

Jeff Davis County, Texas
Annual Financial Report
For the Year Ended December 31, 2016

**JEFF DAVIS COUNTY
 FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION
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 FOR THE YEAR ENDED DECEMBER 31, 2016**

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Painter and Associates, P.C.
Certified Public Accountants

836 King George Lane
Savannah, Texas 76227-7854

INDEPENDENT AUDITOR'S REPORT

To the Commissioners Court
Jeff Davis County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jeff Davis County, Texas as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Jeff Davis County, Texas' 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, each major fund, and the aggregate remaining fund information of Jeff Davis County, as of December 31, 2016, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 13-14 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 Jeff Davis County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2018, on our consideration of Jeff Davis County, Texas' 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 Jeff Davis County, Texas' internal control over financial reporting and compliance.

Painter and Associates, P.C.

Savannah, Texas
February 28, 2018



MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial Report, we, the managers of Jeff Davis County, discuss and analyze the County's financial performance for the fiscal year ended December 31, 2016. Please read it in conjunction with, the independent auditors' report on page 1, and the County's Basic Financial Statements which begin on page 7.

FINANCIAL HIGHLIGHTS

As a result of this year's operations the County's net position increased by \$621,403. This was an increase of over 8.5%.

During the year, the County had expenses that were \$561,370 less than the \$3,197,141 generated by the ad valorem taxes, investment earnings, licenses and permits, charges for services as well as miscellaneous income in the General Fund.

The County participated in state and federal grants during the year. Grant expenditures for the year totaled \$382,913.

The General Fund ended the year with a fund balance of \$2,824,991 which represented an increase of \$293,729 from the prior year.

The general fund budget for the County revealed \$245,737 more revenues were received during the year than were budgeted while \$44,637 less expenses were incurred than were budgeted for the year. The net effect of the budget variance was \$290,374, a positive budget variance.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities, beginning on page 7, provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

The notes to the financial statements, starting on page 16, provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

P.O. Box 836 • 100 Court Avenue • Fort Davis, Texas 79734

(432) 426-3968 voice • (432) 426-2292 fax

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the County's overall financial condition and operations begins on page 7. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in it. The County's net position, the difference between assets and liabilities, provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, one should consider nonfinancial factors as well.

In the Statement of Net Position and the Statement of Activities we present the County as one kind of activity:

Governmental activities – The only funds reported by the County here are general operations of the entity.

Reporting the County's Most Significant Funds

Fund Financial Statements

Laws and contracts require the County to establish some funds by State law and bond covenants. The County's administration establishes many other funds to help it control and manage money for particular purposes such as grants.

Governmental Funds

Only the County's general operating funds are reported in governmental funds. These use modified accrual accounting, a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash, and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County implemented GASB Statement No. 34 in a prior year. In future years, we present both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the County's governmental type activities.

Net position of the County's governmental activities increased from \$5,901,891 to \$6,456,843. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was \$3,582,315 at December 31, 2016. This increase in governmental net position was the result of the County's activities.

TABLE I - SUMMARY OF NET POSITION

	Governmental		diff	
	2016	2015	\$	%
Assets				
Cash and Cash Equivalents	\$ 3,708,916	\$ 3,593,520	\$ 113,396	3.2%
Restricted Cash	595,988	382,911	213,077	55.6%
Receivables, net	724,178	668,589	55,589	8.3%
Capital Assets, net	2,257,198	2,632,184	(374,986)	-14.2%
Total Assets	\$ 7,284,280	\$ 7,277,203	\$ 7,076	0.1%
Liabilities				
Current Liabilities				
Accounts Payable	\$ 488,835	\$ 355,096	\$ 113,739	32.0%
Deferred Revenues	943,026	990,314	(47,288)	-4.8%
Accrued Compensated Absences	35,994	29,902		
Total Liabilities	1,447,855	1,375,312	66,451	4.8%
Net Position				
Invested in Capital Assets	2,278,540	2,632,184	(353,644)	-13.4%
Restricted	595,988	382,911	213,077	55.6%
Unrestricted	3,582,315	2,866,796	695,519	24.1%
Total Net Position	6,456,843	5,901,891	554,952	9.4%
Total Liabilities and Net Position	\$ 7,904,698	\$ 7,277,203	\$ 621,403	8.5%

TABLE II - SUMMARY OF CHANGES IN NET POSITION

	Governmental		diff	
	2016	2015	\$	%
Revenues				
Charges for Services	\$ 302,279	\$ 134,408	\$ 167,871	124.9%
Taxes				
Property Taxes	1,781,826	1,504,512	277,314	18.4%
Sales Tax	268,826	89,987	198,839	284.1%
Hotel / Motel Tax	195,715	247,748	(52,032)	-21.0%
Vehicle Registrations & Assessments	125,782	145,223	(19,441)	-13.4%
Interest	35,987	-	35,987	-
Grant Revenues	399,355	350,955	48,400	13.8%
Miscellaneous Revenues	87,370	284,590	(197,220)	-69.3%
Total Revenues	3,197,141	2,737,421	459,720	16.8%
Expenses				
Sheriff	598,332	773,674	(175,342)	-22.7%
Tax Assessor - Collector	92,598	75,387	17,211	22.8%
County Attorney	134,317	114,727	19,590	17.1%
County and District Clerk	117,504	103,009	14,495	14.1%
County Judge	128,230	105,232	22,998	21.9%
County Treasurer	110,964	86,412	24,552	28.4%
Justice of Peace	98,535	85,346	13,189	15.5%
Constable	83,876	61,164	2,712	4.4%
Courthouse	105,833	94,213	11,620	12.3%
Utilities Department	253,862	136,932	116,930	85.4%
District Court	56,908	31,874	25,032	78.5%
Extension Service	22,977	40,071	(17,094)	-42.7%
Appraisal District	57,620	-	57,620	-
Library	91,954	79,187	12,767	16.1%
Public Safety	1,104	3,016	(1,912)	-63.4%
Receiving Station	103,398	88,256	15,142	17.2%
County Park	22,556	42,151	(19,595)	-46.5%
Emergency Management Services	128,580	-	128,580	-
Non-departmental	446,626	1,123,345	(676,719)	-60.2%
Total Expenses	2,635,771	3,043,995	(408,225)	-13.4%
Increase (Decrease) in Net Position	561,370	(306,573)	867,943	283.1%
Net Position - Beginning of Year	5,901,891	6,208,464	(306,573)	-4.9%
Adjustments	(6,418)	-	(6,418)	-
Net Position - End of Year	\$ 6,456,843	\$ 5,901,891	\$ 554,952	9.4%

THE COUNTY'S FUNDS

As the County completed the year, its General Fund, as presented in the Balance Sheet – Governmental Funds on page 9, reported a combined fund balance of \$2,824,991, which is greater than last year's total of \$2,531,262.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2016, the County had over \$8 million invested in land, buildings, machinery and equipment, and office furniture and fixtures.

