

CLAY COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2015

CLAY COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and Commissioner's Comprising the
Commissioners' Court of Clay County
Henrietta, Texas

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Clay County Memorial Hospital, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to Clay County Memorial Hospital, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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 Clay County, Texas, 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.

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 5–11 and 44–51 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 and other auditors 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 Clay County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements, and schedules 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 and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Change in Accounting Principle

As discussed in Note V. C. to the financial statements, in 2015 the City adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Butledge Craun & Company, PC

June 6, 2016

Management's Discussion and Analysis

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CLAY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

As management of Clay County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information found in the footnotes to the financial statements.

Financial Highlights

- The assets and deferred resources outflows of the County exceeded its liabilities and deferred resources inflows at the close of the fiscal year ended September 30, 2015, by \$ 9,670,678 (net position). Of this amount, \$4,340,370 (unrestricted net position) may be used to meet the government's ongoing obligations to citizen's and creditors.
- The County's total net position decreased by \$297,183. The majority of this decrease is attributable to the lease/purchase of new equipment with very little money invested showing a resulting in a decrease in net position.
- The County's governmental funds reported combined ending fund balances of \$4,129,798, a decrease of \$418,395 in comparison to the previous year. The decrease was primarily the result of a decrease in grant money. Additionally, Justice of the Peace fees and fines are down due to the Highway Patrol's being deployed to the border for a period of time. Also, there were fewer fee's collected in the County Clerk's office due to the drop in oil and gas prices causing in less research being done.
- The unassigned portion of the General Fund fund balance at the end of the year was \$2,358,453, or 45.8% of total General Fund expenditures and transfers out.
- Clay County has no bonded indebtedness at the current time.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of Clay County's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent 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 the cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

The County, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the County can be categorized as governmental funds or agency funds.

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

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

The County maintains thirteen individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Road & Bridge Number One, Road & Bridge Number Two, Road & Bridge Number Three, and Road & Bridge Number Four, all of which are considered to be major funds. Data from the other eight funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in the report.

Fiduciary Funds. The County maintains funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support County programs.

Notes to Financial Statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide, fund financial statements and fiduciary fund statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents other required supplementary information. Required supplementary information can be found after the notes to the financial statements. The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information.

Government-wide Financial Analysis

At the end of fiscal year 2015, the County's net position (assets and deferred resources outflows, exceeding liabilities and deferred resources inflows) totaled \$9,670,678. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2).

CLAY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

Net Position The largest portion of the County's net position, \$ 5,330,308, or 55%, reflects its investment in capital assets (land and improvements, building, infrastructure, machinery and equipment), less depreciation and any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net assets, \$4,340,370, or 45%, may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Component Unit	
	9/30/2015	9/30/2014	9/30/2015	9/30/2014
ASSETS				
Current and other assets	\$ 4,962,233	\$ 5,325,658	\$ 3,706,342	\$ 4,470,319
Capital assets, net of depreciation	7,282,372	6,880,400	3,083,390	3,592,186
Total assets	12,244,605	12,206,058	6,789,732	8,062,505
DEFERRED OUTFLOW OF RESOURCES				
Deferred pension expense	382,545	234,362	--	--
LIABILITIES				
Long-term liabilities	2,641,863	2,202,333	455,409	224,114
Other liabilities	286,276	242,148	104,105	1,045,774
TOTAL LIABILITIES	2,928,139	2,444,481	559,514	1,269,888
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	28,333	28,078	--	--
NET ASSETS				
Invested in capital assets, net of related debt	5,330,308	5,369,676	2,979,285	3,368,072
Unrestricted	4,340,370	4,598,185	3,250,933	3,424,545
Total	\$ 9,670,678	\$ 9,967,861	\$ 6,230,218	\$ 6,792,617

Changes in Net Assets. The net assets of the County decreased by \$297,183 for the fiscal year ended September 30, 2015.

