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$12,297,099 and the bank balance was \$13,102,926. The County's cash deposits at September 30, 2015, were entirely covered by FDIC insurance or by pledged collateral held by the County's bank in the County's name.

Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management, include a list of the types of authorized investments in which the investing entity's funds may be invested and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act (Act) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports an establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, certificates of deposit, certain municipal securities, money market savings accounts, repurchasing agreements, bankers acceptance, mutual funds, investment pools, guaranteed investment contracts, and common trust funds.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 2: Deposits and Investments (continued)

Investments (continued)

The County's investments at September 30, 2015 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fair Value</u>	<u>Rating</u>
TexPool	37	\$ 66,719	AAAm
Logic	41	63,038	AAA
Texas Class	53	8,040	AAAm
Certificates of Deposits	N/A	<u>745,000</u>	Non-rated
Total investments		<u>\$ 882,797</u>	

Various certificates of deposit were purchased under the Certificate of Deposit Account Registry Service through a commercial banking institution. All certificates of deposit purchased under this program were entirely covered by FDIC insurance.

The County has investments with the following public funds investment pools as of September 30, 2015:

Texas Local Government Investment Pool (TexPool & TexPool Prime) – Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. The reported value of the pool is the same as the fair value of the pool shares. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of TexPool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

Local Government Investment Cooperative (LOGIC) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. J.P. Morgan Investment Management Inc. serves as investment advisor and co-administrator with First Southwest Asset Management, Inc. LOGIC invests in treasury and agency securities and repurchase agreements as well as prime commercial paper. The pool maintains a weighted average maturity of 60 days or less. The pool seeks to maintain a constant dollar objective.

Texas CLASS was created as an investment pool for its participants pursuant to Section 2256 of the Public Funds Investment Act, Texas Government Code. The fund is administered by MBIA Municipal Investors Service Corporation and Wells Fargo Bank Texas, NA is the Custodian

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end:

A. Interest Rate Risk

In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to less than 365 days. The maximum allowable stated maturity of any individual investment owned by the County shall not exceed three years.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 2: Deposits and Investments (continued)

Analysis of Specific Deposit and Investment Risks (continued)

B. Credit Risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. County policy limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

C. Concentration of Credit Risk

The County's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

D. Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

E. Public Funds Investment Pools:

Public funds investment pools in Texas (the pool) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, to maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service and to maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The County's investments in pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule of 195 2a7 of the Investment Company Act of 1940.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 3: Receivables

Receivables at year end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Property Taxes</u>	<u>Accounts receivable</u>	<u>Fines, fees and court costs</u>	<u>Inter- governmental receivables</u>	<u>Due from others</u>	<u>Total receivables</u>
Governmental activities:						
General fund	\$ 505,493	\$ 153,461	\$ 517,722	\$ 334,424	\$ 101,615	\$ 1,612,715
Road & bridge fund	70,405	61,803		279,599	83,496	495,303
Grants fund		13,122		585,821		598,943
Debt service fund	48,899	3,169				52,068
County jail fund		10,100		40,812		50,912
Non-major governmental funds		<u>198,097</u>	<u>1,017</u>	<u>56,416</u>		<u>255,530</u>
	<u>\$ 624,797</u>	<u>\$ 439,752</u>	<u>\$ 518,739</u>	<u>\$ 1,297,072</u>	<u>\$ 185,111</u>	<u>\$ 3,065,471</u>

Note 4: Commitments Under Leases

Capital Leases

During August 2013, the County agreed to enter into a lease with Branch Banking & Trust Leasing Corporation for three (3) 2013 Chevy Tahoe Police SUV's. This lease agreement meets the criteria of a capital lease. An additional \$83,028 has been recorded to the government-wide Statement of Net Position to record the capital assets acquired. The lease commitment total is \$83,028. The capital lease agreement requires quarterly payments of \$7,062, including interest at 1.50% through May 2016.

During September 2014, the County agreed to enter into a lease with Wells Fargo Equipment Finance, Inc. for three (3) 2014 Chevy Tahoe Police SUV's. This lease agreement meets the criteria of a capital lease. An additional \$85,935 has been recorded to the government-wide Statement of Net Position to record the capital assets acquired. The lease commitment total is \$85,935. The capital lease agreement requires quarterly payments of \$7,390, including interest at 2.31% through July 2017.

During September 2014, the County agreed to enter into a lease with Wells Fargo Equipment Finance, Inc. for one (1) Caterpillar CB34B Double Drum Roller. This lease agreement meets the criteria of a capital lease. An additional \$49,999 has been recorded to the government-wide Statement of Net Position to record the capital assets acquired. The lease commitment total is \$49,999. The capital lease agreement requires quarterly payments of \$4,257, including interest at 1.57% through July 2017.

During September 2015, the County agreed to enter into a lease with Branch Banking & Trust Leasing Corporation for one (1) Etnyre self-propelled chipsreader and one (1) 2016 Freightliner single axle dump truck. This lease agreement meets the criteria of a capital lease. An additional \$363,095 has been recorded to the government-wide Statement of Net Position to record the capital assets acquired. The lease commitment total is \$363,095. The capital lease agreement requires quarterly payments of \$10,296, including interest at 1.34% through September 2018.

Road Equipment	\$ 685,983
Less: accumulated depreciation	<u>(105,780)</u>
Total	<u>\$ 580,203</u>

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 4: Commitments Under Leases (continued)

Annual debt service requirements to maturity for capital lease obligations are as follows:

Year ended September 30,	Total	
	Principal	Interest
2016	\$ 185,519	\$ 5,805
2017	167,025	3,112
2018	122,656	892
Total	\$ 475,200	\$ 9,809

Operating Leases

Commitments under operating (non-capitalized) lease agreements for equipment provide for minimum future rental payments as of September 30, 2015 are as follows:

Year ending September 30,	
2016	\$ 61,363
2017	55,862
2018	40,676
2019	25,279
2020	9,729
Total minimum rentals	\$ 192,909
Rental expenditures in 2015	\$ 68,670

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 5: Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 831,013	\$ 135,000	\$ -	\$ 966,013
Construction in progress	655,896	333	(419,288)	236,941
Total capital assets not being depreciated	1,486,909	135,333	(419,288)	1,202,954
Capital assets being depreciated				
Infrastructure (Roads & Bridges)	7,029,849	510,885	(14,063)	7,526,671
Buildings and improvements	13,578,057	14,835,663	-	28,413,720
Other improvements	629,909	5,935	-	635,844
Office and miscellaneous equipment	5,491,363	592,080	-	6,083,443
Road equipment	5,805,554	705,260	(65,666)	6,445,148
Total capital assets being depreciated	32,534,732	16,649,823	(79,729)	49,104,826
Less accumulated depreciation for:				
Infrastructure (Roads & Bridges)	(4,556,981)	(214,968)	14,063	(4,757,886)
Buildings and improvements	(7,881,211)	(690,032)	-	(8,571,243)
Other improvements	(381,476)	(30,853)	-	(412,329)
Office and miscellaneous equipment	(3,240,778)	(581,530)	-	(3,822,308)
Road equipment	(4,420,703)	(345,643)	65,666	(4,700,680)
Total accumulated depreciation	(20,481,149)	(1,863,026)	79,729	(22,264,446)
Total capital assets being depreciated, net	12,053,583	14,786,797	-	26,840,380
Governmental activities capital assets, net	<u>\$ 13,540,492</u>	<u>\$ 14,922,130</u>	<u>\$ (419,288)</u>	<u>\$ 28,043,334</u>

Depreciation was charged to functions as follows:

Government	\$ 582,545
Public safety	835,724
Culture & Recreation	22,652
Conservation	12,777
Public transportation	409,328
Total depreciation expense	<u>\$ 1,863,026</u>

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 6: Interfund Balances and Activity

Due to and from Other Funds

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. Balances due to and due from other funds at September 30, 2015, consisted of the following:

<u>Due to fund</u>	<u>Due from fund</u>	<u>Amount</u>	<u>Purpose</u>
General fund	County jail fund	\$ 306,582	Short-term loans
Debt service fund	General fund	240,273	Debt service
Debt service fund	Grant fund	308,295	Debt service
Debt service fund	General fund	915	Short-term loans
Road & bridge fund	General fund	943,376	Equipment purchases
	Total	<u>\$ 1,799,441</u>	

Transfers to and from Other Funds

Transfers to and from other funds at September 30, 2015, consisted of the following:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>	<u>Purpose</u>
General fund	Proprietary Fund	\$ 37,554	To pay for medical claims
General fund	Other governmental funds	1,266,803	To supplement other funds sources
General fund	County Jail Fund	2,640,679	To supplement other funds sources
General fund	Grants fund	361,021	To supplement other funds sources
Grants fund	General fund	46,054	To transfer fund assets
Grants fund	County Jail Fund	1,608	To supplement other funds sources
Road & bridge fund	Grants fund	32,266	To supplement other funds sources
Capital projects fund	Debt service fund	129,194	To service debt for asset acquisition
	Total	<u>\$ 4,515,179</u>	

The General Fund transferred \$2,640,679 to the Jail Fund to provide additional funding for inmate housing and \$361,021 to the Grants Fund to supplement the fund for anticipated expenditures. In addition, the General Fund transferred \$29,184 to the Tower Fund, \$750,638 to the Library Fund, \$486,981 to the Indigent Health Care Fund, and \$37,554 to the Health Reimbursement Fund to supplement those funds for anticipated expenditures and to reimburse the health fund for health claims incurred. The transfers from the Grants Fund were made to reimburse the General Fund and other Special Revenue Funds for payroll expenditures.

Note 7: Risk Management

The County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, errors and omissions and personnel risks which relate to workers compensation. The County carries commercial insurance in order to manage the above listed risks. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 8: Long-Term Obligations

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the County.

Bonds and Certificates of Obligation

Current requirements for bonded indebtedness of the County are accounted for in the Debt Service Fund.

On February 1, 2001, the County issued \$7,000,000 in Certificates of Obligation, Series 2001, with interest rates ranging from 4.25% to 5.75%, maturing in 2016. The proceeds from the sale of the Certificates were used to build a new courthouse annex in Burnet, Texas, a new courthouse annex in Marble Falls, Texas, and for the renovation of the existing courthouse in Burnet, Texas. Both courthouse annexes were completed in May 2002. The renovation of the existing courthouse began in June 2002 and was completed in May 2003.

On February 1, 2010, the County issued \$1,195,000 in Tax Notes, Series 2010, with interest rates ranging from 2.00% to 3.00%, maturing in 2015. The proceeds from the sale of the Tax Notes were used for purchasing new software for the courts system, new telephone system and road upgrade projects in the precincts.

On June 25, 2015, the County issued \$14,845,000 in Certificates of Obligation, Taxable Series 2015, with interest rates ranging from 3.75% to 5.00%, maturing in 2036. The proceeds from the sale of the Certificates were used for the purchase of the jail house building from the Burnet County Public Facilities Company.

Long Term Debt-Advance Refunding

During 2010, the County advance refunded two of the County's obligations with the issue of Burnet County, Texas Limited Tax Refunding Bonds - Series 2010 (\$5,075,000). The bonds were called and were redeemed on March 25, 2010 by purchasing \$4,742,750 in U.S. State and Local Government securities and by depositing \$398,871 into an escrow account. The various bonds have been defeased and removed as a liability of the County. The Series 2010 bonds mature on February 1, in each of the years 2011 through 2016, bearing interest at 2.00% - 2.50%. The refunding bonds resulted in a gross debt service savings of \$257,231 and the net present value savings of \$241,034.

The following are general obligation bond issues outstanding at September 30, 2015:

	<u>Interest rates</u>	<u>Date of issue</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Limited Tax Refunding Bonds, Series 2010	2.00 - 2.50	2010	2016	\$ 975,000
Certificate of obligation, Series 2015	3.75 - 5.00	2015	2036	<u>14,845,000</u>
Total general obligations debt				<u>\$ 15,820,000</u>

Debt service is primarily paid from ad valorem taxes and is recorded in the debt service funds.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 8: Long-Term Obligations (continued)

Annual debt service requirements to maturity for general obligations bonds are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2016	\$ 975,000	\$ 844,681	\$ 1,819,681
2017	625,000	611,870	1,236,870
2018	600,000	587,370	1,187,370
2019	525,000	564,870	1,089,870
2020	545,000	543,470	1,088,470
2021-2025	3,110,000	2,292,000	5,402,000
2026-2030	3,790,000	1,555,700	5,345,700
2031-2035	4,605,000	718,351	5,323,351
2036	1,045,000	22,206	1,067,206
Totals	\$ 15,820,000	\$ 7,740,518	\$ 23,560,518

Compensated Absences

The cost of the County's liability for compensated absences is calculated at the end of the fiscal year based on the employee's pay rate and the accumulated vacation hours earned but not taken. The liability has typically been liquidated primarily in the General Fund and Road and Bridge Fund.

Long-Term Obligation Activity

Long-Term Obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2015, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
General obligations bonds	\$ 2,185,000	\$ 14,845,000	\$ 1,210,000	\$ 15,820,000	\$ 975,000
Total bonds payable	2,185,000	14,845,000	1,210,000	15,820,000	975,000
Compensated absences	342,782	491,396	467,126	367,052	22,665
Capital leases	210,875	363,095	98,770	475,200	185,519
Unamortized bond premium	11,143	559,301	17,095	553,349	29,004
Total Governmental Activities	\$ 2,749,800	\$ 16,258,792	\$ 1,792,991	\$ 17,215,601	\$ 1,212,188

Note 9: Self-Insurance

Health Care Reimbursement (HRA)

The County has elected to create a Health Care Reimbursement Account to reimburse employees the cost of their health care insurance deductible up to \$500 per year. The County elected a new health care plan beginning October 1, 2009 and increased the deductible from \$250 to \$750 per year, per employee, so as to reduce the County's premium. The funds are transferred from the general fund per the budget. For the year ended September 30, 2015, a total of \$24,019 was paid in health care insurance deductible claims and \$4,356 in administrative fees.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

NOTE 10: Health Insurance and Workers' Compensation

Health Insurance

During the year ended September 30, 2015 employees of Burnet County were covered by a health, dental, and life insurance plan (the Plan). The County paid premiums of \$720 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. 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

The County is a member of the Texas Association of Counties Workers' Compensation Self-Insurance Fund. The Fund is sponsored by the Texas Association of Counties and was originally established on March 28, 1974 by the entry into interlocal participation agreements by member political subdivisions of the State of Texas. The Fund was created to provide workers' compensation benefits for its members pursuant to the provisions of Chapter 504, V.T.C.A., Labor Code, Art. 715(c), Rev. Civ. Stat. Ann., and Chapter 791, V.T.C.A., Government Code. The contribution amount for the Fund Member is based upon gross payroll, classification rates for types of positions, and experience modifier. During the year ended September 30, 2015 the County contributed a total of \$262,320 to the Fund.