TABLE III - CAPITAL ASSETS

	Governmental Activities		diff	
	2016	2015	\$	%
Buildings	\$ 5,573,451	\$ 5,581,568	\$ (8,117)	-0.1%
Machinery and Equipment	2,969,429	3,020,741	(51,312)	-1.7%
	<u>8,542,879</u>	<u>8,602,309</u>	<u>(59,430)</u>	<u>-0.7%</u>
Less:				
Accumulated Depreciation	(6,285,681)	(5,970,124)	(315,557)	5.3%
Total Net Capital Assets	<u>\$ 2,257,198</u>	<u>\$ 2,632,184</u>	<u>\$ (374,986)</u>	<u>-14.2%</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The year 2016 was another good year for Jeff Davis County so far as budgets and expenses were concerned.

The Sheriff's Department received several grants for Deputy overtime and equipment.

Tax collections were also good for 2016.

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County accountability for the money it receives.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's office, at the Jeff Davis County Courthouse, P.O. Box 605, Ft. Davis, Texas 79734.

JEFF DAVIS COUNTY
Statement of Net Position
December 31, 2016

Exhibit A-1

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 3,706,916
Restricted Cash	595,988
Total Cash and Cash Equivalents	4,302,904
Receivables, net	724,178
Work-in-Progress	106,977
Capital Assets, net	2,257,198
Total Assets	7,391,257
Deferred Outflows	
Difference between Actual and Expected	158,505
Contributions Subsequent to Pension Valuation Date	142,156
Net Pension Asset	212,780
Total Deferred Outflows	513,441
Liabilities	
Current Liabilities	
Accounts Payable	468,835
Deferred Revenues	943,026
Noncurrent Liabilities	
Accrued Compensated Absences	35,994
Total Liabilities	1,447,855
Net Position	
Invested in Capital Assets, net of related debt	2,278,540
Restricted	595,988
Unrestricted	3,582,315
Total Net Position	\$ 6,456,843

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY
Statement of Activities
For the Year Ended December 31, 2016

Exhibit B-1

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government:				
Government Activities:				
Sheriff	\$ 598,332	\$ 4,044	\$ 263,967	\$ (330,321)
Tax Assessor - Collector	92,598	5,264	-	(87,334)
County Attorney	134,317	2,725	23,333	(108,259)
County and District Clerk	117,504	36,034	-	(81,470)
County Judge	128,230	-	5,078	(123,151)
County Treasurer	110,964	-	-	(110,964)
Justice of Peace	98,535	63,696	-	(34,839)
Constable	63,876	94	-	(63,782)
Courthouse	105,833	-	-	(105,833)
Utilities Department	253,862	-	106,977	(146,885)
District Court	56,906	2,757	-	(54,149)
Extension Service	22,977	-	-	(22,977)
Appraisal District	57,620	-	-	(57,620)
Library	91,954	1,072	-	(90,881)
Public Safety	1,104	-	-	(1,104)
Receiving Station	103,398	28,041	-	(75,357)
County Park	22,556	-	-	(22,556)
Emergency Management Service	128,580	158,553	-	29,973
Non-departmental	446,626	-	-	(446,626)
Total Expenses	\$ 2,635,771	\$ 302,279	\$ 399,355	(1,934,137)
General Revenues:				
Taxes				
Property Taxes				1,781,826
Sales Tax				268,826
Hotel / Motel Tax				195,715
Vehicle Registrations & Assessments				125,782
Interest				35,987
Miscellaneous Revenues				87,370
Total General Revenues				2,495,506
Change in Net Position				561,370
Net Position - Beginning				5,901,891
Adjustments				(6,418)
Net Position - Ending				\$ 6,456,843

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY
Balance Sheet
Governmental Funds
December 31, 2016

Exhibit C-1

	General Fund	Non-major Governmental Funds	Major Special Revenue Funds	Non-major Special Revenue Funds	Total
Assets					
Cash and Cash Equivalents	\$ 3,450,133	\$ 256,783	\$ -	\$ -	\$ 3,706,916
Restricted Cash	-	55,715	433,696	106,577	595,988
Receivables, net	724,178	-	-	-	724,178
Total Assets	\$ 4,174,311	\$ 312,498	\$ 433,696	\$ 106,577	\$ 5,027,082
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 406,294	\$ 2,825	\$ -	\$ 59,717	\$ 468,835
Deferred Revenues	943,026	-	-	-	943,026
Total Liabilities	1,349,319	2,825	-	59,717	1,411,861
Fund Balance					
Nonspendable Fund Balance	-	-	-	-	-
Restricted Fund Balance	-	55,715	433,696	46,860	536,271
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	253,959	-	-	253,959
Unassigned Fund Balance	2,824,991	-	-	-	2,824,991
Total Fund Balance	2,824,991	309,674	433,696	46,860	3,615,221
Total Liabilities and Fund Balance	\$ 4,174,311	\$ 312,498	\$ 433,696	\$ 106,577	\$ 5,027,082

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY

Exhibit C-2

**Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2016**

Total Fund Balances - Governmental Funds	\$ 3,615,221
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. At the beginning of the year, the costs of these assets was \$ 8,602,308 and the accumulated depreciation was \$5,970,124. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net assets	2,632,184
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and the reduction in long-term debt in the government-wide financial statements. The net effect of including the 2016 capital outlays, capital disposals and debt principal payments is to increase (decrease) net position.	529,705
The 2016 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	<u>\$ (320,267)</u>
Total Net Position - Governmental Activities	<u>\$ 6,456,843</u>

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY
Statement of Revenues, Expenditures and Changes in
Fund Balance - Governmental Funds
For the Year Ended December 31, 2016