CLAY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

Table 2
Changes in Net Position

	Governmental Activities		Component Unit	
	9/30/2015	9/30/2014	9/30/2015	9/30/2014
Program Revenues:				
Charges for services	\$ 1,692,999	\$ 1,676,332	\$ 6,115,265	\$ 6,835,902
Operating grants and contributions	212,653	178,944	170,726	72,391
Capital grants and contributions	--	1,033,612	201,424	88,402
General Revenues:				
Taxes	4,868,067	4,783,430	--	--
Miscellaneous	112,778	57,447	1,594,749	1,606,623
Unrestricted investment earnings (loss)	846	7,936	(15,874)	99,213
Gain (loss) on disposal of capital assets	(443,544)	790,680	--	--
	<u>6,443,799</u>	<u>8,528,381</u>	<u>8,066,290</u>	<u>8,702,531</u>
Expenses:				
General government	668,475	655,162	--	--
Judicial	514,399	565,873	--	--
Legal	167,129	181,599	--	--
Financial administration	211,782	209,858	--	--
Public facilities	135,845	128,435	--	--
Public safety	1,888,746	1,934,543	--	--
Public transportation	1,829,078	2,681,491	--	--
Health and welfare	179,268	152,574	--	--
Conservation	95,021	102,035	--	--
Nondepartmental	1,051,736	991,037	--	--
Interest on long-term debt	(497)	24,860	--	--
Hospital operations	--	--	8,628,689	8,374,984
Total Expenses	<u>6,740,982</u>	<u>7,627,467</u>	<u>8,628,689</u>	<u>8,374,984</u>
Increase (decrease) in net position	(297,183)	900,914	(562,399)	327,547
Net Position - October 1	10,172,706	9,049,539	6,792,617	6,465,070
Prior Period Adjustment	(204,845)	222,253	--	--
Net Position - September 30	<u>\$ 9,670,678</u>	<u>\$ 10,172,706</u>	<u>\$ 6,230,218</u>	<u>\$ 6,792,617</u>

CLAY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

Clay County's net position decreased by \$297,183. Key elements of this decrease are as follows:

- The depreciation of capital assets increased due to additional leased road equipment.
- Charges for services was basically flat, increasing only \$17,000.
- Capital grants decreased approximately one million dollars while corresponding grant expense decreased approximately \$850,000.
- Loss on disposal and trade in of capital equipment was approximately \$443,000 compared to a gain in the prior year of \$790,680. These gains and losses occur due to trade in and refinancing of leased equipment.

Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$4,129,798.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the General Fund unassigned fund balance was \$2,358,453. The fund balance decreased by \$426,363 during the current fiscal year. A key factor of the decrease was from operating grants being down. Additionally, less the County received less fee income from traffic tickets due to Highway Patrol officers being transferred to the border.

General Fund Budgetary Highlights. Each year the County performs periodic reviews of the budget. State law prohibits increasing total budgeted expenditures except during an emergency, however, an amount budgeted for one line item can be transferred to another budgeted item without authorizing an emergency expenditure.

There was no significant change in the total appropriations for the final amended budget compared to the original budget.

During the year there was a \$2,073,378 positive variance in appropriations between the final amended budget and actual. Following are the main components of the increase:

- \$87,635 - General Government - scheduled computer hardware/software purchases not made.
- \$116,337 - Judicial - district court jury preparation and District Court appointed attorneys
- \$166,675 - Public Safety- prisoner expense down due to less inmates, use of part time employees was down, and communication maintenance down.
- \$82,123 - Health and Welfare - Indigent health care cost down due to less claims.
- \$1,581,417 – Nondepartmental - Legal fees, county property renovation, utilities, emergency reserve and contingency.

There was no change in the estimated revenues for the final amended budget compared to the original budget.

CLAY COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of September 30, 2015, amounts to \$7,282,372, net of accumulated depreciation. The investment in capital assets includes land, buildings, machinery and equipment, and infrastructure.

Table 3
Capital Assets at Year End, Net of Accumulated Depreciation

	Governmental Activities		Component Unit	
	9/30/2015	9/30/2014	9/30/2015	9/30/2014
Land	\$ 140,695	\$ 140,695	\$ 361,951	\$ 361,951
Buildings	2,580,075	2,647,857	962,840	1,041,787
Infrastructure	1,312,072	1,348,381	--	--
Machinery and equipment	3,249,530	2,743,467	1,758,599	2,188,448
Total	<u>\$ 7,282,372</u>	<u>\$ 6,880,400</u>	<u>\$ 3,083,390</u>	<u>\$ 3,592,186</u>

Additional information on the County's capital assets can be found in foot note III.C. on page 33 of the financial statements.