Note 11: Pension Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). The Board of Trustees of the TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 624 nontraditional defined benefit plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

Benefits Provided

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

Benefit amounts are determined by the sum of the employee's 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 County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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

Inactive employees or beneficiaries currently receiving benefits	146
Inactive employees entitled to but not yet receiving benefits	216
Active employees	313
Total	<u>675</u>

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 11: Pension Plan (continued)

Contributions

The County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

	<u>Contribution Rates</u>	
	<u>2014</u>	<u>2015</u>
Member	7.0%	7.0%
Employers	12.43%	12.43%
Employer Contributions		\$ 1,542,078
Member Contributions		\$ 868,425

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20 years
Asset Valuation Method	5 year smoothed market
Discount Rate	8.10%
Long-term expected Investment Rate of Return*	8.10%
Salary Increases*	3.50%, average
Payroll Growth Rate	3.50%

**Includes Inflation of 3%*

The actuarial assumptions that determined the total pension liability as of December 31, 2014 were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012. The assumptions and methods are the same as used in the prior valuation.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 11: Pension Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year.

In order to determine the discount rate to be used, we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under our funding policy and the legal requirements under the TCDRS Act:

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

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

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

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is 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.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 11: Pension Plan (continued)

Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized below:

Asset Class	Benchmark	Target Allocation ^[1]	Geometric Real Rate of Return (Expected minus Inflation) ^[2]
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ^[3]	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World Ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Lending	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	(0.2)%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ^[4]	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

^[1] Target asset allocation adopted at the April 2015 TCDRS Board meeting.

^[2] Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2015 capital market assumptions.

^[3] Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

^[4] Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 11: Pension Plan (continued)

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

At September 30, 2015, the County reported a net pension liability of \$5,061,536 for its proportionate share of the TCDRS's net pension liability measured at December 31, 2014. For the year ended September 30, 2015, the County recognized pension expenses of \$1,227,236.

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

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

Changes in the net pension asset for the year ended December 31, 2014 are as follows:

<u>Changes in Net Pension Liability / (Asset)</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability/(Asset)</u> (a) - (b)
Balances as of December 31, 2013	\$ 38,856,645	\$ 34,445,782	\$ 4,410,863
Changes for the year:			
Service Cost	1,448,123	-	1,448,123
Interest on total pension liability (1)	3,146,766	-	3,146,766
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	752,053	-	752,053
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(105,177)	(105,177)	-
Benefit payments	(1,358,605)	(1,358,605)	-
Administrative expense	-	(27,813)	27,813
Member contributions	-	868,425	(868,425)
Net investment income	-	2,351,079	(2,351,079)
Employer contributions	-	1,542,078	(1,542,078)
Other (2)	-	(37,500)	37,500
Net changes	<u>3,883,160</u>	<u>3,232,487</u>	<u>650,673</u>
Balance at 12/31/2014	<u>\$ 42,739,805</u>	<u>\$ 37,678,269</u>	<u>\$ 5,061,536</u>

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

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

Discount Rate Sensitivity Analysis

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

	<u>1% Decrease in Discount Rate (7.10%)</u>	<u>Current Discount Rate (8.10%)</u>	<u>1% Increase in Discount Rate (9.10%)</u>
Total pension liability	\$ 47,967,503	\$ 42,739,805	\$ 38,388,091
Fiduciary net position	37,678,269	37,678,269	37,678,271
Net pension liability / (asset)	<u>\$ 10,289,234</u>	<u>\$ 5,061,536</u>	<u>\$ 709,820</u>

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 11: Pension Plan (continued)

At December 31, 2014 the County reported its share of the TCDRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 564,040
Changes in actual assumptions	-	-
Difference between projected and actual investment earnings	-	401,475
Contributions subsequent to the measurement date	-	1,184,418
Total	\$ -	\$ 2,149,933

\$1,184,418 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. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year Ended September 30:	Pension Expense Amount
2015	\$ 288,382
2016	288,382
2017	288,382
2018	100,369
2019	-
Thereafter	-
	\$ 965,515

Note 12: Group Term Life Fund

Plan Description

Burnet County participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County & District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Burnet County does not provide group term life insurance coverage to retired employees.

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

Funding Policy

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. Burnet County contributions to the GTLF for the years ended September 30, 2015, 2014 and 2013 were \$60,418, \$39,677, and \$34,618, respectively, which equaled the contractually required contributions each year.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 13: Contingencies

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 collectibility 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.

Litigation

The County Attorney has indicated that there is one lawsuit filed and pending against the County but in his opinion it will not result in a material effect on the County's financial position.

NOTE 14: Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The program is administered by Nationwide Retirement Solutions, Inc. The National Association of Counties (NACO) Deferred Compensation Program, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County has established a custodial legal trust arrangement with the investment company that administers the program. Under these trust arrangements, all amounts of compensation deferred under the program, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the employees. Accordingly, the amounts invested with this investment company are not included in the County's basic financial statements.

Note 15: Fund Balance

The GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned).
2. *Restricted* fund balance category includes amounts that can be spent for only the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action, such as a resolution, of the Commissioners' Court (the County's highest level of decision-making authority).
4. *Assigned* fund balance classification includes amounts intended to be used by the County for specific purposes but does not meet the criteria to be classified as restricted or committed.
5. *Unassigned* fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. The County's general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 15: Fund Balance (continued)

As of September 30, 2015, governmental fund balance is composed of the following:

Fund Balances:	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Grants Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>County Jail Fund</u>	<u>Other Governmental Funds</u>
Non-spendable:							
Inventories	\$ 1,210						
Prepaid items	105,964	17,070				712	2,926
Total Non-spendable	<u>107,174</u>	<u>17,070</u>	-	-	-	<u>712</u>	<u>2,926</u>
Restricted for:							
Records management	498,767						
Court programs	346,662						60,561
Technology programs	109,958						
Property purchasing & improvements	7,808						
Road & bridge maintenance & construction		876,716					10,658
Federal and state grants			108,563				
Retirement of long term debt				674,383			
Capital asset acquisition					7,186		
Total Restricted	<u>963,195</u>	<u>876,716</u>	<u>108,563</u>	<u>674,383</u>	<u>7,186</u>	<u>-</u>	<u>71,219</u>
Committed to:							
Property purchasing & improvements	112,034						
Court programs							48,417
Western county tower system maintenance							32,093
Economic development							587,264
Special operations unit							210,381
Library system							68,470
Total committed	<u>112,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>946,625</u>
Assigned to:							
Jail House Operations						584,109	
Property purchasing & improvements	1,450,559						
Road and bridge maintenance construction		180,613					
Total assigned	<u>1,450,559</u>	<u>180,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>584,109</u>	<u>-</u>
Unassigned:	<u>5,184,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>\$ 7,817,835</u>	<u>\$ 1,074,399</u>	<u>\$ 108,563</u>	<u>\$ 674,383</u>	<u>\$ 7,186</u>	<u>\$ 584,821</u>	<u>\$ 1,020,770</u>

Order of Fund Balance Spending Policy

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: 1) Restricted; 2) Committed; 3) Assigned; and 4) Unassigned.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 15: Fund Balance (continued)

Minimum Fund Balance Policy

The County's financial goal is to have a sufficient balance in the operating fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The County shall strive to maintain a yearly fund balance in the general operating fund in which the total unassigned fund balance is not less than 25% of the total operating expenditures.

Note 16: Unearned Revenues and Deferred Inflows of Resources

Unearned revenues reported on the Balance Sheet-Governmental Funds consisted of the following at year-end:

<u>Description</u>	<u>Fund</u>	<u>Unearned Amount</u>
Advance revenues	General	\$ 5,000
		<u>\$ 5,000</u>

Deferred inflows of resources reported on the Balance Sheet-Governmental Funds consisted of the following at year-end:

<u>Description</u>	<u>Fund</u>	<u>Deferred Amount</u>
Property taxes	General	\$ 505,493
Property taxes	Road & bridge	65,999
Property taxes	Debt service	48,899
Fines, fees and court costs	General	526,514
		<u>\$ 1,146,905</u>

NOTE 17: Component Unit – Burnet County Public Facilities Corporation

On November 2, 2007 Burnet County formed the creation of Burnet County Public Facility Corporation (the "Corporation") under the Public Facility Corporation Act Chapter 303 (the "Act") of the Texas Local Government Code. The Corporation was legally separate from the County, but the County appointed all of the board members and had the ability to remove those board members at will. The facility served as the Burnet County Jail, and in this regard, operational expenses and the receipt and disbursement of revenues were administered by the County, along with the maintenance of the Corporations financial transactions.

On March 24, 2015, the Burnet County Commissioners' Court passed a motion that Burnet County accept the proposed terms for the sale of the improvements on Burnet County property known as the Burnet County Jail, contingent upon approval by a Court of competent jurisdiction in the state of Minnesota. The County issued \$14,845,000 certificates of obligations, on June 25, 2015 in order to purchase the jail building.

As part of the purchase, the Corporation's remaining outstanding balance of the Burnet County Public Facility Project Revenue Bonds, Series 2008 became subject to forbearance procedures and were eventually forgiven resulting in a net gain of \$5,807,727.

Note 18: Prior Period Adjustment

During fiscal year 2015, the County adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. Upon adoption of GASB No. 68, the County must assume its proportionate share of the net pension liability of the Texas County & District Retirement System. Adoption of GASB No. 68 required a prior period adjustment to report the effect of GASB No. 68 retroactively. The amount of the prior period adjustment is \$3,252,512.

During fiscal year 2015, it was determined that certain receivables recorded in the general fund for inmate medical services at September 30, 2014 were uncollectible. The amount of the prior period adjustment is \$334,920.

BURNET COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 18: Prior Period Adjustment (continued)

Below is a summary of the prior period adjustments:

	Net Position of Governmental Activities		Fund Balance - General Fund
As previously reported	\$ 22,283,413	\$	8,133,614
To adopt GASB No. 68	(3,252,512)		-
To adjust for uncollectible receivables	(334,920)		(334,920)
As restated	\$ 18,695,981	\$	7,798,694

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

BURNET COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit B-1
Page 1 of 3

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Variance from Final Budget</u>
REVENUES				
Taxes				
Property Taxes	\$ 15,636,557	15,636,557	\$ 15,204,244	\$ (432,313)
Other Taxes	75,000	75,000	73,292	(1,708)
Penalty and Interest on Taxes	135,000	135,000	183,443	48,443
Licenses and Permits	424,000	424,000	604,460	180,460
Intergovernmental Revenue and Grants	139,550	279,755	184,016	(95,739)
Charges for Services	1,074,338	1,939,454	1,449,819	(489,635)
Fines	500,000	500,000	530,612	30,612
Investment Earnings	30,000	30,000	48,559	18,559
Rents and Royalties	26,000	26,000	41,038	15,038
Contributions & Donations	-	114,321	60,475	(53,846)
Other Revenue	50,000	105,274	68,424	(36,850)
Total revenues	<u>18,090,445</u>	<u>19,265,361</u>	<u>18,448,382</u>	<u>(816,979)</u>
EXPENDITURES:				
Current:				
General government				
General				
County judge	244,994	211,602	202,816	8,786
Commissioners	346,053	348,831	348,831	
County records management	60,000	68,077	67,791	286
County clerk	456,433	495,357	424,708	70,649
County clerk records management	43,000	43,000	42,465	535
Veterans service officer	13,250	13,425	12,721	704
Vetride program	-	77,209	19,309	57,900
County clerk records archive	40,000	40,000	17,960	22,040
911 addressing maintenance	-	17,594	786	16,808
Non-departmental	1,604,464	1,820,014	751,934	1,068,080
Courier	47,099	47,099	45,213	1,886
Grant administrator	68,006	68,006	56,401	11,605
Total general	<u>2,923,299</u>	<u>3,250,214</u>	<u>1,990,935</u>	<u>1,259,279</u>
Judicial				
County court at law	351,215	351,215	322,140	29,075
County court	35,350	128,098	42,524	85,574
District court	196,340	196,340	186,580	9,760
Judicial services	269,500	361,681	361,681	
District clerk records management	18,206	18,206	466	17,740
District clerk	401,419	486,343	342,960	143,383
Justice of the peace	625,057	721,761	623,343	98,418
3rd administrative judicial district	2,873	2,873	2,872	1
Magistrates/Indigent Defense	66,778	66,779	66,663	116
Total judicial	<u>1,966,738</u>	<u>2,333,296</u>	<u>1,949,229</u>	<u>384,067</u>

BURNET COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit B-1
Page 2 of 3

	Original Budget	Final Budget	Actual GAAP Basis	Variance from Final Budget
Legal				
Blood drive program	15,000	15,000	7,773	7,227
Public defender office	10,000	10,000	-	10,000
County attorney	594,836	596,671	593,928	2,743
District attorney	564,282	629,711	625,443	4,268
Total judicial	<u>1,184,118</u>	<u>1,251,382</u>	<u>1,227,144</u>	<u>24,238</u>
Elections				
Election expense	<u>214,592</u>	<u>277,813</u>	<u>231,751</u>	<u>46,062</u>
Financial administration				
County auditor	400,680	400,163	384,657	15,506
Purchasing	50,073	50,589	50,496	93
County treasurer	147,000	152,491	131,958	20,533
Collections department	107,666	107,666	100,910	6,756
Tax assessor/collector	404,970	404,970	395,358	9,612
Tax appraisal district	318,363	323,382	323,382	-
Human resources	104,380	104,380	76,844	27,536
Information technology	481,863	470,909	464,702	6,207
Total financial administration	<u>2,014,995</u>	<u>2,014,550</u>	<u>1,928,307</u>	<u>86,243</u>
Public facilities				
Maintenance department	<u>602,981</u>	<u>595,568</u>	<u>582,281</u>	<u>13,287</u>
Total general government	<u>8,906,723</u>	<u>9,722,823</u>	<u>7,909,647</u>	<u>1,813,176</u>
Public safety				
Emergency management	88,275	111,270	64,857	46,413
Emergency medical service	601,541	601,541	601,541	-
Area fire departments	280,056	280,056	280,056	-
Constables	174,718	358,494	260,077	98,417
Animal control	85,578	85,578	78,024	7,554
County sheriff	3,980,374	3,926,880	3,660,763	266,117
Courthouse security	349,143	356,643	330,264	26,379
Juvenile probation department	208,457	208,457	155,067	53,390
Audit probation department	27,822	27,822	26,723	1,099
Department of public safety	78,048	78,049	70,096	7,953
Total public safety	<u>5,874,012</u>	<u>6,034,790</u>	<u>5,527,468</u>	<u>507,322</u>