Exhibit C-3

	General Fund	Non-major Governmental Funds	Major Special Revenue	Non-major Special Revenue	Total
Revenues					
Charges for Services	\$ 143,728	\$ 158,553	\$ -	\$ -	\$ 302,279
Taxes					
Property Taxes	1,781,826	-	-	-	1,781,826
Sales Tax	268,826	-	-	-	268,826
Hotel / Motel Tax	9,658	186,056	-	-	195,715
Vehicle Registrations & Assessments	-	-	125,782	-	125,782
Interest	35,987	-	-	-	35,987
Grant Revenues	28,411	-	-	370,944	399,355
Miscellaneous Revenues	74,024	13,347	-	-	87,370
Total Revenues	2,342,459	357,956	125,782	370,944	3,197,141
Expenditures					
Sheriff	322,398	-	-	275,938	598,332
Tax Assessor - Collector	92,598	-	-	-	92,598
County Attorney	134,317	-	-	-	134,317
County and District Clerk	117,504	-	-	-	117,504
County Judge	128,230	-	-	-	128,230
County Treasurer	110,964	-	-	-	110,964
Justice of Peace	98,535	-	-	-	98,535
Constable	63,876	-	-	-	63,876
Courthouse	105,833	-	-	-	105,833
Utilities Department	146,885	-	-	108,977	253,862
District Court	56,906	-	-	-	56,906
Extension Service	22,977	-	-	-	22,977
Appraisal District	57,820	-	-	-	57,820
Library	91,954	-	-	-	91,954
Public Safety	1,104	-	-	-	1,104
Receiving Station	103,398	-	-	-	103,398
County Park	22,556	-	-	-	22,556
Emergency Management Services	-	128,580	-	-	128,580
Non-departmental	373,455	237,575	78,411	-	689,441
Total Expenditures	2,051,107	368,156	78,411	382,913	2,878,586
Excess (Deficiency) of Revenues Over (Under) Expenditures	291,352	(8,200)	47,371	(11,969)	318,555
Transfers	-	-	-	-	-
Change in Fund Balance	291,352	(8,200)	47,371	(11,969)	318,555
Fund Balance - Beginning	2,531,262	323,193	388,325	58,829	3,299,609
Adjustments	2,377	(5,320)	-	-	(2,943)
Fund Balance - Ending	\$ 2,824,991	\$ 309,874	\$ 433,696	\$ 46,860	\$ 3,615,221

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY

Exhibit C-4

**Reconciliation of Governmental Funds Statement of Revenues,
Expenditures, and Changes in Net Position to the Statement of Activities
For the Year Ended December 31, 2016**

Change in Fund Balances - Governmental Funds	\$ 318,555
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and the reducing of long-term debt in the government-wide financial statements. The net effect of including the 2016 capital outlays and debt principal payments is to increase (decrease) net assets.	278,247
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(320,267)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of the reclassifications and recognitions is to increase (decrease) net position.	284,835
Change in Net Position - Governmental Activities	<u>\$ 561,370</u>

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY

Exhibit C-5

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - General Fund
For the Year Ended December 31, 2016**

	Original	Final	Actual	Variance With Final Budget Positive or (Negative)
Revenues				
Charges for Services	\$ 110,000	\$ 110,000	\$ 143,726	\$ 33,726
Taxes				
Property Taxes	1,653,969	1,653,969	1,781,826	127,857
Sales Tax	62,000	62,000	268,826	206,826
Hotel / Motel Tax	95,000	95,000	9,658	(85,342)
Interest	18,600	18,600	35,987	17,387
Grant Revenues	44,200	44,200	28,411	(15,789)
Miscellaneous Revenues	112,953	112,953	74,024	(38,929)
Total Revenues	2,096,722	2,096,722	2,342,459	245,737
Expenditures				
Sheriff	315,549	315,549	322,396	(6,847)
Tax Assessor - Collector	102,870	102,870	92,598	10,272
County Attorney	133,307	133,307	134,317	(1,010)
County and District Clerk	130,758	130,758	117,504	13,254
County Judge	136,728	136,728	128,230	8,498
County Treasurer	108,912	108,912	110,964	(2,052)
Justice of Peace	104,590	104,590	98,535	6,055
Constable	73,469	73,469	63,876	9,593
Courthouse	107,049	107,049	105,833	1,216
Utilities Department	131,000	131,000	146,885	(15,885)
District Court	38,597	38,597	56,906	(18,309)
Extension Service	26,422	26,422	22,977	3,445
Appraisal District	52,420	52,420	57,620	(5,200)
Library	96,370	96,370	91,954	4,416
Public Safety	1,500	1,500	1,104	396
Receiving Station	96,508	96,508	103,398	(6,890)
County Park	27,365	27,365	22,556	4,809
Non-departmental	412,330	412,330	373,455	38,875
Total Expenditures	2,095,744	2,095,744	2,051,107	44,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	978	978	291,352	290,374
Transfers	-	-	-	-
Change in Fund Balance	\$ 978	\$ 978	291,352	\$ 290,374
Fund Balance - Beginning			2,531,262	
Adjustments			2,377	
Fund Balance - Ending			\$2,824,991	

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY

Exhibit C-6

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Major Special Revenue Fund
For the Year Ended December 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
Revenues				
Vehicle Registrations & Assessments	\$ 211,000	\$ 211,000	\$ 125,782	\$ (85,218)
Total Revenues	<u>211,000</u>	<u>211,000</u>	<u>125,782</u>	<u>(85,218)</u>
Expenditures				
Non-departmental	103,900	103,900	78,411	25,489
Total Expenditures	<u>103,900</u>	<u>103,900</u>	<u>78,411</u>	<u>25,489</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>107,100</u>	<u>107,100</u>	<u>47,371</u>	<u>(59,729)</u>
Transfers	-	-	-	-
Change in Fund Balance	<u>\$ 107,100</u>	<u>\$ 107,100</u>	<u>47,371</u>	<u>\$ (59,729)</u>
Fund Balance - Beginning			386,325	
Adjustments			-	
Fund Balance - Ending			<u>\$ 433,696</u>	

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY
Statement of Net Position - Fiduciary Funds
December 31, 2016

Exhibit D-1

	<u>County & District Clerk Bonds</u>	<u>Fire Department</u>	<u>Agency Accounts</u>	<u>Total</u>
Assets				
Cash	\$ 550,979	\$ 13,069	\$ 22,169	\$ 586,216
Total Assets	<u>\$ 550,979</u>	<u>\$ 13,069</u>	<u>\$ 22,169</u>	<u>\$ 586,216</u>
Liabilities and Net Position				
Liabilities				
Due to Others	\$ 550,979	\$ 13,069	\$ 22,169	\$ 586,216
Total Liabilities	<u>550,979</u>	<u>13,069</u>	<u>22,169</u>	<u>586,216</u>
Net Position				
Unrestricted	-	-	-	-
Total Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 550,979</u>	<u>\$ 13,069</u>	<u>\$ 22,169</u>	<u>\$ 586,216</u>