Debt Administration.

From time to time Clay County signs lease agreements to finance equipment purchases in the General Fund and Road and Bridge Funds. At September 30, 2015 the County had capital lease obligations of \$1,952,064. Additionally, the County reports compensated absences and the net pension liability as long-term debt.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Component Unit	
	9/30/2015	9/30/2014	9/30/2015	9/30/2014
Capital lease obligations	\$ 1,952,064	\$ 1,510,724	\$ 104,105	\$ 224,114
Net pension liability	597,907	604,814	--	--
Compensated absences	91,892	86,795	--	--
Total	<u>\$ 2,641,863</u>	<u>\$ 2,202,333</u>	<u>\$ 104,105</u>	<u>\$ 224,114</u>

Clay County does not have a current bond rating from either Standard & Poor Corporation or Moody's Investor Service.

Additional information on the County's long-term debt can be found in the foot note III.E. of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Clay County economy remains stable compared to the national economy. Clay County's unemployment rate is currently 4.5%, which is the same as the State and below the national average of 5.1% at September 30, 2015. The Economic Development of Clay County remains stable. Triangle Brick Plant had their grand opening in May 2016. A 48 unit apartment complex is expected to start construction mid to late 2016 and the Travel Center should start construction in late 2016.

The County maintained the ad valorem tax rate of \$.65518 in fiscal year 2015. The County had a 98.5% collection rate in 2015, which was equal to the rate of the previous year. This maintains the ratio of delinquent taxes to the total tax levy of less than 2%.

Requests for Information

This financial report is designed to provide a general overview of Clay County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 214 North Main, Henrietta Texas, 76365.

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Basic Financial Statements

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

	Primary Governmental Activities	Component Unit
ASSETS		
<i>Cash and cash equivalents</i>	\$ 4,176,384	\$ 1,045,903
Receivables (net of allowances for uncollectibles):		
<i>Taxes</i>	246,287	--
<i>Fines</i>	458,418	--
<i>Accounts</i>	--	1,127,916
<i>Other</i>	--	105,806
<i>Intergovernmental</i>	17,537	--
<i>Inventories</i>	--	147,379
<i>Prepaid items</i>	63,607	133,780
Restricted assets:		
<i>Cash and cash equivalents</i>	--	1,145,558
Capital assets (net of accumulated depreciation)		
<i>Land</i>	140,695	361,951
<i>Buildings</i>	2,580,075	962,840
<i>Infrastructure</i>	1,312,072	--
<i>Machinery and equipment</i>	3,249,530	1,758,599
Total Assets	<u>12,244,605</u>	<u>6,789,732</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred pension expense	382,545	--
Total Deferred Outflow of Resources	<u>382,545</u>	<u>--</u>
LIABILITIES		
<i>Accounts payable</i>	47,339	53,458
<i>Accrued liabilities and other payables</i>	29,890	401,951
<i>Due to other governments</i>	146,728	--
<i>Due to others</i>	62,319	--
Noncurrent liabilities:		
<i>Due within one year</i>	236,715	86,761
<i>Due in more than one year</i>	2,405,148	17,344
Total Liabilities	<u>2,928,138</u>	<u>559,514</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue	28,333	--
Total Deferred Inflows of Resources	<u>28,333</u>	<u>--</u>
NET POSITION:		
Net Investment in Capital Assets	5,330,308	2,979,285
Unrestricted	4,340,370	3,250,933
Total Net Position	<u>\$ 9,670,678</u>	<u>\$ 6,230,218</u>