BURNET COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit B-1
Page 3 of 3

	Original Budget	Final Budget	Actual GAAP Basis	Variance from Final Budget
Health and welfare				
Hill Country humane/SPCA	31,426	31,426	29,696	1,730
Vetrides	2,500	2,500	-	2,500
TDHS (child welfare)	2,993	2,993	2,993	-
Family crisis center	1,800	1,800	1,800	-
Children's' advocacy center	1,800	1,800	1,800	-
Court appointed special advocate	1,800	1,800	1,800	-
Pauper care	1,500	1,500	-	1,500
Meals on wheels	5,400	5,400	5,400	-
Capital area rural transportation	8,000	8,000	8,000	-
Care-A-Van	1,800	1,800	-	1,800
Boys and girls club	1,800	1,800	1,800	-
Total health and welfare	60,819	60,819	53,289	7,530
Culture and recreation				
County Historical Commission	450	23,250	826	22,424
County parks	4,600	4,600	3,331	1,269
Total culture and recreation	5,050	27,850	4,157	23,693
Conservation				
Agricultural extension service	109,958	109,958	83,089	26,869
Environmental services	127,572	127,572	126,042	1,530
Government trappers	31,500	32,400	32,400	-
Total conservation	269,030	269,930	241,531	28,399
Debt service:				
Debt principal	60,000	82,233	82,233	-
Debt interest	2,000	2,057	2,057	-
Total debt service	62,000	84,290	84,290	-
Capital outlay	258,000	411,152	369,083	42,069
Total expenditures	15,435,634	16,611,654	14,189,465	2,422,189
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,654,811	2,653,707	4,258,917	1,605,210
OTHER FINANCING USES				
Sale of capital assets and insurance proceeds	5,000	12,257	20,227	7,970
Transfers in	-	-	46,054	46,054
Transfers out	(4,031,998)	(4,306,057)	(4,306,057)	-
Total other financing uses	(4,026,998)	(4,293,800)	(4,239,776)	54,024
NET CHANGE IN FUND BALANCE	(1,372,187)	(1,640,093)	19,141	1,659,234
FUND BALANCE, BEGINNING OF YEAR (RESTATED)	7,798,694	7,798,694	7,798,694	-
FUND BALANCE, END OF YEAR	\$ 6,426,507	\$ 6,158,601	\$ 7,817,835	\$ 1,659,234

BURNET COUNTY, TEXAS
Road and Bridge Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>
REVENUES		
Taxes		
Property Taxes	\$ 1,892,071	\$ 1,892,071
Penalty and Interest on Taxes	15,000	15,000
Licenses and Permits	900,000	900,000
Intergovernmental Revenue and Grants	45,000	45,968
Investment Earnings	6,000	6,000
Other Revenue	600	600
Total revenues	<u>2,858,671</u>	<u>2,859,639</u>
EXPENDITURES:		
Current:		
Public transportation	2,899,378	2,843,903
Debt service:		
Debt principal	10,833	16,537
Debt interest	379	491
Capital outlay	25,000	497,183
Total expenditures	<u>2,935,590</u>	<u>3,358,114</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(76,919)</u>	<u>(498,475)</u>
OTHER FINANCING USES		
Sale of capital assets and insurance proceeds	-	9,061
Issuance of capital leases	-	363,095
Transfers out	-	(32,266)
Total other financing uses	<u>-</u>	<u>339,890</u>
NET CHANGE IN FUND BALANCE	(76,919)	(158,585)
FUND BALANCE AT BEGINNING OF YEAR	<u>902,085</u>	<u>902,085</u>
FUND BALANCE AT END OF YEAR	<u>\$ 825,166</u>	<u>\$ 743,500</u>

<u>Actual GAAP Basis</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual Budgetary Basis</u>	<u>Variance from Final Budget</u>
\$ 1,877,998	\$	\$ 1,877,998	\$ (14,073)
22,329		22,329	7,329
910,123		910,123	10,123
34,266		34,266	(11,702)
6,289		6,289	289
1,160		1,160	560
<u>2,852,165</u>		<u>2,852,165</u>	<u>(7,474)</u>
2,563,894		2,563,894	280,009
16,537		16,537	-
491		491	-
442,752	53,927	496,679	504
<u>3,023,674</u>	<u>53,927</u>	<u>3,077,601</u>	<u>280,513</u>
<u>(171,509)</u>	<u>(53,927)</u>	<u>(225,436)</u>	<u>273,039</u>
12,994		12,994	3,933
363,095		363,095	-
<u>(32,266)</u>		<u>(32,266)</u>	<u>-</u>
<u>343,823</u>	<u>-</u>	<u>343,823</u>	<u>3,933</u>
172,314	(53,927)	118,387	276,972
<u>902,085</u>		<u>902,085</u>	<u>-</u>
<u>\$ 1,074,399</u>	<u>\$ (53,927)</u>	<u>\$ 1,020,472</u>	<u>\$ 276,972</u>

BURNET COUNTY, TEXAS
Grants Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>
REVENUES		
Intergovernmental revenue and grants	\$ 1,368,586	\$ 1,622,311
Total revenues	<u>1,368,586</u>	<u>1,622,311</u>
EXPENDITURES:		
Current:		
General government	954,661	1,094,327
Public safety	125,464	155,434
Culture and recreation	-	15,170
Capital outlay	<u>578,680</u>	<u>669,924</u>
Total expenditures	<u>1,658,805</u>	<u>1,934,855</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(290,219)</u>	<u>(312,544)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	383,516	383,516
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>383,516</u>	<u>383,516</u>
NET CHANGE IN FUND BALANCE	93,297	70,972
FUND BALANCE AT BEGINNING OF YEAR	<u>47,404</u>	<u>47,404</u>
FUND BALANCE AT END OF YEAR	<u>\$ 140,701</u>	<u>\$ 118,376</u>

Actual GAAP Basis	Adjustment to Budgetary Basis	Actual Budgetary Basis	Variance from Final Budget
\$ 1,581,006	\$	\$ 1,581,006	\$ (41,305)
<u>1,581,006</u>		<u>1,581,006</u>	<u>(41,305)</u>
1,112,755		1,112,755	(18,428)
148,616		148,616	6,818
15,170		15,170	-
<u>588,931</u>	<u>31,345</u>	<u>620,276</u>	<u>49,648</u>
<u>1,865,472</u>	<u>31,345</u>	<u>1,896,817</u>	<u>38,038</u>
<u>(284,466)</u>	<u>(31,345)</u>	<u>(315,811)</u>	<u>(3,267)</u>
393,287		393,287	9,771
<u>(47,662)</u>		<u>(47,662)</u>	<u>(47,662)</u>
<u>345,625</u>	<u>-</u>	<u>345,625</u>	<u>(37,891)</u>
61,159	(31,345)	29,814	(41,158)
<u>47,404</u>		<u>47,404</u>	<u>-</u>
<u>\$ 108,563</u>	<u>\$ (31,345)</u>	<u>\$ 77,218</u>	<u>\$ (41,158)</u>

BURNET COUNTY, TEXAS
 County Jail Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

Exhibit B-4

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 5,199,326	\$ 5,299,969	\$ 1,382,824	\$ (3,917,145)
Investment earnings	-	66	1,299	1,233
Other revenue	-	-	34	34
Total revenues	<u>5,199,326</u>	<u>5,300,035</u>	<u>1,384,157</u>	<u>(3,915,878)</u>
EXPENDITURES				
Current:				
Public safety	7,335,159	7,452,967	4,285,688	3,167,279
Capital outlay	-	100,000	5,935	94,065
Total expenditures	<u>7,335,159</u>	<u>7,552,967</u>	<u>4,291,623</u>	<u>3,261,344</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,135,833)	(2,252,932)	(2,907,466)	(654,534)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,194,021	2,206,796	2,642,287	435,491
Total other financing sources	<u>2,194,021</u>	<u>2,206,796</u>	<u>2,642,287</u>	<u>435,491</u>
SPECIAL AND EXTRAORDINARY ITEMS				
Settlement proceeds	-	850,000	850,000	-
Total other financing sources	<u>-</u>	<u>850,000</u>	<u>850,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	58,188	803,864	584,821	(219,043)
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ 58,188</u>	<u>\$ 803,864</u>	<u>\$ 584,821</u>	<u>\$ (219,043)</u>

BURNET COUNTY, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios
Texas County & District Retirement System
For the Year Ended September 30, 2015

Exhibit B-5

	Year Ended December 31, 2014
<hr/>	
Total Pension Liability	
Service cost	\$ 1,448,123
Interest on total pension liability	3,146,766
Effect of plan changes	-
Effect of assumptions changes or inputs	-
Effect of economic/demographic (gains) or losses	752,053
Benefit payments/refunds of contributions	(1,463,782)
Net change in total pension liability	<u>3,883,160</u>
Total pension liability, beginning	38,856,645
Total pension liability, ending (a)	<u>\$ 42,739,805</u>
Fiduciary Net Position	
Employer contributions	\$ 1,542,078
Member contributions	868,425
Investment income net of investment expenses	2,351,079
Benefit payments/refunds of contribution	(1,463,782)
Administrative expenses	(27,813)
Other	(37,500)
Net change in fiduciary net position	<u>3,232,487</u>
Fiduciary net position, beginning	34,445,782
Fiduciary net position, ending (b)	<u>\$ 37,678,269</u>
Net pension liability / (asset), ending = (a) - (b)	<u>5,061,536</u>
Fiduciary net position as a percentage of total pension liability	88.16%
Pensionable covered payroll	\$ 12,406,073
Net pension liability as a percentage of covered payroll	40.80%

BURNET COUNTY, TEXAS
Schedule of Employer Contributions
Texas County & District Retirement System
For the Year Ended September 30, 2015

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2005	Not available	Not available	Not available	Not available	Not available
2006	\$ 793,708	\$ 793,708	\$ -	\$ 7,866,284	10.1%
2007	850,667	850,667	-	8,364,477	10.2%
2008	908,847	908,847	-	8,919,013	10.2%
2009	952,631	952,631	-	8,987,085	10.6%
2010	1,007,649	1,007,649	-	9,168,778	11.0%
2011	1,013,555	1,013,555	-	9,057,702	11.2%
2012	1,089,506	1,089,506	-	9,384,204	11.6%
2013	1,185,413	1,185,413	-	9,756,474	12.2%
2014	1,542,078	1,542,078	-	12,406,073	12.4%

BURNET COUNTY, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2015

BUDGETARY INFORMATION

The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County Judge with the assistance of the County Auditor's Office and approved by the Commissioners' Court following a public hearing. The County maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body and as such is a good management control device.

The budget law of the State of Texas provides that "the amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in said funds plus the anticipated revenues for the current year for which the budget is made as estimated by the County Auditor". In addition, the law provides that the Commissioners' Court "may, upon proper application, transfer an existing budget surplus during the year to a budget of like kind and fund but no such transfer shall increase the total budget".

Each year, all departments submit to the County Judge requests for appropriation. These requests are reviewed, compiled and presented to the Commissioners' Court for approval. The Commissioners' Court conducts departmental budget reviews, adjusts budget requests to final form and conducts a public hearing in the Commissioners' Courtroom. One copy of the proposed budget must be filed with the County Clerk and one with the County Auditor. A copy must be available to the public. The Commissioners' Court must provide for the public hearing on the budget on some date within seven calendar days after the filing of the budget and prior to October 1st of the current fiscal year.

The County's legal level of control for appropriations is at the category level (i.e., salaries and fringe benefits, contract services, general operating, etc.) for each department/project within the General Fund. Administrative control is maintained through the establishment of more detailed accounts within each category. Appropriation transfers and budget increases may be made between categories or departments only with the approval of the Commissioners' Court. The original budgets presented in the report are the approved budgets before amendments and transfers. The final budgets presented in this report reflect the budgets as amended for all appropriation transfers and increases processed during the fiscal year.

The following summarizes the excess of Grants Fund expenditures over appropriations at the legal level of control:

Fund	Category	Amount
Grants Fund	General government	\$ 18,428

Reconciliation of GAAP Basis and Budgetary Basis Amounts

The major difference between GAAP and budgetary basis is that encumbrances are recorded as an assignment of fund balances (GAAP basis) as opposed to the equivalent of expenditures (budget basis) in governmental funds. Adjustments necessary to convert the change in fund balances from budget basis to GAAP are as follows:

	Road & Bridge Fund	Grants Fund
Net change in fund balances - GAAP Basis	\$ 172,314	\$ 61,159
Outstanding encumbrances established in current year	(53,927)	(31,345)
Net change in fund balances - budgetary basis	<u>\$ 118,387</u>	<u>\$ 29,814</u>

BURNET COUNTY, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2015

Note A: Net Pension Liability – Texas County & District Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	3.0%
Salary increases	4.5%, average, including inflation
Investment rate of return	8.10%, including inflation
Cost-of-living adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic. Therefore, no assumption for cost-of-living adjustments is included in the calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Mortality	Assumed life expectancies are based on the RP-2000 Active Employee Mortality Table for depositing members, the RP-2000 Combined Mortality Table for service retirees and the RP-2000 Disabled Mortality Table for disabled retirees.