The notes to the financial statements are an integral part of this statement

Jeff Davis County
Notes to the Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

Jeff Davis County (County) was formed July 8, 1893 with Fort Davis, Texas designated as the county seat. The Texas Legislature subsequently disorganized the County, which was then reorganized on May 14, 1931. The County has a Commissioner/County Judge, form of government. A four member elected Jeff Davis County Commissioners Court and an elected County Judge, comprise the governing body. All funds and entities related to Jeff Davis County and are controlled by the County Judge and Commissioners Court are included in this report. This control is determined on the basis of budget adoption, taxing authority, and the ability to issue outstanding debt secured by the revenues or which is a general obligation of the County.

Jeff Davis County complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary type funds apply Financial Accounting Standards (FASB) pronouncements and Accounting Principles Board (APB) opinions based on or after November 30, 1989. For the fiscal year ended December 31, 2004, the County implemented the new financial reporting requirements of GASB Statement Nos. 33 and 34. As a result, an entirely new financial presentation format has been implemented.

In 2004, the County implemented GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB Statement No. 34), GASB Statement 37, *Basic Financial Statements - and Management Discussion and Analysis – for State and Local Governments; Omnibus* which provides additional guidance for the implementation of GASB Statement 34, and GASB Statement No. 38, *Certain Financial Statement Disclosures* which changes note disclosure requirements for governmental entities.

GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management’s discussion and analysis, county-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required financial statements and notes.

The accounting and reporting policies of the County relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments

include those principles prescribed by the *Governmental Accounting Standards Board (GASB)*, the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the County are described below.

B. Financial Reporting Entity

The County's basic financial statements include the accounts of all the County's operations. The County is a separate legal entity and not a component unit of any other entity. Specific elements of oversight and component unit responsibilities considered in the conclusion of the above were financial interdependency, designation of management, election of the governing body, the ability to significantly influence operations and accountability of fiscal matters.

Blended Component Units

Blended component units are separate legal entities whose governing body is the same or substantially the same as the County or the component unit provides services entirely to the County. These component unit's funds are blended into those of the County's by appropriate activity type to compose the primary government.

Jeff Davis County Appraisal County - The Jeff Davis County Appraisal County (the Appraisal County) is considered a blended component unit since the Appraisal County has the same governing body and the Appraisal County provides services entirely to Jeff Davis County.

C. Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements, the Statement of Net Position and the Statement of Activities, display information for the reporting entity as a whole. They include all funds of the reporting entity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The County does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include:

1. charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and;
2. operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories – governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total of all funds of that category or type; and
- b. Total assets, liabilities, revenues, expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total of all governmental and enterprise funds combined.

The County reports the following major governmental funds:

General Fund

The General Fund is the primary operating fund of the County and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

D. Measurement Focus and Basis of Accounting

Measurement Focus

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined below. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. The funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the Statement of Net Position and the Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified-accrual basis of accounting. Under this modified-accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures, including capital outlay, are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The County considers all revenues available if they are collectible within 60 days after year-end.

Budgetary Control

In accordance with state law, during August, the County Judge must submit to the Commissioner's Court a budget to cover all proposed expenditures of the County for the succeeding year. The budget includes proposed expenditures and the means of financing them for the upcoming year, along with the original and revised estimates for the current year and the actual data for the preceding year.

The Commissioner's Court shall hold a public hearing on the proposed budget. The hearing date shall be set after the 15th day of the month following in which the budget was prepared, but before the date on which taxes are levied by the Court.

On final approval of the budget by the Commissioner's Court, the Court shall file the budget with the County Clerk. Formal budgetary integration is employed as a management control device during the year for all fund types. The budgets differ from generally accepted accounting principles in that appropriation lapse at year-end. No encumbrances are recorded.

Budgeted amounts are as originally adopted or as amended by the Commissioner's Court. There were no amendments to the budgets during the fiscal year.

The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

E. Assets, Liabilities, and Equity

Cash and investments

For the purpose of the Statement of Net Position, "Cash and Cash Equivalents" includes all demand, savings accounts, and certificates of deposits of the County. Investments are reported at fair value which is determined using selected basis. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems are not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities. Cash deposits are reported at carrying amount which reasonably estimates fair value.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowance for uncollectible accounts receivable are based upon historical trends and periodic aging of accounts receivable. Major

receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, franchise taxes, grants, police fines, and ambulance fees.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Prepaid Items

Prepaid balances are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Inventories

The County maintains an inventory of small tools and various supplies. As items are purchased they are expensed to the related accounts. An inventory count is taken at year end and accounts are adjusted accordingly. Inventory is stated at cost, on the first-in-first-out basis.

Fixed Assets

Government-wide statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to December 31, 2004. Prior to July 1, 2004, governmental funds infrastructure assets were not capitalized. These assets (back to July 1, 2004) have been valued at estimated historical value. The County's other major infrastructure network, bridges, has not yet been reported. 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.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of

Estimated useful life by type of asset is as follows:

Buildings	25-50 years
Improvements	10-50 years
Machinery & equipment	3-20 years
Utility systems	25-50 years
Infrastructure	25-50 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the government fund upon acquisition.

Restricted Assets

Restricted assets include cash and investments of the governmental funds that are legally restricted as to their use. The primary restricted assets are related to amounts being held as deferred revenues from ad valorem taxes, and amounts legally required to be held separate by the District and County Clerk.

Long-term Debt

The long-term debt in the government-wide statements consists primarily of accrued compensated absences.

Long-term debt for the governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest are reported as expenditures.

Compensated Absences

The County's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is an estimate based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable financial resources.