The accompanying notes are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
<i>General government</i>	\$ 668,475	\$ 204,055	\$ 224	\$ --
<i>Judicial</i>	514,399	222,495	19,124	--
<i>Legal</i>	167,129	885	23,333	--
<i>Financial administration</i>	211,782	--	--	--
<i>Public facilities</i>	135,845	--	--	--
<i>Public Safety</i>	1,888,746	508,350	101,058	--
<i>Public transportation</i>	1,829,078	742,824	68,914	--
<i>Health and welfare</i>	179,268	--	--	--
<i>Conservation</i>	95,021	--	--	--
<i>Nondepartmental</i>	1,051,736	14,390	--	--
<i>Interest and fiscal charges</i>	(497)	--	--	--
Total Primary Government	<u>\$ 6,740,982</u>	<u>\$ 1,692,999</u>	<u>\$ 212,653</u>	<u>\$ --</u>
COMPONENT UNIT:				
Clay County Memorial Hospital	<u>\$ 8,628,689</u>	<u>\$ 6,115,265</u>	<u>\$ 170,726</u>	<u>\$ 201,424</u>

General Revenues:
Property Taxes
Miscellaneous
Unrestricted Investment Earnings (loss)
Gain (Loss) on Sale of Capital Assets
 Total General Revenues and Transfers
 Change in Net Assets
 Net Position - Beginning
 Prior Period Adjustment
 Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Changes in	Revenue and Net Position
<u>Governmental Activities</u>	<u>Component Unit</u>
\$ (464,196)	
(272,780)	
(142,911)	
(211,782)	
(135,845)	
(1,279,338)	
(1,017,340)	
(179,268)	
(95,021)	
(1,037,346)	
497	
<u>(4,835,330)</u>	
	\$ <u>(2,141,274)</u>
4,868,067	--
112,778	1,594,749
846	(15,874)
<u>(443,544)</u>	--
<u>4,538,147</u>	<u>1,578,875</u>
(297,183)	(562,399)
10,172,706	6,792,617
(204,845)	--
<u>\$ 9,670,678</u>	<u>\$ 6,230,218</u>

CLAY COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	General Fund	Road & Bridge Number One	Road & Bridge Number Two
ASSETS			
<i>Cash and cash equivalents</i>	\$ 2,392,537	\$ 413,733	\$ 265,758
Receivables (net of allowances for uncollectibles):			
<i>Taxes</i>	107,996	32,533	33,505
<i>Fines</i>	458,418	--	--
<i>Intergovernmental</i>	14,916	571	462
Total Assets	\$ 2,973,867	\$ 446,837	\$ 299,725
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ 31,502	\$ 2,996	\$ 509
<i>Accrued liabilities and other payables</i>	--	--	--
<i>Due to other governments</i>	146,728	--	--
<i>Due to others</i>	62,318	--	--
Total Liabilities	240,548	2,996	509
Deferred Inflows of Resources:			
<i>Unavailable revenue-property taxes</i>	97,162	31,782	32,898
<i>Unavailable revenue-fines</i>	249,371	--	--
<i>Unavailable revenue-other</i>	28,333	--	--
Total deferred inflows of resources	374,866	31,782	32,898
Fund balances:			
<i>Restricted</i>	--	--	--
<i>Committed</i>	--	412,059	266,318
<i>Unassigned</i>	2,358,453	--	--
Total fund balances	2,358,453	412,059	266,318
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,973,867	\$ 446,837	\$ 299,725

The accompanying notes are an integral part of this statement.

<u>Road & Bridge Number Three</u>	<u>Road & Bridge Number Four</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 325,264	\$ 440,721	\$ 338,372	\$ 4,176,385
36,420	35,833	--	246,287
--	--	--	458,418
774	814	--	17,537
<u>\$ 362,458</u>	<u>\$ 477,368</u>	<u>\$ 338,372</u>	<u>\$ 4,898,627</u>
\$ 5,430	\$ 6,902	\$ --	\$ 47,339
705	1,870	160	2,735
--	--	--	146,728
--	--	--	62,318
<u>6,135</u>	<u>8,772</u>	<u>160</u>	<u>259,120</u>
35,402	34,761	--	232,005
--	--	--	249,371
--	--	--	28,333
<u>35,402</u>	<u>34,761</u>	<u>--</u>	<u>509,709</u>
--	--	338,212	338,212
320,921	433,835	--	1,433,133
--	--	--	2,358,453
<u>320,921</u>	<u>433,835</u>	<u>338,212</u>	<u>4,129,798</u>
<u>\$ 362,458</u>	<u>\$ 477,368</u>	<u>\$ 338,372</u>	<u>\$ 4,898,627</u>

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CLAY COUNTY, TEXAS

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

Total fund balances - governmental funds balance sheet	\$ 4,129,798
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	7,282,372
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	232,003
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,952,064)
Payables for bond interest which are not due in the current period are not reported in the funds.	(27,155)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(91,892)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	63,607
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	249,371
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(597,907)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	<u>382,545</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 9,670,678</u>

The accompanying notes are an integral part of this statement.