Changes of Benefit Terms

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

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

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

**COMBINING STATEMENTS AND BUDGETARY COMPARISON SCHEDULES AS SUPPLEMENTARY
INFORMATION**

The supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

SPECIAL REVENUE FUNDS

BURNET COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2015

	County Attorney Hot Check Fund	District Attorney Special Fund	Economic Development Fund
ASSETS			
Pooled cash and cash equivalents	\$ 31,218	\$ 72,565	\$ 432,718
Investments			619
Accounts receivable (net)	1,017		196,580
Due from other governments			
Prepaids			
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 32,235</u>	<u>\$ 72,565</u>	<u>\$ 629,917</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and other accrued liabilities	\$ 9,353	\$ 67	\$ 42,653
Due to other funds			
Due to others		24,081	
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	9,353	24,148	42,653
Fund balance			
Non-spendable			
Restricted	22,882		
Committed		48,417	587,264
Assigned			
Unassigned			
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>22,882</u>	<u>48,417</u>	<u>587,264</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 32,235</u>	<u>\$ 72,565</u>	<u>\$ 629,917</u>

Law Library Fund	Western County Tower System Fund	Special Operations Unit Fund	Library System Fund	Indigent Health Care Fund	Total Nonmajor Special Revenue Funds
\$ 38,297	\$ 38,137	\$ 211,732	\$ 96,129	\$ 2,013	\$ 922,809
		1,116			1,735
			1,300	217	199,114
	56,416				56,416
	736	690	1,500		2,926
<u>\$ 38,297</u>	<u>\$ 95,289</u>	<u>\$ 213,538</u>	<u>\$ 98,929</u>	<u>\$ 2,230</u>	<u>\$ 1,183,000</u>
\$ 618	\$ 62,460	\$ 2,467	\$ 18,301	\$ 2,230	\$ 138,149
					24,081
618	62,460	2,467	18,301	2,230	162,230
	736	690	1,500		2,926
37,679	32,093	210,381	10,658		71,219
			68,470		946,625
<u>37,679</u>	<u>32,829</u>	<u>211,071</u>	<u>80,628</u>	<u>-</u>	<u>1,020,770</u>
<u>\$ 38,297</u>	<u>\$ 95,289</u>	<u>\$ 213,538</u>	<u>\$ 98,929</u>	<u>\$ 2,230</u>	<u>\$ 1,183,000</u>

BURNET COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2015

	<u>County Attorney Hot Check Fund</u>	<u>District Attorney Special Fund</u>	<u>Economic Development Fund</u>
REVENUES			
Taxes			
Other Taxes	\$	\$	\$ 361,455
Intergovernmental			
Charges for services		583	
Forfeits		8,759	
Investment earnings	108	169	1,827
Contributions and donations			
Other revenue	<u>10,073</u>		<u>6,667</u>
Total revenues	<u>10,181</u>	<u>9,511</u>	<u>369,949</u>
Expenditures:			
Current:			
General government	6,374	1,006	323,234
Public safety			
Health and welfare			
Culture and recreation			
Capital outlay			
Total expenditures	<u>6,374</u>	<u>1,006</u>	<u>323,234</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>3,807</u>	<u>8,505</u>	<u>46,715</u>
OTHER FINANCING SOURCES			
Transfers in			
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	3,807	8,505	46,715
FUND BALANCES AT BEGINNING OF YEAR	<u>19,075</u>	<u>39,912</u>	<u>540,549</u>
FUND BALANCES AT END OF YEAR	<u>\$ 22,882</u>	<u>\$ 48,417</u>	<u>\$ 587,264</u>

Law Library Fund	Western County Tower System Fund	Special Operations Unit Fund	Library System Fund	Indigent Health Care Fund	Total Nonmajor Special Revenue Funds
\$	\$	\$	\$	\$	\$
		20,000	8,400		361,455
30,458	163,004		17,063		28,400
		4,551	16,379		211,108
	62	441			29,689
			4,000		2,607
		4,317			4,000
					21,057
<u>30,458</u>	<u>163,066</u>	<u>29,309</u>	<u>45,842</u>	<u>-</u>	<u>658,316</u>
24,086	173,293				527,993
		39,024			39,024
				486,981	486,981
			780,585		780,585
<u>24,086</u>	<u>173,293</u>	<u>39,024</u>	<u>780,585</u>	<u>486,981</u>	<u>1,834,583</u>
<u>6,372</u>	<u>(10,227)</u>	<u>(9,715)</u>	<u>(734,743)</u>	<u>(486,981)</u>	<u>(1,176,267)</u>
	29,184		750,638	486,981	1,266,803
-	29,184	-	750,638	486,981	1,266,803
6,372	18,957	(9,715)	15,895	-	90,536
<u>31,307</u>	<u>13,872</u>	<u>220,786</u>	<u>64,733</u>	<u>-</u>	<u>930,234</u>
<u>\$ 37,679</u>	<u>\$ 32,829</u>	<u>\$ 211,071</u>	<u>\$ 80,628</u>	<u>\$ -</u>	<u>\$ 1,020,770</u>

BURNET COUNTY, TEXAS
 County Attorney Hot Check Collection Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

Exhibit C-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 108	\$ 108
Other Revenue	<u>23,612</u>	<u>23,612</u>	<u>10,073</u>	<u>(13,539)</u>
Total revenues	<u>23,612</u>	<u>23,612</u>	<u>10,181</u>	<u>(13,431)</u>
EXPENDITURES				
Current:				
General government	<u>9,154</u>	<u>10,126</u>	<u>6,374</u>	<u>3,752</u>
Total expenditures	<u>9,154</u>	<u>10,126</u>	<u>6,374</u>	<u>3,752</u>
NET CHANGE IN FUND BALANCE	14,458	13,486	3,807	(9,679)
FUND BALANCE AT BEGINNING OF YEAR	<u>19,075</u>	<u>19,075</u>	<u>19,075</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 33,533</u>	<u>\$ 32,561</u>	<u>\$ 22,882</u>	<u>\$ (9,679)</u>

BURNET COUNTY, TEXAS
District Attorney Special Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-4

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ -	\$ -	\$ 583	\$ 583
Forfeits	-	-	8,759	8,759
Investment earnings	-	-	169	169
Total revenues	<u>-</u>	<u>-</u>	<u>9,511</u>	<u>9,511</u>
EXPENDITURES				
Current:				
General government	<u>13,628</u>	<u>14,006</u>	<u>1,006</u>	<u>13,000</u>
Total expenditures	<u>13,628</u>	<u>14,006</u>	<u>1,006</u>	<u>13,000</u>
NET CHANGE IN FUND BALANCE	(13,628)	(14,006)	8,505	22,511
FUND BALANCE AT BEGINNING OF YEAR	<u>39,912</u>	<u>39,912</u>	<u>39,912</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 26,284</u>	<u>\$ 25,906</u>	<u>\$ 48,417</u>	<u>\$ 22,511</u>

BURNET COUNTY, TEXAS
Economic Development Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-5

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Taxes				
Other taxes	\$ 150,000	\$ 150,000	\$ 361,455	\$ 211,455
Investment earnings	2,000	2,000	1,827	(173)
Other revenue	-	13,333	6,667	(6,666)
Total revenue	<u>152,000</u>	<u>165,333</u>	<u>369,949</u>	<u>204,616</u>
EXPENDITURES				
Current:				
General government	<u>282,797</u>	<u>327,630</u>	<u>323,234</u>	<u>4,396</u>
Total expenditures	<u>282,797</u>	<u>327,630</u>	<u>323,234</u>	<u>4,396</u>
NET CHANGE IN FUND BALANCE	(130,797)	(162,297)	46,715	209,012
FUND BALANCE AT BEGINNING OF YEAR	<u>540,549</u>	<u>540,549</u>	<u>540,549</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 409,752</u>	<u>\$ 378,252</u>	<u>\$ 587,264</u>	<u>\$ 209,012</u>

BURNET COUNTY, TEXAS
Law Library Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-6

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 24,500	\$ 24,500	\$ 30,458	\$ 5,958
Total revenues	<u>24,500</u>	<u>24,500</u>	<u>30,458</u>	<u>5,958</u>
EXPENDITURES				
Current:				
General government	<u>24,500</u>	<u>24,500</u>	<u>24,086</u>	<u>414</u>
Total expenditures	<u>24,500</u>	<u>24,500</u>	<u>24,086</u>	<u>414</u>
NET CHANGE IN FUND BALANCE	-	-	6,372	6,372
FUND BALANCE AT BEGINNING OF YEAR	<u>31,307</u>	<u>31,307</u>	<u>31,307</u>	-
FUND BALANCE AT END OF YEAR	<u><u>\$ 31,307</u></u>	<u><u>\$ 31,307</u></u>	<u><u>\$ 37,679</u></u>	<u><u>\$ 6,372</u></u>

BURNET COUNTY, TEXAS
 Western County Tower System Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

Exhibit C-7

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 203,904	\$ 203,904	\$ 163,004	\$ (40,900)
Investment earnings	-	-	62	62
Total revenues	<u>203,904</u>	<u>203,904</u>	<u>163,066</u>	<u>(40,838)</u>
EXPENDITURES				
Current:				
General government	<u>207,928</u>	<u>208,713</u>	<u>173,293</u>	<u>35,420</u>
Total expenditures	<u>207,928</u>	<u>208,713</u>	<u>173,293</u>	<u>35,420</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,024)</u>	<u>(4,809)</u>	<u>(10,227)</u>	<u>(5,418)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>29,184</u>	<u>29,184</u>	<u>29,184</u>	<u>-</u>
Total other financing sources	<u>29,184</u>	<u>29,184</u>	<u>29,184</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	25,160	24,375	18,957	(5,418)
FUND BALANCE AT BEGINNING OF YEAR	<u>13,872</u>	<u>13,872</u>	<u>13,872</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 39,032</u>	<u>\$ 38,247</u>	<u>\$ 32,829</u>	<u>\$ (5,418)</u>

BURNET COUNTY, TEXAS
Special Operations Unit Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-8

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Forfeits	4,800	4,800	4,551	(249)
Investment earnings	200	200	441	241
Other revenue	<u>1,000</u>	<u>1,000</u>	<u>4,317</u>	<u>3,317</u>
Total revenues	<u>26,000</u>	<u>26,000</u>	<u>29,309</u>	<u>3,309</u>
EXPENDITURES				
Current:				
Public safety	<u>54,640</u>	<u>54,640</u>	<u>39,024</u>	<u>15,616</u>
Total expenditures	<u>54,640</u>	<u>54,640</u>	<u>39,024</u>	<u>15,616</u>
NET CHANGE IN FUND BALANCE	(28,640)	(28,640)	(9,715)	18,925
FUND BALANCE AT BEGINNING OF YEAR	<u>220,786</u>	<u>220,786</u>	<u>220,786</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 192,146</u>	<u>\$ 192,146</u>	<u>\$ 211,071</u>	<u>\$ 18,925</u>

BURNET COUNTY, TEXAS
Library System Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-9

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	\$ -	\$ 21,690	\$ 8,400	\$ (13,290)
Charges for services	-	17,063	17,063	-
Forfeits	-	67,055	16,379	(50,676)
Contributions and donations	-	4,767	4,000	(767)
Total revenues	-	110,575	45,842	(64,733)
EXPENDITURES				
Current:				
Culture and recreation	748,178	824,463	780,585	43,878
Total expenditures	748,178	824,463	780,585	43,878
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(748,178)	(713,888)	(734,743)	(20,855)
OTHER FINANCING SOURCES (USES)				
Transfers In	768,277	768,277	750,638	(17,639)
Total other financing sources	768,277	768,277	750,638	(17,639)
NET CHANGE IN FUND BALANCE	20,099	54,389	15,895	(38,494)
FUND BALANCE AT BEGINNING OF YEAR	64,733	64,733	64,733	-
FUND BALANCE AT END OF YEAR	\$ 84,832	\$ 119,122	\$ 80,628	\$ (38,494)

BURNET COUNTY, TEXAS
Indigent Health Care Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-10

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Other revenue	\$ -	\$ -	\$ -	\$ -
Total revenues				
EXPENDITURES				
Current:				
Health and welfare	600,000	576,216	486,981	89,235
Total expenditures	600,000	576,216	486,981	89,235
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(600,000)	(576,216)	(486,981)	89,235
OTHER FINANCING SOURCES (USES)				
Transfers In	600,000	600,000	486,981	(113,019)
Total other financing sources	600,000	600,000	486,981	(113,019)
NET CHANGE IN FUND BALANCE	-	23,784	-	(23,784)
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 23,784</u>	<u>\$ -</u>	<u>\$ (23,784)</u>

DEBT SERVICE FUND

BURNET COUNTY, TEXAS
Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-11

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
REVENUES				
Taxes				
Property taxes	\$ 1,227,893	\$ 1,359,706	\$ 1,471,815	\$ 112,109
Penalty and interest on taxes	20,000	20,000	17,884	(2,116)
Intergovernmental revenue and grants	-	-	860	860
Investment earnings	<u>1,500</u>	<u>1,500</u>	<u>1,896</u>	<u>396</u>
Total revenues	<u>1,249,393</u>	<u>1,381,206</u>	<u>1,492,455</u>	<u>111,249</u>
EXPENDITURES:				
Debt service:				
Debt principal	1,200,000	1,210,000	1,210,000	-
Debt interest	45,282	297,483	29,967	267,516
Fiscal agent's fees	<u>1,000</u>	<u>808</u>	<u>808</u>	<u>-</u>
Total expenditures	<u>1,246,282</u>	<u>1,508,291</u>	<u>1,240,775</u>	<u>267,516</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,111</u>	<u>(127,085)</u>	<u>251,680</u>	<u>378,765</u>
OTHER FINANCING USES				
Transfers in	<u>-</u>	<u>129,194</u>	<u>129,194</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>129,194</u>	<u>129,194</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	3,111	2,109	380,874	378,765
FUND BALANCE AT BEGINNING OF YEAR	<u>293,509</u>	<u>293,509</u>	<u>293,509</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 296,620</u>	<u>\$ 295,618</u>	<u>\$ 674,383</u>	<u>\$ 378,765</u>

CAPITAL PROJECT FUND

BURNET COUNTY, TEXAS
Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-12

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Investment earnings	\$ -	\$ 93,655	\$ 93,689	\$ 34
Total revenues	<u>-</u>	<u>93,655</u>	<u>93,689</u>	<u>34</u>
EXPENDITURES:				
Debt service:				
Fiscal agent's fees	-	518,762	518,762	-
Capital outlay	-	14,850,000	14,850,000	-
Total expenditures	<u>-</u>	<u>15,368,762</u>	<u>15,368,762</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(15,275,107)</u>	<u>(15,275,073)</u>	<u>34</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of certificate of obligation	-	14,845,000	14,845,000	-
Premium on certificate of obligation	-	559,301	559,301	-
Transfers out	<u>-</u>	<u>(129,194)</u>	<u>(129,194)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>15,275,107</u>	<u>15,275,107</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	34	34
FUND BALANCE AT BEGINNING OF YEAR	<u>7,152</u>	<u>7,152</u>	<u>7,152</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 7,152</u>	<u>\$ 7,152</u>	<u>\$ 7,186</u>	<u>\$ 34</u>