Equity Classifications

Government-wide Statements

Equity is classified as net position in the Government-wide Statements and is displayed in three components:

1. **Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.**
2. **Restricted – Consists of net assets with constraints placed on their use either by:**
 - a. **external groups such as creditors, grantors, contributors or laws or regulations of other governments, or;**
 - b. **law through constitutional provisions or enabling legislation.**
3. **Unrestricted – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”**

Fund Statements

The County has adopted the fund balance classifications prescribed by GASB statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* which displays fund balance in the fund statements in five components:

1. **Non-spendable fund balance - classification includes amounts that cannot be spent because they are either**
 - a. **not in spendable form, or;**
 - b. **legally or contractually required to be maintained intact.**
2. **Restricted fund balance - classification includes funds with constraints placed on the use of resources are either**
 - a. **externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or;**
 - b. **Imposed by law through constitutional provisions or enabling legislation.**
3. **Committed fund balance - include amounts that can only be used for specific purposes pursuant to constraints imposed by court resolution/formal action of the Commissioners' Court which is the government's highest level of decision-making authority.**
4. **Assigned fund balance - include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by**
 - a. **the commissioners' court action, or;**

- b. by a County Judge who is the official delegated by the Commissioners' Court with the authority to assign amounts to be used for specific purposes.
5. **Unassigned fund balance - the residual classification for the general fund.** This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

For the classification of fund balances the County considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and the County considered committed and assigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The County has not formally adopted a minimum fund balance policy; however, in practice deficit special revenue funds are classified as unassigned since the deficits are typically paid through pooled cash overdraft.

Revenues and Expenditures

Property Tax

Property tax is levied each October 1st on the assessed (appraisal) value listed as of the prior January 1st for all real and business personal property located in the County. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the Commissioner's Court. Appraisal values are established by the Appraisal Board of Review at 100% of estimated fair market value.

Taxes are due on October 1st, the levy date, and are delinquent after the following January 31st. Tax liens are automatic on February 1st of each year. The tax lien is part of a law suit for property that can be filed any time after taxes become delinquent (February 1st). The County usually waits until after July 1st to file suits on real estate property. As of July 1st, 15% collection costs may be added to all delinquent accounts.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Taxes collected for the levy date, October 1st, through December 31st are not recognized as revenue until January 1st of the following year. From January 1st on revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with *Generally Accepted Accounting Principles* have been recognized as revenues.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the County on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the County must be reviewed at least every three years; however, the County may, at its own expense, require annual reviews of appraisal values. The County may challenge appraised values established by the Appraisal County through various appeals, and, if necessary, legal action. Under this legislation the County continues to set tax rates on County property. However, if the effective tax rate, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the County may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective tax rate of the previous year.

The combined tax rate to finance governmental services was \$.6200 per \$100 of taxable valuation. The entire amount was dedicated to the General Fund.

Delinquent Taxes Receivable

Delinquent taxes are prorated between the general fund, road & bridge and farm to market lateral road funds based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General, Road & Bridge and Farm to Market Lateral Road Funds and are based on historical experience in collecting property taxes. Uncollectible 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.

Expenditures

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances, all interfund transfers between individual governmental funds have been eliminated.

2. CASH AND INVESTMENTS

Deposits

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The County's

deposits, including certificates of deposit, were fully insured or collateralized as required by the state statutes at December 31, 2016. At year end, the carrying amount of the County's deposits was a balance of \$4,925,430 and were considered collateralized as Category 3 credit risks. Of the total bank balance, \$250,000 was covered by the Federal Depository Insurance Corporation (FDIC).

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

Policies Governing Deposits and Investments

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

1. **Custodial Credit Risk - Deposits:** In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy regarding types of deposits allowed and collateral requirements is that eligible securities for collateralization are those securities defined as eligible securities by the Public Funds Collateral Act. The County requires monthly reports with market value of pledged securities and requires the investment officer to monitor adequacy of collateralization levels to verify market values and total collateral positions. The County was not exposed to any custodial credit risk.
2. **Custodial Credit Risk - Investments:** For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County is collateralized with a security that is pledged to the County but is not owned by the County. The security is municipal bonds in the amount of \$5,000,000 that are pledged to the County.

3. **Interest-rate Risk** - Interest-rate risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. The County does not purchase or sell debt securities and invests only with the designated bank depository and as such does not have a policy that addresses this issue.
4. **Other Credit Risk Exposure** - The County does not have a policy regarding investment in debt securities held either directly or indirectly because the County does not invest in this type security, securities of the U.S. government or of agencies guaranteed by the U.S. government. The County does invest in a public funds investment pool as permitted by Government code 2256.016.
5. **Concentration Risk** - The County invests only in securities back by the U.S. Government and thus does not have a policy regarding a concentration of credit risk.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of net taxes receivable. The receivable totaled \$724,178 of which \$537,637 related to the current tax roll and \$142,783 related to the delinquent tax roll.

4. CAPITAL ASSETS

Capital assets for the year ended December 31, 2016, were as follows:

	Balance at 12/31/2015	Additions	(Deletions)	Balance at 12/31/2016
Buildings	\$ 5,581,568	\$ -	\$ (8,117)	\$ 5,573,451
Machinery and Equipment	3,020,741	85,635	(136,947)	2,989,429
Totals at Historical Cost	8,602,309	85,635	(145,065)	8,542,879
Accumulated Depreciation	(5,970,124)	(320,267)	4,710	(6,285,681)
Total Accumulated Depreciation	(5,970,124)	(320,267)	4,710	(6,285,681)
Capital Assets, Net	\$ 2,632,184	\$ (234,632)	\$ (140,355)	\$ 2,257,198

Depreciation expense for the year was \$320,267.

5. COMPENSATED ABSENCES

The County's vacation policy provides for certain accumulation which upon termination, must be paid to the employee. The amount expected to be paid has been accrued and included in the combined balance sheet. Other absences are not subject to payment upon termination.

8. EMPLOYEE RETIREMENT PLAN

During fiscal year 2015 the County adopted *GASB Statement No. 68 – Accounting and Financial Reporting for Pensions (an amendment to GASB Statement No. 27)*. The primary objective of the statement is to improve the accounting and financial reporting by state and local governments for pensions. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses/expenditures related to pensions.

The County's net pension liability / (asset) was measured as of December 31, 2015, and the total pension liability / (asset) used to calculate the net pension liability / (asset) was determined by an actuarial valuation as of that date.