CLAY COUNTY, TEXAS

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

	General Fund	Road & Bridge Number One	Road & Bridge Number Two
Revenues:			
<i>Taxes</i>	\$ 3,663,184	\$ 259,786	\$ 209,514
<i>Licenses and permits</i>	167,628	118,028	118,235
<i>Intergovernmental</i>	101,058	30,379	10,809
<i>Fines and fees</i>	340,614	31,001	27,010
<i>Interest</i>	606	60	30
<i>Miscellaneous</i>	425,875	5,732	6,393
Total revenues	<u>4,698,965</u>	<u>444,986</u>	<u>371,991</u>
Expenditures:			
Current:			
<i>General government</i>	648,472	--	--
<i>Judicial</i>	530,976	--	--
<i>Legal</i>	160,273	--	--
<i>Financial administration</i>	218,939	--	--
<i>Public facilities</i>	137,835	--	--
<i>Public Safety</i>	2,007,970	--	--
<i>Public transportation</i>	--	461,492	601,007
<i>Health and welfare</i>	182,909	--	--
<i>Conservation</i>	96,407	--	--
<i>Nondepartmental</i>	928,034	--	--
Total expenditures	<u>4,911,815</u>	<u>461,492</u>	<u>601,007</u>
Excess (deficiency) of revenues over (under) expenditures	(212,850)	(16,506)	(229,016)
Other financing sources (uses):			
<i>Transfers in</i>	--	60,000	60,000
<i>Transfers out</i>	(240,060)	--	--
<i>Sale of capital assets</i>	26,547	--	15,000
<i>Capital leases</i>	--	--	154,510
Total other financing sources (uses)	<u>(213,513)</u>	<u>60,000</u>	<u>229,510</u>
Net change in fund balances	(426,363)	43,494	494
Fund balances, October 1	2,784,816	368,565	265,824
Fund balances, September 30	<u>\$ 2,358,453</u>	<u>\$ 412,059</u>	<u>\$ 266,318</u>

The accompanying notes are an integral part of this statement.

Road & Bridge Number Three	Road & Bridge Number Four	Other Governmental Funds	Total Governmental Funds
\$ 352,107	\$ 370,715	\$ --	\$ 4,855,306
118,028	118,028	--	639,947
58,105	79,473	2,000	281,824
37,261	38,522	85,749	560,157
60	90	--	846
88,877	8,721	2,205	537,803
<u>654,438</u>	<u>615,549</u>	<u>89,954</u>	<u>6,875,883</u>
--	--	37,685	686,157
--	--	--	530,976
--	--	12,850	173,123
--	--	--	218,939
--	--	--	137,835
--	--	5,552	2,013,522
1,260,508	1,139,246	--	3,462,253
--	--	--	182,909
--	--	--	96,407
--	--	13,037	941,071
<u>1,260,508</u>	<u>1,139,246</u>	<u>69,124</u>	<u>8,443,192</u>
(606,070)	(523,697)	20,830	(1,567,309)
60,000	60,000	60	240,060
--	--	--	(240,060)
--	5,970	--	47,517
525,769	421,118	--	1,101,397
<u>585,769</u>	<u>487,088</u>	<u>60</u>	<u>1,148,914</u>
(20,301)	(36,609)	20,890	(418,395)
341,222	470,444	317,322	4,548,193
<u>\$ 320,921</u>	<u>\$ 433,835</u>	<u>\$ 338,212</u>	<u>\$ 4,129,798</u>

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CLAY COUNTY, TEXAS

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

Net change in fund balances - total governmental funds	\$ (418,395)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,498,820
The depreciation of capital assets used in governmental activities is not reported in the funds.	(605,817)
The gain or loss on the sale of capital assets is not reported in the funds.	(491,061)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	12,758
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(1,338)
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	660,057
(Increase) decrease in accrued interest from beginning of period to end of period.	497
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(5,097)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	(1,300)
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(1,101,397)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	<u>155,090</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ (297,183)</u>

The accompanying notes are an integral part of this statement.