AGENCY FUNDS

BURNET COUNTY, TEXAS
 Combining Statement of Fiduciary Assets and Liabilities
 Agency Funds
 September 30, 2015

	<u>Court Costs and Fees Fund</u>	<u>Household Hazardous Waste</u>	<u>Wastewater Permit Fees</u>	<u>Employee Great Fund Costs</u>	<u>Treasurer's Cash Bond</u>	<u>County Clerk's Trusts</u>
ASSETS:						
Pooled cash and cash equivalents	\$ 170,183	\$ 69,769	\$ 780	\$ 13,980	\$ 99,188	\$ 242,362
Accounts receivable						
Other	<u>230</u>			<u>174</u>		
TOTAL ASSETS	<u>\$ 170,413</u>	<u>\$ 69,769</u>	<u>\$ 780</u>	<u>\$ 14,154</u>	<u>\$ 99,188</u>	<u>\$ 242,362</u>
LIABILITIES:						
Due to others	<u>\$ 170,413</u>	<u>69,769</u>	<u>780</u>	<u>14,154</u>	<u>99,188</u>	<u>242,362</u>
TOTAL LIABILITIES	<u>\$ 170,413</u>	<u>\$ 69,769</u>	<u>\$ 780</u>	<u>\$ 14,154</u>	<u>\$ 99,188</u>	<u>\$ 242,362</u>

<u>County Clerk's Registry</u>	<u>District Clerk's Registry</u>	<u>District Clerk's Trusts</u>	<u>County Attorney Hot Checks</u>	<u>Tax A/C Sales Tax and State Fees</u>	<u>Inmate Trust</u>	<u>Total Agency Funds</u>
\$ 69,696	\$ 996,313	\$ 171,563	\$ (93)	\$ 38,711	\$ 38,425	\$ 1,910,877
						404
<u>\$ 69,696</u>	<u>\$ 996,313</u>	<u>\$ 171,563</u>	<u>\$ (93)</u>	<u>\$ 38,711</u>	<u>\$ 38,425</u>	<u>\$ 1,911,281</u>
<u>69,696</u>	<u>996,313</u>	<u>171,563</u>	<u>(93)</u>	<u>38,711</u>	<u>38,425</u>	<u>1,911,281</u>
<u>\$ 69,696</u>	<u>\$ 996,313</u>	<u>\$ 171,563</u>	<u>\$ (93)</u>	<u>\$ 38,711</u>	<u>\$ 38,425</u>	<u>\$ 1,911,281</u>

BURNET COUNTY, TEXAS
 Combining Statement of Changes in Assets and Liabilities
 All Agency Funds
 For the Year Ended September 30, 2015

Exhibit C-14
 Page 1 of 4

	Balance 10/1/2014	Additions	Deductions	Balance 9/30/2015
COURT COSTS AND FEES FUND				
ASSETS				
Cash and cash equivalents	\$ 198,981	\$ 507,725	\$ 536,523	\$ 170,183
Accounts receivable	186	230	186	230
Total assets	<u>\$ 199,167</u>	<u>\$ 507,955</u>	<u>\$ 536,709</u>	<u>\$ 170,413</u>
LIABILITIES				
Due to others	\$ 199,167	\$ 507,955	\$ 536,709	\$ 170,413
Total liabilities	<u>\$ 199,167</u>	<u>\$ 507,955</u>	<u>\$ 536,709</u>	<u>\$ 170,413</u>
HOUSEHOLD HAZARDOUS WASTE				
ASSETS				
Cash and cash equivalents	\$ 56,458	\$ 26,510	\$ 13,199	\$ 69,769
Accounts receivable	4,860	-	4,860	-
Total assets	<u>\$ 61,318</u>	<u>\$ 26,510</u>	<u>\$ 18,059</u>	<u>\$ 69,769</u>
LIABILITIES				
Due to others	\$ 61,318	\$ 26,510	\$ 18,059	\$ 69,769
Total liabilities	<u>\$ 61,318</u>	<u>\$ 26,510</u>	<u>\$ 18,059</u>	<u>\$ 69,769</u>
WASTEWATER PERMIT FEES				
ASSETS				
Cash and cash equivalents	\$ 520	\$ 2,090	\$ 1,830	\$ 780
Total assets	<u>\$ 520</u>	<u>\$ 2,090</u>	<u>\$ 1,830</u>	<u>\$ 780</u>
LIABILITIES				
Due to others	\$ 520	\$ 2,090	\$ 1,830	\$ 780
Total liabilities	<u>\$ 520</u>	<u>\$ 2,090</u>	<u>\$ 1,830</u>	<u>\$ 780</u>
EMPLOYEE GREAT FUND				
ASSETS				
Cash and cash equivalents	\$ 16,990	\$ 5,308	\$ 8,318	\$ 13,980
Accounts receivable	-	174	-	174
Total assets	<u>\$ 16,990</u>	<u>\$ 5,482</u>	<u>\$ 8,318</u>	<u>\$ 14,154</u>
LIABILITIES				
Due to others	\$ 16,990	\$ 5,482	\$ 8,318	\$ 14,154
Total liabilities	<u>\$ 16,990</u>	<u>\$ 5,482</u>	<u>\$ 8,318</u>	<u>\$ 14,154</u>

BURNET COUNTY, TEXAS
 Combining Statement of Changes in Assets and Liabilities - continued
 All Agency Funds
 For the Year Ended September 30, 2015

Exhibit C-14 (continued)
 Page 2 of 4

	Balance 10/1/2014	Additions	Deductions	Balance 9/30/2015
TREASURER'S CASH BOND				
ASSETS				
Cash and cash equivalents	\$ 20,075	\$ 418,242	\$ 339,129	\$ 99,188
Total assets	<u>\$ 20,075</u>	<u>\$ 418,242</u>	<u>\$ 339,129</u>	<u>\$ 99,188</u>
LIABILITIES				
Due to others	20,075	418,242	339,129	99,188
Total liabilities	<u>\$ 20,075</u>	<u>\$ 418,242</u>	<u>\$ 339,129</u>	<u>\$ 99,188</u>
COUNTY CLERK'S TRUSTS				
ASSETS				
Cash and cash equivalents	\$ 286,148	\$ 76,601	\$ 120,387	\$ 242,362
Total assets	<u>\$ 286,148</u>	<u>\$ 76,601</u>	<u>\$ 120,387</u>	<u>\$ 242,362</u>
LIABILITIES				
Due to others	\$ 286,148	\$ 76,601	\$ 120,387	\$ 242,362
Total liabilities	<u>\$ 286,148</u>	<u>\$ 76,601</u>	<u>\$ 120,387</u>	<u>\$ 242,362</u>
COUNTY CLERK'S REGISTRY				
ASSETS				
Cash and cash equivalents	\$ 82,769	\$ 30,013	\$ 43,086	\$ 69,696
Total assets	<u>\$ 82,769</u>	<u>\$ 30,013</u>	<u>\$ 43,086</u>	<u>\$ 69,696</u>
LIABILITIES				
Due to others	\$ 82,769	\$ 30,013	\$ 43,086	\$ 69,696
Total liabilities	<u>\$ 82,769</u>	<u>\$ 30,013</u>	<u>\$ 43,086</u>	<u>\$ 69,696</u>
DISTRICT CLERK'S REGISTRY				
ASSETS				
Cash and cash equivalents	\$ 862,433	\$ 378,856	\$ 244,976	\$ 996,313
Total assets	<u>\$ 862,433</u>	<u>\$ 378,856</u>	<u>\$ 244,976</u>	<u>\$ 996,313</u>
LIABILITIES				
Due to others	\$ 862,433	\$ 378,856	\$ 244,976	\$ 996,313
Total liabilities	<u>\$ 862,433</u>	<u>\$ 378,856</u>	<u>\$ 244,976</u>	<u>\$ 996,313</u>

BURNET COUNTY, TEXAS

Exhibit C-14 (continued)

Combining Statement of Changes in Assets and Liabilities - continued

Page 3 of 4

All Agency Funds

For the Year Ended September 30, 2015

	Balance 10/1/2014	Additions	Deductions	Balance 9/30/2015
DISTRICT CLERK'S TRUSTS				
ASSETS				
Cash and cash equivalents	\$ 176,101	\$ 14,080	\$ 18,618	\$ 171,563
Total assets	\$ 176,101	\$ 14,080	\$ 18,618	\$ 171,563
LIABILITIES				
Due to others	\$ 176,101	\$ 14,080	\$ 18,618	\$ 171,563
Total liabilities	\$ 176,101	\$ 14,080	\$ 18,618	\$ 171,563
COUNTY ATTORNEY HOT CHECKS				
ASSETS				
Cash and cash equivalents	\$ 201	\$ 97,560	\$ 97,854	\$ (93)
Total assets	\$ 201	\$ 97,560	\$ 97,854	\$ (93)
LIABILITIES				
Due to others	\$ 201	\$ 97,560	\$ 97,854	\$ (93)
Total liabilities	\$ 201	\$ 97,560	\$ 97,854	\$ (93)
TAX A/C SALES TAX AND STATE FEES				
ASSETS				
Cash and cash equivalents	\$ 37,921	\$ 29,156,627	\$ 29,155,837	\$ 38,711
Total assets	\$ 37,921	\$ 29,156,627	\$ 29,155,837	\$ 38,711
LIABILITIES				
Due to others	\$ 37,921	\$ 29,156,627	\$ 29,155,837	\$ 38,711
Total liabilities	\$ 37,921	\$ 29,156,627	\$ 29,155,837	\$ 38,711
INMATE TRUST				
ASSETS				
Cash and cash equivalents	\$ 25,551	\$ 326,690	\$ 313,816	\$ 38,425
Total assets	\$ 25,551	\$ 326,690	\$ 313,816	\$ 38,425
LIABILITIES				
Due to others	\$ 25,551	\$ 326,690	\$ 313,816	\$ 38,425
Total liabilities	\$ 25,551	\$ 326,690	\$ 313,816	\$ 38,425

BURNET COUNTY, TEXAS

Combining Statement of Changes in Assets and Liabilities - continued

All Agency Funds

For the Year Ended September 30, 2015

	<u>Balance</u> <u>10/1/2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>9/30/2015</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 1,764,148	\$ 31,040,302	\$ 30,893,573	\$ 1,910,877
Accounts receivable	<u>5,046</u>	<u>404</u>	<u>5,046</u>	<u>404</u>
Total assets	<u>\$ 1,769,194</u>	<u>\$ 31,040,706</u>	<u>\$ 30,898,619</u>	<u>\$ 1,911,281</u>
LIABILITIES				
Due to others	<u>\$ 1,769,194</u>	<u>\$ 31,040,706</u>	<u>\$ 30,898,619</u>	<u>\$ 1,911,281</u>
Total liabilities	<u>\$ 1,769,194</u>	<u>\$ 31,040,706</u>	<u>\$ 30,898,619</u>	<u>\$ 1,911,281</u>

STATISTICAL SECTION

BURNET COUNTY, TEXAS
Statistical Section

This part of the County's statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	83
Revenue Capacity These schedules contain information to help the reader assess the County's most significant revenue source, property taxes.	87
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	91
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	95
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the government provides and the activities it performs.	98

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

BURNET COUNTY, TEXAS
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 4,215,861	\$ 4,626,445	\$ 5,201,806	\$ 6,589,622	\$ 8,131,053	\$ 8,991,719	\$ 10,130,715	\$ 10,397,590	\$ 11,133,474	\$ 11,223,818
Restricted	1,639,434	2,738,586	2,832,962	2,238,176	2,363,974	1,973,018	1,854,763	2,066,761	3,877,891	2,703,255
Unrestricted	7,346,699	8,149,829	8,959,953	7,950,786	7,920,246	6,983,482	7,781,982	8,754,048	7,272,048	6,189,897
Total governmental activities net position	\$ 13,201,994	\$ 15,514,860	\$ 16,994,721	\$ 16,778,584	\$ 18,415,273	\$ 17,948,219	\$ 19,767,460	\$ 21,218,399	\$ 22,283,413	\$ 20,116,970

BURNET COUNTY, TEXAS
Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental activities:										
General government	\$ 6,643,893	\$ 7,282,552	\$ 7,914,836	\$ 8,230,791	\$ 8,971,896	\$ 9,365,277	\$ 9,689,816	\$ 8,911,433	\$ 9,836,316	\$ 10,009,382
Public safety	4,797,097	5,281,014	5,132,123	5,962,184	5,621,349	5,888,344	5,807,933	7,579,400	9,213,061	10,671,618
Public transportation	1,590,459	1,829,628	2,727,586	2,187,038	2,662,518	2,834,692	2,601,488	2,828,087	2,925,573	2,950,608
Health and welfare	496,832	403,277	469,197	453,438	590,292	722,603	609,570	531,660	618,282	540,270
Culture and recreation	521,388	529,403	649,080	898,391	726,592	749,805	697,018	779,946	786,521	811,745
Conservation	156,732	165,398	213,902	204,980	234,281	320,590	516,942	449,112	256,130	250,383
Debt Service	403,342	385,817	382,762	339,283	229,834	209,573	163,462	118,286	87,962	821,885
Total governmental activities expenses	14,609,763	15,877,089	17,489,486	18,276,105	19,036,762	20,090,884	20,086,229	21,197,924	23,723,845	26,055,891
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	2,087,809	2,214,552	1,462,022	1,378,505	1,387,549	292,287	1,002,955	1,085,961	1,218,240	\$ 1,525,027
Public safety	438,195	492,756	627,385	517,605	545,543	811,238	477,066	452,797	1,010,945	1,265,530
Public transportation	1,012,693	1,013,350	1,281,895	1,209,877	1,214,181	1,231,456	1,682,462	1,811,333	1,917,877	2,400,852
Health and welfare	574	991	5,410	5,325	5,707	5,829	18,660	19,578	20,015	25,055
Culture and recreation	26,781	26,904	25,333	29,510	37,161	36,853	33,030	32,236	33,724	42,217
Grants and contributions	1,083,204	1,644,681	1,632,874	1,256,815	1,295,608	936,982	2,010,403	1,506,620	1,764,627	1,855,659
Total governmental activities program revenues	4,649,256	5,393,234	5,034,919	4,397,637	4,485,749	3,314,645	5,224,576	4,908,525	5,965,428	7,114,340
Net (Expenses) /Revenues	\$ (9,960,507)	\$ (10,483,855)	\$ (12,454,567)	\$ (13,878,468)	\$ (14,551,013)	\$ (16,776,239)	\$ (14,861,653)	\$ (16,289,399)	\$ (17,758,417)	\$ (18,941,551)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property taxes	\$ 10,966,266	\$ 11,551,408	\$ 12,757,191	\$ 13,927,242	\$ 14,923,248	\$ 15,437,428	\$ 15,863,963	\$ 16,901,829	\$ 17,306,024	\$ 17,034,419
Other taxes	231,072	235,596	285,486	322,626	307,643	274,257	321,095	318,621	402,748	1,482,143
Penalty and interest	200,827	211,823	193,647	203,547	228,340	220,523	215,565	239,488	229,766	434,747
Other revenue not restricted to specific programs	457,425	266,375	323,053	176,058	674,037	288,352	267,911	331,739	639,551	406,892
Investment earnings	418,191	531,519	375,051	114,249	54,434	88,625	138,548	98,537	53,603	154,339
Settlement proceeds	-	-	-	-	-	-	-	-	-	850,000
Total general revenues	12,273,781	12,796,721	13,934,428	14,743,722	16,187,702	16,309,185	16,807,082	17,890,214	18,631,692	20,362,540
Change in Net Position	\$ 2,313,274	\$ 2,312,866	\$ 1,479,861	\$ 865,254	\$ 1,636,689	\$ (467,054)	\$ 1,945,429	\$ 1,600,815	\$ 873,275	\$ 1,420,989