All actuarial methods and assumptions were the same as those used in the December 31, 2015 funding valuation, except as noted below and throughout the rest of this note. Following are the key assumptions and methods used in the analysis of the total pension liability / (asset) in the December 31, 2015 actuarial valuation which was determined using the following assumptions:

Texas County and District Retirement System (TCDRS) system-wide economic assumptions:

Real rate of return	5.0%
Inflation	3.0%
Long-term investment return	8.0%

The long-term investment return of 8% is net of investment expenses and is expected to enable the system to credit interest at the nominal annual rates shown below to the following major funds:

Subdivision Accumulation Fund	9%
Employee Savings Fund	7%
Current Service Annuity Reserve Fund	7%

Assuming interest will be credited at these nominal annual rates to the various funds, the following has been assumed:

- An annual rate of 9% for calculating the actuarial liability and normal cost contributions rate for the retirement plan
- An annual rate of 7% required under the TCERS Act for :
 1. accumulating current service credit and multiple matching credit after the valuation date;
 2. accumulating prior service credit after the valuation date;

3. determining the amount of the monthly benefit at future dates of retirement of disability; and
4. calculating the actuarial accrued liability of the system-wide Current Service Annuity Reserve Fund.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3% inflation and .05% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

Employer-specific Economic Assumptions

Growth in membership	0.0%
Payroll growth	1.5%

The payroll growth assumption is for the aggregate covered payroll of an employer.

	<u>12/31/2014</u>	<u>12/31/2015</u>
Total Pension Liability	\$ 2,280,364	2,430,657
Fiduciary Net Position	2,637,822	2,643,437
Net Pension Liability / (Asset)	(357,458)	(212,780)
Fiduciary Net Position as a % of Total Pension Liability	115.68%	108.75%
Pensionable Covered Payroll	\$ 900,581	917,097
Net Pension Liability as of % of Covered Payroll	-36.69%	-23.20%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below:

Discount Rate	8.10%	8.10%
Long-term Expected Rate of Return, net	8.10%	8.10%
Municipal Bond Rate	does not apply	does not apply

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability / (asset) as of December 31, 2015 were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB 68.

Long-term Expected Rate of Return

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 below are based on January 2015 information for a 7-10 year time horizon.

Asset Class	Target Allocation*	Geometric Real Rate of Return (expected minus Inflation)
US Equities	14.50%	5.45%
Private Equity	14.00%	8.45%
Global Equities	1.50%	5.75%
International Equities - Developed	10.00%	5.45%
International Equities - Emerging	8.00%	6.45%
Investment-Grade Bonds	3.00%	1.00%
High-Yield Bonds	3.00%	5.10%
Opportunistic Credit	2.00%	5.09%
Direct Lending	5.00%	6.40%
Distressed Debt	3.00%	8.10%
REIT Equities	3.00%	4.00%
Master Limited Partnerships (MLPs)	3.00%	6.80%
Private Real Estate Partnerships	5.00%	6.90%
Hedge Funds	25.00%	5.25%
	<u>100.00%</u>	

* Target asset allocation adopted at the April 2015 TCDRS Board Meeting

Discount Rate

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

Changes in the Net Pension Liability / (Asset)

	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2014	\$ 2,280,364	\$ 2,637,822	\$ (357,458)
Changes for this year:			
Service Cost	98,228		98,228
Interest on Total Pension Liability *	184,174		184,174
Effect of Plan Changes	(11,703)		(11,703)
Effect of Economic/Demographic Gains or Losses	(20,397)		(20,397)
Effect of Assumptions Changes or Inputs	30,127		30,127
Refund of Contributions	(349)	(349)	-
Benefit Payments	(129,786)	(129,786)	-
Administrative Expenses		(1,901)	1,901
Member Contributions		64,197	(64,197)
Net Investment Income		16,981	(16,981)
Employer Contributions		64,197	(64,197)
Other		(7,725)	7,725
	\$ 2,430,657	\$ 2,643,437	\$ (212,780)

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

** Relates to allocation of system-wide items

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, as well as what the Jeff Davis County net pension liability / (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.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total Pension Liability	\$ 2,689,600	2,430,657	2,211,690
Fiduciary Net Pension	2,643,437	2,643,437	2,643,437
Net Pension Liability / (Asset)	\$ 46,163	\$ (212,780)	\$ (431,747)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position and funding valuation is available in a separately-issued TCDRS financial report. That report may be obtained from the internet at www.tcdrs.org.

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

For the pension plan year ended December 31, 2015 the County recognized pension expense of \$28,590.

	<u>January 31, 2015 to December 31, 2015</u>	
Service Cost	\$	98,228
Interest on Total Pension Liability *		184,174
Effect of Plan Changes		(11,703)
Administrative Expenses		1,901
Member Contributions		(64,197)
Expected Investment Return Net of Investment Expenses		(215,113)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses		(24,489)
Recognition of assumption changes or inputs		10,042
Recognition of investment gains or losses		42,023
Other **		7,725
	<u>\$</u>	<u>28,590</u>

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

** Relates to allocation of system-wide items

At December 31, 2016 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 31,289	\$ -
Changes of Assumptions	-	20,085
Net Difference Between Projected and Actual Earnings	-	165,595
Contributions Made Subsequent to Measurement Date	n/a	142,156

\$154,491 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to measurement date will be recognized as a reduction to the net pension liability / (asset) for the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2016	\$ 27,576
2017	45,266
2018	42,023
2019	39,626
2020	-
thereafter	-
	<u>\$ 154,491</u>

9. COMMITMENTS AND CONTINGENT LIABILITIES

The County participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

10. RISK POOL

The County became a participant in an intergovernmental risk pool on October 1, 1996, for its worker's compensation and property insurance. Participants in this pool are required to pay "premiums" on the insurance selected. The County selected property and worker's compensation insurance. Should a loss occur, the County is liable only for the deductible portion. The risk pool purchases reinsurance to cover future losses. The County is not liable for future claims and, therefore, no liability has been accrued at December 31, 2016.

11. RESTRICTED NET POSITION

The County reserves a portion of the net position for a specific future use. Reserved net position were all in the Special Revenue funds and could be used only for a specified purpose and were not available to meet the general obligations of the County.

12. FUND BALANCES AND RETAINED EARNINGS RESTATED

The fund balances and retained earnings were restated due to revenues and expenses and capital assets that had not been recorded in the previous years and were recorded due to the completion of the conversion of the financial statements to the GASB Statement 34 format.

13. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The County maintains insurance policies acquired from independent insurance carriers covering structural property, dishonesty, errors, and omissions, personal property and general liability. There have been no significant reductions in insurance coverage from prior years and settlements did not exceed insurance coverage for each of the past three years.

14. RELATED PARTY TRANSACTIONS

From time to time the County may enter into transactions with related parties through the normal course of business. If a member of the Commissioners Court has a conflict of interest, proper documentation is completed and he/she is required to abstain from any discussion or voting regarding the matter.

Management is not aware of any material related party transactions that occurred for the year ended December 31, 2016.

15. SUBSEQUENT EVENTS

In preparing the financial statements the management of the Jeff Davis County, Texas has evaluated events and transactions for potential recognition or disclosure through February 28, 2018, the date the financial statements were issued. No events, including instances of noncompliance, have occurred subsequent to the statement of financial position date that would require adjustment to or further disclosure in the financial statements.

JEFF DAVIS COUNTY
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2016

	Hotel / Motel Tax Fund	Library and Union Building Fund	County Attorney Hot Check Fund	Emergency Services District	Law Library Fund	Records Management Fund	Courthouse Security Fund	Total
Assets								
Cash and Cash Equivalents	\$ -	\$ 1,851	\$ 1,308	\$ 160,271	\$ 8,173	\$ 37,774	\$ 47,409	\$ 258,783
Restricted Cash	55,715	-	-	-	-	-	-	55,715
Total Assets	\$ 55,715	\$ 1,851	\$ 1,308	\$ 160,271	\$ 8,173	\$ 37,774	\$ 47,409	\$ 312,498
Liabilities								
Current Liabilities								
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,825	\$ -	\$ -	\$ -	\$ 2,825
Total Liabilities	-	-	-	2,825	-	-	-	2,825
Fund Balance								
Assigned Fund Balance	55,715	1,851	1,308	157,447	8,173	37,774	47,409	308,674
Total Fund Balance	55,715	1,851	1,308	157,447	8,173	37,774	47,409	308,674
Total Liabilities and Fund Balance	\$ 55,715	\$ 1,851	\$ 1,308	\$ 160,271	\$ 8,173	\$ 37,774	\$ 47,409	\$ 312,498

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY
Combining Statement of Revenues, Expenditures and Changes in
Fund Balance - Non-major Governmental Funds
For the Year Ended December 31, 2016

	Hotel / Motel Tax Fund	Library and Union Building Fund	County Attorney Hot Check Fund	Sales Tax Fund	Law Library Fund	Records Management Fund	Courthouse Security Fund	Total
Revenues								
Taxes								
Hotel / Motel Tax	\$ 188,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,056
Miscellaneous Revenues	-	2	-	158,563	980	9,398	2,987	171,930
Total Revenues	188,056	2	-	158,563	980	9,398	2,987	357,986
Expenditures								
Non-Departmental								
	237,575	-	-	128,580	-	-	-	366,155
Total Expenditures	237,575	-	-	128,580	-	-	-	366,155
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,519)	2	-	29,973	980	9,398	2,987	(8,200)
Transfers	-	-	-	-	-	-	-	-
Change in Fund Balance	(51,519)	2	-	29,973	980	9,398	2,987	(8,200)
Fund Balance - Beginning	107,234	7,168	1,306	127,474	7,193	28,376	44,442	323,193
Adjustments	-	(8,320)	-	-	-	-	-	(8,320)
Fund Balance - Ending	\$ 55,715	\$ 1,951	\$ 1,306	\$ 157,447	\$ 8,173	\$ 37,774	\$ 47,409	\$ 309,874

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY
Combining Balance Sheet
Non-major Special Revenue Funds
December 31, 2016

	<u>Stonegarden Grant</u>	<u>JAG Grant</u>	<u>Wastewater Treatment Plant Grant</u>	<u>Total</u>
Assets				
Restricted Cash	\$ 34,574	\$ 12,286	\$ 59,717	\$ 106,577
Total Assets	\$ 34,574	\$ 12,286	\$ 59,717	\$ 106,577
Liabilities				
Current Liabilities				
Accounts Payable	\$ -	\$ -	\$ 59,717	\$ 59,717
Total Liabilities	-	-	59,717	59,717
Fund Balance				
Restricted Fund Balance	34,574	12,286	-	46,860
Total Fund Balance	34,574	12,286	-	46,860
Total Liabilities and Fund Balance	\$ 34,574	\$ 12,286	\$ 59,717	\$ 106,577

The notes to the financial statements are an integral part of this statement

JEFF DAVIS COUNTY
Combining Statement of Revenues, Expenditures and Changes in
Fund Balance - Non-major Special Revenue Funds
For the Year Ended December 31, 2016

	Stonegarden Grant	JAG Grant	Wastewater Treatment Plant Grant	Total
Revenues				
Grant Revenues	\$ 226,941	\$ 37,026	\$ 106,977	\$ 370,944
Total Revenues	226,941	37,026	106,977	370,944
Expenditures				
Sheriff	233,983	41,953	-	275,936
Utilities Department	-	-	106,977	106,977
Total Expenditures	233,983	41,953	106,977	382,913
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,042)	(4,927)	-	(11,969)
Transfers	-	-	-	-
Change in Fund Balance	(7,042)	(4,927)	-	(11,969)
Fund Balance - Beginning	41,616	17,213	-	58,829
Adjustments	-	-	-	-
Fund Balance - Ending	\$ 34,574	\$ 12,286	\$ -	\$ 46,860

The notes to the financial statements are an integral part of this statement

**OTHER INFORMATION REQUIRED BY THE
UNITED STATES GOVERNMENT ACCOUNTABILITY OFFICE**

Painter and Associates, P.C.
Certified Public Accountants

836 King George Lane
Savannah, Texas 78227-7854

**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 Commissioners Court
Jeff Davis County, Texas

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of Jeff Davis County, Texas as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Jeff Davis County, Texas' basic financial statements and have issued our report thereon dated February 28, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jeff Davis County, Texas' 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 Jeff Davis County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Jeff Davis County, Texas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings to be material weaknesses 2016. 2016-01; 2016-02

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. We consider the deficiencies described in the accompany schedule of findings to be significant deficiencies. 2016-03

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jeff Davis County, Texas' 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.

Jeff Davis County, Texas' Response to Findings

Jeff Davis County, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings. Jeff Davis County, Texas' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Painter and Associates, P.C.

Savannah, Texas
February 28, 2018

JEFF DAVIS COUNTY, TEXAS
Schedule of Findings
Year Ended December 31, 2016

Section I Summary of Auditor's Results

Financial Statements:

Type of audit report issued:	Unqualified
Internal control over financial reporting:	
* Material weaknesses identified?	Yes
* Significant deficiencies identified?	Yes
Noncompliance material to financial statements noted?	No

Section II Financial Statement Findings

2016-01 Period End Close Procedures: Material Weakness

Criteria: An appropriately designed system of internal controls should have a routine period end close procedure which would ensure consistency in the financial reporting process.