BURNET COUNTY, TEXAS
Fund Balances of Governmental Funds
Last Ten Fiscal Years (1)
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Non-Spendable										
Restricted	\$ 961,121	\$ 1,348,097	\$ 1,391,486	\$ 790,175	\$ 1,014,527	\$	\$ 41,059	\$ 30,051	\$ 34,273	\$ 35,185
Committed	4,073,726	4,276,231	4,147,886	4,271,139	4,479,886	670,331	663,078	758,096	902,023	963,195
Assigned						55,096	60,775	92,748	57,270	112,034
Unassigned						222,430	222,430	281,616	739,212	1,450,559
Reserved						4,985,243	5,947,429	6,852,443	6,399,924	5,184,873
Unreserved										
Total general fund	\$ 5,034,847	\$ 5,624,328	\$ 5,539,372	\$ 5,061,314	\$ 5,494,413	\$ 5,974,159	\$ 6,923,763	\$ 8,019,176	\$ 8,133,614	\$ 7,817,835
All other governmental funds										
Non-Spendable										
Restricted						\$ 1,740	\$ 4,227	\$ 3,910	\$ 998	\$ 20,708
Committed						1,302,687	1,191,685	1,308,665	1,190,123	1,738,067
Assigned						805,775	716,558	748,015	865,738	946,625
Reserved						35,936	12,116	59,724	123,525	764,722
Unreserved, reported in :										
Special revenue funds	898,679	1,233,196	1,991,172	1,818,982	1,657,549					
Debt service fund	255,946	538,585	-	-	-					
Capital projects fund	322,009	579,570	-	-	-					
Total all other governmental funds	1,576,992	2,623,685	3,432,648	3,266,983	3,045,481	2,146,138	1,924,586	2,120,314	2,180,384	3,470,122
Total funds	\$ 6,611,839	\$ 8,248,013	\$ 8,972,020	\$ 8,328,297	\$ 8,539,894	\$ 8,120,297	\$ 8,848,349	\$ 10,139,490	\$ 10,313,998	\$ 11,287,957

(1) In 2011, Burnet County began reporting fund balances in accordance with GASB 54 which eliminated the "reserved" and "unreserved" classifications and added the classifications currently in use. Extracted from Balance Sheet--Governmental Funds

BURNET COUNTY, TEXAS
Change in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes	\$ 11,393,677	\$ 11,982,828	\$ 13,224,103	\$ 14,393,941	\$ 15,419,894	\$ 15,884,591	\$ 16,325,985	\$ 17,456,793	\$ 17,990,254	\$ 19,212,460
Licenses and permits	1,277,759	1,301,006	1,336,018	1,258,994	1,256,519	1,281,249	1,313,360	1,351,827	1,440,048	1,514,583
Intergovernmental and grants	1,141,000	1,483,954	1,697,423	1,313,874	1,590,685	1,006,961	2,065,542	1,550,281	1,800,592	1,828,548
Charges for services	1,358,805	1,344,839	1,278,154	1,250,918	1,163,697	1,500,364	1,452,197	1,474,788	2,174,799	3,043,751
Fines	722,036	863,407	648,396	550,529	568,511	474,726	447,306	535,315	574,762	560,301
Investment earnings	405,962	515,845	359,671	109,861	53,334	88,362	117,212	98,537	53,603	154,339
Other revenue	213,905	234,406	276,963	154,627	299,209	224,943	273,707	266,301	282,807	196,188
Total Revenues	16,513,144	17,726,285	18,820,728	19,032,744	20,351,849	20,461,196	21,995,309	22,733,842	24,316,865	26,510,170
EXPENDITURES										
General government	6,264,895	6,866,915	7,423,279	7,739,771	8,445,073	8,681,370	9,074,876	8,265,350	9,095,659	9,550,395
Public safety	4,415,939	4,883,153	4,634,605	5,207,457	4,933,582	5,444,752	5,330,507	6,945,177	8,541,083	10,000,796
Health and welfare	495,832	403,277	469,197	637,731	576,317	708,628	595,595	528,166	618,282	540,270
Culture and recreation	509,545	516,321	602,880	674,122	708,917	731,305	677,134	759,933	762,320	799,912
Conservation	139,914	150,158	197,398	184,432	212,469	298,263	495,722	429,441	236,459	241,531
Public transportation	1,315,618	1,616,588	2,387,969	2,767,690	2,291,767	2,253,269	2,180,950	2,347,796	2,517,464	2,563,894
Debt service										
Principal	918,848	1,096,362	1,158,359	1,235,035	1,286,288	1,394,370	1,471,814	1,528,682	1,309,482	1,308,770
Interest	398,383	385,817	378,042	334,563	277,355	174,493	128,382	93,870	63,548	32,515
Fiscal agent fees	-	-	-	-	-	-	-	-	-	519,570
Capital outlay	1,107,796	1,741,300	992,682	1,123,387	2,878,861	1,491,123	1,356,102	688,226	1,146,147	16,256,701
Total Expenditures	15,566,770	17,659,891	18,244,411	19,904,188	21,610,629	21,177,573	21,311,082	21,586,641	24,290,444	41,814,354
Excess of revenues over (under) expenditures	946,374	66,394	576,317	(871,444)	(1,258,780)	(716,377)	684,227	1,147,201	26,421	(15,304,184)
OTHER FINANCING SOURCES (USES)										
Transfers in	848,202	754,907	1,095,660	1,254,976	2,624,501	919,292	959,355	913,186	1,096,901	4,477,625
Transfers out	(848,202)	(754,907)	(1,095,660)	(1,254,976)	(2,337,925)	(831,042)	(853,412)	(934,772)	(1,124,929)	(4,515,179)
Proceeds from debt issued & capital leases	178,375	1,564,931	136,348	220,162	1,367,246	186,473	77,869	83,028	135,934	15,767,396
Proceeds from insurance settlements	-	-	-	-	-	12,143	8,191	48,851	28,229	850,000
Proceeds from Sale of capital assets	11,340	4,849	11,342	7,559	116,490	9,913	4,102	33,647	11,954	33,221
Total other financing sources (uses)	189,715	1,569,780	147,690	227,721	1,770,312	296,779	196,095	143,940	148,089	16,613,063
Net change in fund balances	\$ 1,136,089	\$ 1,636,174	\$ 724,007	\$ (643,723)	\$ 511,532	\$ (419,598)	\$ 880,322	\$ 1,291,141	\$ 174,510	\$ 1,308,879
Debt services as a percentage of noncapital expenditures	9.11%	9.31%	8.91%	8.36%	8.35%	7.97%	8.02%	7.76%	5.93%	7.28%

Extracted from Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds
Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

BURNET COUNTY, TEXAS
General Government Revenue By Source
(General, Special Revenue, Debt Service and Capital Projects)
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental	State/Federal Grants	Charges for Services	Fines and Forfeitures	Miscellaneous	Totals
2015	\$ 19,212,460	\$ 1,514,583	\$ 424,850	\$ 1,403,698	\$ 3,043,751	\$ 560,301	\$ 350,527	\$ 26,510,170
2014	\$ 17,990,254	\$ 1,440,048	\$ 283,518	\$ 1,517,074	\$ 2,174,799	\$ 609,969	\$ 301,203	\$ 24,316,865
2013	\$ 17,456,793	\$ 1,351,827	\$ 232,551	\$ 1,317,730	\$ 1,474,788	\$ 577,289	\$ 322,864	\$ 22,733,842
2012	\$ 16,325,985	\$ 1,313,360	\$ 128,243	\$ 1,937,299	\$ 1,452,197	\$ 452,227	\$ 385,998	\$ 21,995,309
2011	\$ 15,884,591	\$ 1,452,197	\$ 69,979	\$ 936,982	\$ 1,500,364	\$ 477,329	\$ 310,702	\$ 20,632,144
2010	\$ 15,419,894	\$ 1,256,519	\$ 295,078	\$ 1,295,608	\$ 1,163,697	\$ 568,511	\$ 352,543	\$ 20,351,850
2009	\$ 14,393,941	\$ 1,258,994	\$ 245,753	\$ 1,068,121	\$ 1,250,918	\$ 550,529	\$ 264,488	\$ 19,032,744
2008	\$ 13,224,103	\$ 1,336,018	\$ 538,138	\$ 1,159,285	\$ 1,278,154	\$ 648,396	\$ 636,634	\$ 18,820,728
2007	\$ 11,982,828	\$ 1,301,006	\$ 290,217	\$ 1,193,737	\$ 1,344,839	\$ 863,407	\$ 750,251	\$ 17,726,285
2006	\$ 11,393,677	\$ 1,277,759	\$ 354,331	\$ 786,669	\$ 1,358,805	\$ 722,036	\$ 619,867	\$ 16,513,144

Source:

Extracted from Statement of Revenues, Expenditures, and changes in Fund Balance - Governmental Funds.
Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

BURNET COUNTY, TEXAS
Assessed Value and Estimated Actual Value of Taxable Property¹
 Last Ten Fiscal Years

Fiscal Year Ended September 30	Real Property		Commercial Property	All Other	Less: Total Exemptions	Total Assessed Value	Total Direct General Tax Rate ²	Total Estimated Adjusted Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property							
2015	\$ 2,823,339,548	\$ 486,561,703	\$ 1,356,645,552	\$ 409,988,073	\$ 4,666,546,803	0.40250	\$ 3,683,640,872	0.7894	
2014	2,793,516,440	438,367,987	1,646,513,788	287,001,305	4,878,398,215	0.41400	3,600,291,297	0.7380	
2013	2,747,582,531	415,256,598	1,609,573,153	310,803,398	4,772,412,282	0.39510	3,557,129,850	0.7454	
2012	2,707,663,070	408,441,825	1,546,799,151	308,748,799	4,662,904,046	0.33320	3,504,632,927	0.7516	
2011	2,662,340,790	403,281,579	1,497,008,828	261,182,451	4,562,631,197	0.33030	3,484,737,786	0.7638	
2010	2,615,424,333	393,594,834	1,444,904,219	239,631,639	4,453,923,386	0.32670	3,468,961,578	0.7789	
2009	2,380,145,662	351,169,223	1,378,020,542	205,521,502	4,109,335,427	0.32770	3,250,104,295	0.7909	
2008	4,341,278,980	341,058,166	264,663,943	1,518,539,624	4,945,020,887	0.37790	3,426,481,263	0.6929	
2007	3,682,742,539	299,186,692	184,392,267	1,102,849,753	4,164,360,967	0.38070	3,061,511,214	0.7352	
2006	3,492,692,417	267,657,996	178,885,992	1,175,308,410	3,939,236,405	0.40020	2,763,927,995	0.7016	

Source: Burnet Central Appraisal District

¹ Property value amounts were reclassified for this schedule for clarity. FY 2009 is not comparable to previous years.

² Beginning in Fiscal Year 2009 the total direct tax rate does not include the Burnet County Special Tax Rate.