Condition: The County went through an accounting information system conversion after the first quarter of the fiscal year. A new accounting information system requires a new set of policies and procedures to be created, thus altering the entity's internal control framework in order to accurately and timely report financial information.

Context: In the course of the audit work performed it was noted the ending balances relating to the cut-off for the accounting information system conversion were not being carried over accurately into the newly acquired accounting information system.

Cause: The County does not have a period end close procedure which would identify recurring monthly processes designed to ensure the underlying financial reporting framework leads to a set of financial statements which are complete and accurate.

Effect: A lack of a recurring period end close procedure could cause the County to misstate the financials as a result of not having accounted for period transactions completely and accurately.

Recommendation: A defined period end close procedure should be developed, documented and adhered to that establishes a routine schedule based upon a set number of business days in which to accomplish specific tasks in order to effectively close an accounting period.

View of Responsible Officials and Planned Corrective Actions: Management agrees with the need to establish a routine period end close procedure. A period end close procedure will be established and documented to encompass all aspects of the County's operations to ensure the financial reporting is complete, accurate and consistent.

2016-02 Monthly Bank Reconciliations: Material Weakness – Repeat Finding

Criteria: Every cash account the County is a custodian of should have a monthly reconciliation to a specific general ledger account within the accounting information system performed. Some accounts by their very nature of inactivity only receive a bank statement on a quarterly basis and should be reconciled accordingly.

Condition: Some bank accounts do not have a reconciliation to a specific general ledger account within the accounting information system performed on them and if they do have a reconciliation performed it is not being reconciled to the general ledger.

Context: The audit plan and programs require the auditor to inspect the assets of the entity to satisfy specific assertions such as an account balance being a right of the County and being valued appropriately.

Cause: The County does not have a period end close procedure which would identify recurring monthly processes designed to ensure the underlying financial reporting framework leads to a set of financial statements which are complete and accurate. Performance of monthly bank reconciliations would be included in the established recurring period end procedure.

Effect: Without a monthly reconciliation of cash balances occurring the government-wide statements and the fund financial statements have the potential to be misstated.

Recommendation: A defined period end close procedure should be developed, documented and adhered to that establishes a routine schedule based upon a set number of business days in which to accomplish specific tasks in order to effectively close an accounting period.

View of Responsible Officials and Planned Corrective Actions: Management agrees with the need to establish a routine period end close procedure. A period end close procedure will be established and documented to encompass all aspects of the County's operations to ensure the financial reporting is complete, accurate and consistent.

2016-03 Reconciliation of Capital Outlay additions to the County's Capital Asset Reporting Software – Significant Deficiency

Criteria: All expenditures classified as capital outlay in the fund financial statements should be capitalized, depreciated and documented on the County's capital asset reporting software and shown on the government-wide financial statements.

Condition: Capital outlay is tracked as a separate general ledger account within each of the departments located in the general fund. In specific funds, there is also a separate general ledger account used to track capital outlay expenditures. The expenditures that occur in these accounts should be tracked for inclusion in the capital assets accounting software maintained by the third party vendor, RCI.

Context: In the course of the audit work performed it was noted there were no documents produced to reconcile the capital outlay expenditures for the various general ledger accounts to the capital asset accounting software to ensure the capital asset listing was complete, accurate, properly valued and depreciated appropriately.

Cause: The County does not have a period end close procedure which would identify recurring monthly processes designed to ensure the underlying financial reporting framework leads to a set of financial statements which are complete and accurate.

Effect: A lack of a reconciliation of capital outlay expenditures to the fixed asset listing could cause the County to misstate the financials as a result of not having accounted for capital assets completely and accurately.

Recommendation: A reconciliation should be performed each quarter, at the very least, of the capital outlay general ledger accounts to the capital assets listing produced from the capital asset reporting software. Furthermore, each elected official or department head should sign off on the physical capital asset listing which corresponds to the department of which they oversee evidencing existence, completeness and accountability for the County's assets the elected official or department head serves in the role of custodian.

View of Responsible Officials and Planned Corrective Actions: Management agrees with the need to establish a procedure in which the capital outlay general ledger accounts are reconciled to the capital asset listing produced from the capital asset reporting system and are physically signed off on a quarterly basis by the elected official or department head that is the custodian of the corresponding County's assets.

REQUIRED SUPPLEMENTARY INFORMATION

JEFF DAVIS COUNTY
Schedule of Changes in Net Pension Liability and Related Ratios

	2015	2014
Total Pension Liability		
Service cost	\$ 98,228	\$ 107,660
Interest on Total Pension Liability	184,174	172,930
Effect of Plan Changes	(11,703)	-
Effect of Assumption Changes or Inputs	30,127	-
Effect of Economic/Demographic (gains) or losses	(20,397)	(53,071)
Benefit Payments/Refunds of Contributions	(130,135)	(57,515)
Net Change in Total Pension Liability	<u>150,293</u>	<u>170,004</u>
Total Pension Liability, Beginning	<u>2,280,364</u>	<u>2,110,360</u>
Total Pension Liability, Ending (a)	<u>\$ 2,430,657</u>	<u>\$ 2,280,364</u>
Fiduciary Net Position		
Employer Contributions	64,197	63,041
Member Contributions	64,197	63,041
Investment Income net of Investment Expenses	16,981	187,669
Benefit Payments/Refunds of Contributions	(130,135)	(57,515)
Administrative Expenses	(1,901)	(1,953)
Other	(7,725)	(48,104)
Net Change in Fiduciary Net Position	<u>5,615</u>	<u>206,178</u>
Fiduciary Net Position, Beginning	<u>2,637,822</u>	<u>2,431,644</u>
Fiduciary Net Position, Ending (b)	<u>\$ 2,643,437</u>	<u>\$ 2,637,822</u>
Net Pension Liability / (asset), ending = (a) - (b)	<u>\$ (212,780)</u>	<u>\$ (357,458)</u>
Fiduciary Net Position as a % of Total Pension Liability	108.75%	115.68%
Pensionable Covered Payroll	\$ 917,097	\$ 900,581
Net Pension Liability as a % of Covered Payroll	-23.20%	-39.69%