BURNET COUNTY, TEXAS
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

Table 7

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Direct Rates										
Burnet County General Rates	0.3752	0.3553	0.3478	0.3277	0.3267	0.3303	0.3517	0.3533	0.3700	0.3623
Burnet Co. Special Road & Bridge Rate	0.0250	0.0254	0.0301	0.0350	0.0360	0.0389	0.0417	0.0418	0.0440	0.0402
Total direct tax rate	0.4002	0.3807	0.3779	0.3627	0.3627	0.3692	0.3934	0.3951	0.4140	0.4025
Overlapping debt:										
City Rates										
City of Burnet	0.5098	0.6393	0.5819	0.5574	0.5852	0.6265	0.6265	0.6265	0.6265	0.6265
City of Bertram	0.4419	0.4784	0.4856	0.4565	0.4565	0.4565	0.4810	0.4810	0.4810	0.4810
City of Marble Falls	0.4200	0.3950	0.4850	0.6300	0.6134	0.6435	0.6483	0.6483	0.6483	0.6483
City of Granite Shoals	0.4057	0.4091	0.4000	0.4311	0.4300	0.4480	0.4600	0.4970	0.5198	0.5207
City of Cottonwood Shores	0.4349	0.4399	0.4997	0.4638	0.4999	0.5000	0.5000	0.5172	0.5438	0.5438
City of Meadowlakes	0.0670	0.0673	0.2990	0.2990	0.2990	0.2990	0.3159	0.3206	0.3206	0.3206
City of Highland Haven	0.0878	0.0775	0.0747	0.0724	0.0680	0.0718	0.0944	0.1125	0.1125	0.1059
City of Horseshoe Bay	-	0.5000	0.4000	0.3500	0.3300	0.2500	0.2500	0.2500	0.2500	0.2500
School District Rates										
Burnet C. I. S. D.	1.7400	1.5978	1.2750	1.2500	1.2500	1.2650	1.2625	1.2625	1.2625	1.3300
Marble Falls I. S. D.	1.6400	1.4716	1.2350	1.2550	1.2850	1.2900	1.2800	1.2800	1.2800	1.2800
Special District Rates										
Burnet ESD #1	0.0334	0.0295	0.0295	0.0295	0.0280	0.0280	0.0220	0.0220	0.0220	0.0231
Burnet ESD #2	-	-	-	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Burnet ESD #3	-	-	-	-	-	-	0.0875	0.0875	0.0875	0.0855
Burnet ESD #4	-	-	-	0.0780	0.0810	0.0826	0.0750	0.1000	0.1000	0.1000
Burnet ESD #5	-	-	-	-	0.1000	0.1000	0.0998	0.0910	0.0910	0.0910
Burnet ESD #6	-	-	-	-	-	-	0.0861	0.0861	0.0835	0.0791
Burnet ESD #7	-	-	-	-	0.1000	0.0960	0.0975	0.0975	0.0965	0.0965
Burnet ESD #8	-	-	-	-	-	0.1000	0.1000	0.1000	0.1000	0.1000
Burnet ESD #9	-	-	-	-	-	-	-	-	0.1000	0.1000
Kingsland M.U.D.	-	-	-	0.2500	0.2400	0.2250	0.2200	0.2200	0.2200	0.2200
Meadowlakes M. U. D.	0.2300	0.2300	-	-	-	-	-	-	-	-
Central Texas Groundwater	-	0.0165	0.0151	0.0137	0.0131	0.0108	0.0099	0.0098	0.0096	0.0091
Total Direct and Overlapping Rates	6.4107	6.7326	6.1584	6.5991	6.8418	6.9619	7.2098	7.3046	7.4691	7.5136

Source: Burnet Central Appraisal District

BURNET COUNTY, TEXAS
Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date ⁽¹⁾	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 18,861,757	\$ 18,439,809	97.76%	\$ -	\$ 18,439,809	97.76%
2014	\$ 17,271,388	\$ 17,027,445	98.59%	\$ 233,733	\$ 17,261,178	99.94%
2013	\$ 16,761,190	\$ 16,585,333	98.95%	\$ 133,176	\$ 16,718,509	99.75%
2012	\$ 15,828,135	\$ 15,487,022	97.84%	\$ 298,931	\$ 15,785,953	99.73%
2011	\$ 15,425,858	\$ 15,092,330	97.84%	\$ 297,481	\$ 15,389,811	99.77%
2010	\$ 14,943,142	\$ 14,565,642	97.47%	\$ 283,205	\$ 14,848,847	99.37%
2009	\$ 13,949,024	\$ 13,600,505	97.50%	\$ 172,959	\$ 13,773,464	98.74%
2008	\$ 11,783,091	\$ 11,531,728	97.87%	\$ 180,285	\$ 11,712,013	99.40%
2007	\$ 11,548,946	\$ 11,276,310	97.64%	\$ 208,447	\$ 11,484,757	99.44%
2006	\$ 10,987,901	\$ 10,698,641	97.37%	\$ 160,066	\$ 10,858,707	98.82%

(1) Collections in subsequent years often result in total tax collections in excess of the original tax levy due to additions to the tax roll as a result of previously exempt property losing its exempt status. Subsequent collections do not include penalties or interest assessed on late payments.

Source: Burnet Central Appraisal District

BURNET COUNTY, TEXAS
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Percentage of Personal Income ^{1,2}	Total Debt Per Capita
	General Obligation Bonds	Unamortized Premium	Capital Leases	Total Primary Government	Total Debt Per Capita	Total Debt Per Capita		
2015	\$ 15,820,000	\$ 553,349	\$ 475,200	\$ 16,848,549		0.74%	\$ 374.89	
2014	\$ 2,185,000	\$ 11,143	\$ 210,875	\$ 2,407,018		0.12%	\$ 54.82	
2013	\$ 3,400,000	\$ 19,499	\$ 287,620	\$ 3,707,119		0.35%	\$ 85.98	
2012	\$ 4,790,000	\$ 27,855	\$ 225,075	\$ 5,042,930		0.48%	\$ 117.96	
2011	\$ 6,140,000	\$ 36,211	\$ 269,030	\$ 6,445,241		0.61%	\$ 150.77	
2010	\$ 7,420,000	\$ 44,567	\$ 196,927	\$ 7,661,494		0.52%	\$ 167.80	
2009	\$ 7,070,000	\$ -	\$ 334,154	\$ 7,404,154		0.68%	\$ 169.47	
2008	\$ 8,000,000	\$ -	\$ 416,178	\$ 8,416,178		0.60%	\$ 196.20	
2007	\$ 8,820,000	\$ -	\$ 618,189	\$ 9,438,189		0.71%	\$ 207.59	
2006	\$ 8,585,000	\$ -	\$ 384,620	\$ 8,969,620		0.81%	\$ 199.78	

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

² Ratio of Total Primary Government Debt to Total County Personal Income.

BURNET COUNTY, TEXAS
Direct and Overlapping Governmental Activities Debt
As of September 30, 2015
(unaudited)

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Burnet County	\$ 16,848,549	100.00%	\$ 16,848,549
Total direct debt	<u>16,848,549</u>		<u>16,848,549</u>
Overlapping debt:			
City of Meadowlakes	3,880,000	100.00%	3,880,000
City of Burnet	28,267,000	100.00%	28,267,000
City of Bertram	2,438,000	100.00%	2,438,000
City of Horseshoe Bay	23,800,000	11.31%	2,691,780
City of Marble Falls	52,625,000	100.00%	52,625,000
Burnet C. I. S. D.	26,985,000	89.03%	24,024,746
Lampasas I. S. D.	40,349,982	15.37%	6,201,792
Marble Falls I. S. D.	71,261,595	83.15%	59,254,016
City of Granite Shoals	10,400,000	100.00%	10,400,000
City of Highland Haven	1,145,000	100.00%	1,145,000
City of Cottonwood Shores	<u>379,000</u>	100.00%	<u>379,000</u>
Total overlapping debt	<u>261,530,577</u>		<u>191,306,334</u>
Total direct and overlapping debt	<u>\$ 278,379,126</u>		<u>\$ 208,154,883</u>

Source: Outstanding Debt as of September 30, 2015

¹ The percentage of debt applicable to Burnet County is based on the percentage of the entity that lies within Burnet County.

BURNET COUNTY, TEXAS
Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
 (unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
2015	\$ 15,820,000	674,383	\$ 15,145,617	0.4112%	\$ 337.00
2014	\$ 2,185,000	293,509	\$ 1,891,491	0.0525%	\$ 42.09
2013	\$ 3,400,000	270,771	\$ 3,129,229	0.0880%	\$ 71.26
2012	\$ 4,790,000	279,320	\$ 4,510,680	0.1287%	\$ 103.82
2011	\$ 6,140,000	327,222	\$ 5,812,778	0.1668%	\$ 134.81
2010	\$ 7,420,000	520,063	\$ 6,899,937	0.1989%	\$ 161.40
2009	\$ 7,070,000	750,619	\$ 6,319,381	0.1944%	\$ 147.82
2008	\$ 8,000,000	776,269	\$ 7,223,731	0.2108%	\$ 158.21
2007	\$ 8,820,000	533,585	\$ 8,286,415	0.2707%	\$ 189.67
2006	\$ 8,585,000	255,946	\$ 8,329,054	0.3013%	\$ 194.17

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics.

BURNET COUNTY, TEXAS
Legal Debt Margin Information
 Last Ten Fiscal Years
 (unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 984,809,101	\$ 1,041,580,375	\$ 1,236,255,222	\$ 1,062,185,912	\$ 927,148,304	\$ 936,480,059	\$ 953,345,432	\$ 966,983,312	\$ 971,823,151	\$ 1,166,636,701
Total net debt applicable to limit	8,329,054	8,286,415	7,223,731	6,319,381	6,899,937	5,812,778	4,510,680	3,129,229	1,891,491	15,145,617
Legal debt margin	\$ 976,480,047	\$ 1,033,293,960	\$ 1,229,031,491	\$ 1,055,866,531	\$ 920,248,367	\$ 930,667,281	\$ 948,834,752	\$ 963,854,083	\$ 969,931,660	\$ 1,151,491,084
Total net debt applicable to the limit as percentage of debt limit	0.85%	0.80%	0.58%	0.59%	0.74%	0.62%	0.47%	0.32%	0.19%	1.30%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value ¹	\$ 3,683,640,872
Add back: exempt real property ¹	982,905,931
Total assessed value	\$ 4,666,546,803
Debt Limit (25% of total assessed value)	1,166,636,701
Debt applicable to limit:	
General obligation bonds ²	15,820,000
Less: Amount set aside for repayment of general obligation debt ³	674,383
Total net debt applicable to limit	15,145,617
Legal debt margin	\$ 1,151,491,084

Sources:

¹Burnet Central Appraisal District

²Note 8 of the Financial Statements

BURNET COUNTY, TEXAS
Principal Property Taxpayers
Current Year and Nine Years Ago

Employer	2006			2015		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Pedernales Electric Co-Op, Inc.	\$ 26,702,210	1	0.68%	\$ 19,241,701	1	0.41%
Capitol Aggregates LTD	8,275,011	9	0.21%	18,059,229	2	0.39%
LCRA Transmission Services Corp.	13,364,479	5	0.34%	17,651,900	3	0.38%
Scott & White Healthcare				17,294,910	4	0.37%
ATMI Materials LTD	25,848,564	2	0.66%	14,436,563	5	0.31%
Wal-Mart Stores, Inc	14,511,258	4	0.37%	9,891,187	6	0.21%
J.M. Huber Corp				9,555,848	7	0.20%
GTE Southwest	15,507,559	3	0.39%	8,651,756	8	0.19%
Wal-Mart Stores, East LP				8,448,723	9	0.18%
Lowe's Home Centers Inc				6,972,908	10	0.15%
Chemical Lime	7,561,357	8	0.19%	-		
Home Depot USA, Inc	9,299,697	7	0.24%			
Seminole Pipeline	6,311,680	10	0.16%			
Johnson-Sewell Family Partnership	10,376,283	6	0.26%			
Total	\$ 137,758,098		3.50%	\$ 130,204,725		2.79%

Source: Burnet Central Appraisal District

BURNET COUNTY, TEXAS
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (2)	Per capita Personal Income (3)	Median Age (4)	Education		Burnet County Unemployment Rate (7)
					Level in Years of Formal Schooling (5)	Public School Enrollment (6)	
2015	44,943	\$ 2,279,149,416	\$ 50,712	43.4	13.8	7,204	3.7%
2014	43,911	2,079,361,494	47,354	43.8	13.8	6,949	4.0%
2013	43,448	920,880,360	21,195	43.0	13.8	7,464	4.9%
2012	43,117	1,078,399,287	25,011	43.2	13.8	7,520	5.0%
2011	42,750	1,052,761,500	24,626	43.5	13.2	7,582	6.7%
2010	42,750	1,048,700,250	24,531	41.5	12.6	7,316	6.4%
2009	45,658	1,093,737,390	23,955	41.3	12.6	7,296	5.7%
2008	43,689	1,009,565,412	23,108	41.0	12.6	7,328	4.1%
2007	42,896	1,102,132,704	25,693	40.2	12.6	7,363	3.6%
2006	43,616	1,102,132,704	25,269	41.2	12.6	8,677	3.9%

(1) (2) (5) US Census Bureau

(3) www.bea.gov

(4) U.S. Census Bureau, 2006-2008 American Community Survey

(6) Texas Education Agency Website (Grades K-12)

(7) http://www.bls.gov/lau/launtycur14.txt

BURNET COUNTY, TEXAS
Principal Employers
Current and Nine Years Ago

Employer	2006			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Marble Falls ISD	496	1	2.15%	629	1	2.85%
Burnet CISD	455	2	1.97%	462	2	2.09%
Wal-Mart Stores, Inc.	400	3	1.73%	320	3	1.45%
Burnet County	195	6	0.84%	284	4	1.29%
HEB Grocery	225	4	0.97%	250	5	1.13%
Baylor Scott & White			0.00%	240	6	1.09%
Home Depot, USA	225	5	NA	200	7	0.90%
Edwards Risk Management	180	7	0.78%	150	8	0.68%
City of Burnet	130	8	0.56%	130	9	0.59%
Texas Dept. of Criminal Justice	130	10	0.56%	130	10	0.59%
Seton Highland Lakes	120	9	0.52%	120		0.54%
Total	2,556		10.69%	2,915		13.19%

Sources: City of Marbles Falls; City of Burnet; Burnet County
Number of employed from the Texas Labor Market Info--Burnet County Website--
<http://www.tracer2.com>

BURNET COUNTY, TEXAS
Full-time Equivalent County Government Employees by Function
 Last Ten Fiscal Years

<u>Function/ Program</u>	<u>Full-time Equivalent Employees as of September 30</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	61	63	68	66	65	65	65	63	78	79
Elected Officials	20	20	20	20	20	20	20	20	20	20
Public Safety	68	84	81	55	58	58	58	59	88	137
Conservation/Environmental	4	4	3	5	4	4	4	4	5	6
Health and Welfare	1	1	2	1	1	1	1	1	---	---
Community Service	1	1	1	1	1	1	1	1	1	1
Library	17	10	11	11	14	13	13	13	13	14
Road and Bridge	<u>23</u>	<u>25</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>
Total	<u>195</u>	<u>208</u>	<u>211</u>	<u>185</u>	<u>190</u>	<u>189</u>	<u>189</u>	<u>188</u>	<u>232</u>	<u>284</u>

*Note--FY 2010 equivalent employees has been changed to include part-time positions allocated by hours worked
 Source: Burnet County Human Resources Department

BURNET COUNTY, TEXAS
Operating Indicators by Function
 Last Ten Fiscal Years
 (unaudited)

Table 17

Function/ Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
County Finance										
Accounts Payable checks issued	5,502	4,376	5,052	4,506	4,516	5,880	4,554	3,799	4,759	4,243
Payroll checks and advices issued	6,786	5,902	7,048	5,720	7,070	7,016	7,287	7,540	8,169	7,384
Deposit warrants issued	152,642	2,799	4,283	3,448	3,871	5,014	4,985	5,441	5,739	5,527
Tax Office										
Auto titles issued	11,165	11,590	10,347	9,887	10,049	10,121	10,489	10,868	10,951	11,001
Auto registrations	46,926	49,144	50,007	50,724	50,681	50,746	51,390	52,074	53,269	53,479
Administration of justice										
District court level										
Civil cases filed	1,120	582	504	758	605	521	437	419	373	353
Civil case dispositions	1,158	541	684	675	575	558	400	447	444	421
Criminal cases filed	333	348	382	400	257	916	966	638	684	599
Criminal case dispositions	300	365	376	452	282	387	426	460	429	641
Juvenile cases filed	39	45	87	64	60	41	57	43	53	56
Juvenile cases disposed	41	41	84	78	59	11	35	33	42	51
County court level										
Civil cases filed	345	572	480	612	432	423	199	578	346	504
Civil case dispositions	1,783	523	552	530	444	307	186	582	347	550
Criminal cases filed	1,783	1,812	1,492	1,070	835	950	1,041	1,848	2,087	1,153
Criminal case dispositions	1,337	1,597	2,022	1,262	989	1,100	976	1,238	1,128	1,213
Justice of the Peace court level										
Civil cases filed	287	150	449	566	337	518	322	370	325	330
Civil case dispositions	120	82	293	530	281	362	324	337	357	273
Criminal cases filed	6,477	200	4,950	902	4,940	4,451	4,171	5,607	4,658	3,250
Criminal case dispositions	143	116	4,892	1,262	4,487	4,214	4,354	5,312	4,702	3,305
Public Safety										
Jail Facilities										
Total prisoner days	88	91	79	110	112	90	87	88	107	144
Cost per prisoner day	28.25	29.61	46.26	40.00	40.00	32.13	37.76	44.00	46.00	50.00
Law Enforcement										
Arrests	1,136	2,703	2,707	2,907	2,375	944	1,026	921	2,558	3,180
Citations filed	750	900	703	1,106	577	485	402	575	349	490
Culture and recreation										
County Library										
Materials circulated	262,231	274,594	260,960	285,143	292,100	298,714	271,946	232,789	243,420	241,410
Patrons	161,760	18,810	10,320	14,677	12,625	12,773	13,562	14,451	13,308	13,044
Transportation										
Road and Bridge										
Miles of new roadways	2.60	2.00	2.20	0.51	-	-	-	1.42	0.19	-
Miles of road surface-Major Improvements	45.40	14.40	23.00	0.25	-	-	-	-	-	-

BURNET COUNTY, TEXAS
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	3	7	14	14	16	16	16	15	12	27
Administrative Vehicles										
Public Safety	44	48	49	53	48	48	48	48	48	30
Sheriff patrol units	11	20	20	12	16	16	18	21	30	30
Law Enforcement units										
Transportation	20	23	25	28	32	32	28	28	29	25
Road and Bridge Vehicles	121	124	127	91	96	96	96	90	0	93
Road and Bridge Equipment	485	487	489	490	490	490	490	490	490	490
County roads (miles)										
Culture and recreation	3	3	3	2	2	2	2	2	2	2
County Parks	4	4	4	4	4	4	4	4	4	4
County Libraries										

BURNET COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
September 30, 2015
(unaudited)

Type of Coverage and Name of Company	Policy Number	Policy From	Policy To	Details of Coverage	Liability Limits	Annual Premium
AUTOMOBILE LIABILITY (TAC Risk Management Pool)	AL 0270 2014 07 01	7/1/2015	7/1/2016	Auto Liability Bodily Injury Property Damage Uninsured Motorist - Bodily Injury Property Damage Personal Injury Prot	\$ 1,000 / Deductible 100,000 / Person 300,000 / Occurrence 100,000 / Occurrence 30,000 / Person 60,000 / Occurrence 25,000 / Occurrence 5,000 / Person	\$ 28,204
AUTOMOBILE PHYSICAL DAMAGE (TAC Risk Management Pool)	APD 0270 2014 07 01	7/1/2015	7/1/2016	Comprehensive Collision	2,500 / Deductible Actual cash value or cost of repair (lesser)	\$ 11,988
GENERAL LIABILITY (TAC Risk Management Pool)	GL 0270 2014 07 01	7/1/2015	7/1/2016	General Liability Bodily Injury Property Damage Medical Expense Employee Benefits Personal & Advertising Injury	1,000 / Deductible 100,000 / Person 300,000 / Occurrence 100,000 / Occurrence 5,000 / Person 100,000 / Claim 100,000 / Person 300,000 / Offense/Aggr	\$ 12,810
BUILDINGS/PROPERTY (TAC Risk Management Pool)	PR 0270 2014 07 01	7/1/2015	7/1/2016	Basic Coverage: Buildings Contents Flood Flood- Deductible Earth Movement Earth Movement- Deductible Valuable Papers Electronic Data Equip Mobile Equipment Equipment Breakdown Fine Arts Site Improvement Law Enforcement Animals	1,000 / Deductible 45,393,475 / Limit 6,670,460 / Limit 5,000,000 / Limit 25,000 / Deductible 5,000,000 / Limit 25,000 / Deductible 1,000,000 / Limit 1,000,000 / Limit 2,227,417 / Limit 25,000,000 / Limit 20,000 / Limit 306,953 / Limit 30,000 / Limit per animal	\$ 74,928
CRIME (TAC Risk Management Pool)	CR 0270 2014 07 01	7/1/2015	7/1/2016	Crime Coverage	1,000 / Deductible 100,000 / Occurrence	\$ 2,330
PUBLIC OFFICIALS LIABILITY (TAC Risk Management Pool)	PO 0270 2014 07 01	7/1/2015	7/1/2016	Public Officials Liability	5,000 / Deductible 2,000,000 / Loss 2,000,000 / Aggregate	\$ 49,635
LAW ENFORCEMENT LIABILITY (TAC Risk Management Pool)	LE 0270 2014 04 01	4/1/2015	4/1/2016	Law Enforcement Liability	5,000 / Deductible 2,000,000 / Loss 2,000,000 / Aggregate	\$ 45,407
WORK RELEASE VOLUNTEER PROGRAM (The CIMA Companies, Inc.)	TX BURN 4	7/1/2015	7/1/2016	Volunteer Ins. Service	2,500 / Accidental Death 25,000 / Medical	\$ 1,628
WORKERS' COMPENSATION & EMPLOYERS' LIABILITY	WC 0270 2014 01 01	1/1/2015	1/1/2016	Death by Accident Death by Disease	1,000,000 / Accident 1,000,000 / Claimant 2,000,000 / Aggregate	\$ 296,764
UNEMPLOYMENT (Participation Agreement-TAC Unemployment Compensation Group Account Fund)	99-991884-D	10/1/2015	9/30/2016	Unemployment Compensation Group Account Fund	Texas Workforce Commission/ Texas Labor Code Requirements	\$ 38,784

BURNET COUNTY, TEXAS
SCHEDULE OF SALARIES, SUPPLEMENTS AND SURETY
BONDS OF PRINCIPAL OFFICIALS
For the Year Ended September 30, 2015
(unaudited)

<u>Name of Official</u>	<u>Title</u>	<u>Annual Salary</u>	<u>Amount of Surety Bond</u>
James Oakley	County Judge	\$ 89,658	\$ 5,000
Bill Neve	Commissioner, Precinct 1	62,119	3,000
Russell Graeter	Commissioner, Precinct 2	62,119	3,000
Ronny Hibler	Commissioner, Precinct 3	62,119	3,000
Joe Don Dockery	Commissioner, Precinct 4	62,119	10,000
Linda Bayless	County Court-at-Law Judge	139,000	5,000
Eduardo Arredondo	County Attorney	103,615	5,000
Janet Parker	County Clerk	59,781	95,000
Casie Walker	District Clerk	59,781	60,000
Karen Lester	County Auditor	63,544	5,000
Karrie Crownover	County Treasurer	59,781	70,000
Sheri Frazier	Tax Assessor-Collector	61,367	100,000
W. T. Smith	County Sheriff	73,112	10,000
Calvin Boyd	J.P., Precinct 1	56,695	10,000
Lisa Whitehead	J.P., Precinct 2	56,695	10,000
Peggy Simon	J.P., Precinct 3	55,695	5,000
Guilford Jones	J.P., Precinct 4	54,995	5,000
Mike Harnisch	Constable, Precinct 1	37,715	10,000
Garry Adams	Constable, Precinct 2	37,715	1,500
Robert Ballard	Constable, Precinct 3	37,715	1,500
Chris Jett	Constable, Precinct 4	37,715	1,500

OTHER REPORTING

This section includes other reporting required by *Government Auditing Standards*.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Burnet County, Texas (the County), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Dennis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 30, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

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

Report on Compliance for Each Major Federal and State Program

We have audited Burnet County, Texas' (the County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the State of Texas Single Audit Circular that could have a direct and material effect on each of its major federal or state programs for the year ended September 30, 2015. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State of Texas Single Audit Circular. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

Dennis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 30, 2016

BURNET COUNTY, TEXAS
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2015

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material Weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal and State Awards

Internal control over major programs:	
• Material Weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Major Federal Programs:

Grantor Agency:	U.S. Department of Homeland Security passed through Texas Division of Emergency Management
Program:	State Homeland Security Program (SHSP)
CFDA No.	97.067

Major State Programs:

Grantor Agency:	Texas Automobile Burglary and Theft Prevention Authority
Program:	2015 Heart of Texas Auto Theft Task Force
Program No.	2015-T01-Burnet C-00019
Grantor Agency:	Texas Indigent Defense Commission
Program:	Burnet County Public Defender Office
Program No.	212-25-D05
Grantor Agency:	Texas Department of Transportation
Program:	Infrastructure – CR413
Program No.	CTIF-01-027

Dollar Threshold Considered Between Type A and Type B Federal Programs	\$300,000
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Low Risk Auditee	The County did not qualify as a low-risk auditee in the context of OMB Circular A-133.
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BURNET COUNTY, TEXAS
Schedule of Findings and Questioned Costs
Year Ended September 30, 2015

B. Findings Required to be Reported in Accordance with *Government Auditing Standards*

None

C. Findings and Questioned Costs for Federal Awards Required to be Reported Under OMB Circular A-133

None

BURNET COUNTY, TEXAS
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2015

Status of Prior Year's Finding/Noncompliance

None

BURNET COUNTY, TEXAS
Corrective Action Plan
Year Ended September 30, 2015

N/A There were no findings reported in the current year.

BURNET COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal / State Expenditures
FEDERAL AWARDS			
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<u>Direct Programs</u>			
State Criminal Alien Assistance Program	16.606	2015-H1101-TX-AP	\$ 1,608
Bulletproof Vest Partnership Program	16.607	OMB#1121-0235	4,315
Total Direct Programs			<u>5,923</u>
<u>Passed through Texas Criminal Justice Division</u>			
DJ-Edward Byrne Memorial Justice Assistance Grant	16.738	2763801	67,697
Law Enforcement In-Car Computer Project	16.738	DJ-11A10-27841-01	3,445
Total Passed through Texas Criminal Justice Division			<u>71,142</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>77,065</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<u>Passed through Texas Department of Agriculture</u>			
Texas Community Development Block Grant Program	14.228	712147	60,393
Total Passed through Texas Department of Agriculture			<u>60,393</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>60,393</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<u>Passed through Texas Division of Emergency Management</u>			
State Homeland Security Program (SHSP)	97.067	2008-GE-T8-0034	336,289
Total Passed Through Texas Division of Emergency Management			<u>336,289</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>336,289</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 473,747</u>

The accompanying notes are an integral part of this schedule.

BURNET COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2015

Exhibit D-1
Page 2 of 2

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal / State Expenditures
STATE AWARDS			
<u>Direct Programs</u>			
<u>Texas Indigent Defense Commission</u>			
Indigent Defense Formula		221-15-027	\$ 46,054
Texas Indigent Defense Commission - Public Defender Office		212-25-D05	115,620
Total Texas Indigent Defense Commission			<u>161,674</u>
<u>Texas Veterans Commission Fund for Veterans' Assistance</u>			
Texas Veterans Commission - Vet rides		FVA_15A_0216	40,246
Texas Veterans Commission - Vet rides		FVA_14A_0154	18,720
Total Texas Veterans Commission Fund for Veterans' Assistance			<u>58,966</u>
<u>Automobile Burglary & Theft Prevention Authority</u>			
Heart of Texas Auto Theft Task Force/FY 2015		2015-T01-Burnet C-00019	283,201
<u>Office of the Attorney General of Texas</u>			
Statewide Automated Victim Notification Service		1554419	16,500
Victim Coordinator and Liaison Grant (VCLG)		1442326	39,680
Total Office of the Attorney General of Texas			<u>56,180</u>
<u>Secretary of State Elections Division</u>			
Chapter 19		N/A	3,891
<u>Office of the Governor Criminal Justice Division</u>			
SF-State Criminal Justice Planning (421) Fund 33rd and 424 Judicial Drug Crt		1738511	83,590
<u>Texas Department of Transportation</u>			
TXDOT Infrastructure - CR413		CTIF-01-027	129,063
TOTAL DIRECT PROGRAMS			<u>776,565</u>
<u>CAPITAL AREA PLANNING COUNCIL OF GOVERNMENTS</u>			
<u>Passed Through Texas Commission on State Emergency Communications</u>			
Capital Area Planning Council of Governments 911 PSAP FY 2015		Interlocal	1,500
Capital Area Planning Council of Governments 911 Database FY 2015		Interlocal	104,921
Total Passed Through Texas Commission on State Emergency Communications			<u>106,421</u>
<u>Passed Through Texas Commission on Environmental Quality</u>			
Capital Area Planning Council of Governments HHW FY 2015		15-12-G05	15,170
TOTAL CAPITAL AREA PLANNING COUNCIL OF GOVERNMENTS			<u>121,591</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 898,156</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 1,371,903</u>

BURNET COUNTY, TEXAS
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2015

Note 1: Summary of Accounting Policies

The County utilizes the General Fund, the Grant Fund and Special Revenue Funds to account and report for federal and state awards. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

In the fund financial statements, all governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds in the fund financial statements are accounted for using the modified accrual basis of accounting. Expenditures are recognized when the related fund liability is incurred. Grant revenues in the special revenue funds are recognized at the time expenditures are incurred in a particular grant, in an amount proportionate to the percentage of federal participation in the expenditures incurred. Cash received from the grantor agencies is treated as deferred revenue until the time it is "earned" or "applied" as revenue. Revenues in the general fund are recognized at the time they become available and measurable.

Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received; they are recorded as deferred revenues until earned. The period of availability for federal grant funds, for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, is in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.

Amounts reported in the Schedule of Expenditures of Federal and State Awards may not agree with the amounts reported in the related federal financial reports filed with grantor agencies because of accruals which would be included in the next report filed with the agencies.