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

	<u>Agency Funds</u>
ASSETS	
<i>Cash and cash equivalents</i>	\$ 319,471
Total Assets	<u>\$ 319,471</u>
LIABILITIES	
<i>Due to other governments</i>	\$ 202,561
<i>Due to others</i>	116,910
Total Liabilities	<u>\$ 319,471</u>

The accompanying notes are an integral part of this statement.

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County, a political subdivision of the State of Texas is governed by an elected judge and four county commissioners which comprise the commissioner's court. The county's operational activities include general administrative services, judicial, public safety, the construction and maintenance of roads, health and welfare assistance, permanent records preservation, and conservation.

The accounting policies of Clay County, Texas, conform to generally accepted accounting principals issued by the Governmental Accounting Standards Board which is the recognized financial accounting standard setting body for governmental entities. The notes to the financial statements are an integral part of the County's basic financial statements.

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the County (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the County's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the County.

Discretely Presented Component Unit

For financial statement reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability - The primary government is deemed to be a financially accountable if it appoints a voting majority of the organization's governing body and, (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

Clay County Memorial Hospital (CCMH) operates a primary critical care hospital. The County Commissioners' Court appoints CCMH's board, approves its annual budget, regularly scheduled payment of bills, and major capital additions. CCMH is reported as a discretely presented component unit because its services are provided entirely to the public. Separate financial statements are available from hospital management at CCMH, 310 W. South Street, Henrietta, Texas, 76365.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *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 statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

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

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

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Fines and permits, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The County reports the following major governmental funds:

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

The *Road and Bridge Number One Special Revenue Fund* accounts for certain revenues and expenditures related to the construction and maintenance of roads and bridges within precinct one.

The *Road and Bridge Number Two Special Revenue Fund* accounts for certain revenues and expenditures related to the construction and maintenance of roads and bridges within precinct two.

The *Road and Bridge Number Three Special Revenue Fund* accounts for certain revenues and expenditures related to the construction and maintenance of roads and bridges within precinct three.

The *Road and Bridge Number Four Special Revenue Fund* accounts for certain revenues and expenditures related to the construction and maintenance of roads and bridges within precinct four.

Additionally, the County reports the following fund types:

The Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes (not including private purpose trusts or major capital projects).

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) - (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the County, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter fund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes are levied on October 1 by the County based on the January 1 property values as appraised by the Clay County Central Appraisal District. Taxes are due without penalty until January 31, of the next calendar year. After January 31 the County has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the County.

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings	20 - 30 years
Infrastructure	20 - 45 years
Machinery and Equipment	5 - 10 years

5. Long-term obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method which approximate the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

6. Fund equity

Nonspendable Fund Balance Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by the Commissioners Court through legislation, resolution or court order, unless the Commissioners Court removes or changes the specified use by taking the same type of action used to commit the amounts.

Assigned Fund Balance - Amounts that are constrained by the Commissioners Court, or by another County official or the finance division to which the Commissioners Court has delegated authority, that are to be used for specific purposes but are neither restricted nor committed.

Unassigned Fund Balance - Amounts that are available for any purpose; these amounts can be reported only in the County's General Fund.

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The County fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the County incurs an expenditure and both restricted and unrestricted amounts are available, the County considers restricted amounts to have been spent. When the County incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

CLAY COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended September 30, 2015

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Fines receivable unavailable to pay for current period expenditures are deferred in the funds." The details of this difference are as follows:

County clerk fines	\$89,998
District clerk fines	99,290
Justice of the peace fines	<u>60,083</u>
Total	<u>\$249,371</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year end, the carrying amount of the County's cash and cash equivalents was \$6,687,316, and the bank balance was \$6,114,922. At year end, the County's depository had pledged securities, with a face value of \$10,477,992 and fair value of \$6,468,855.

Reconciliation of Carrying Amount to Balance Sheets:

	Primary Government	Component Unit	Reporting Entity
Cash and cash equivalents	\$4,176,384	\$1,045,903	\$5,222,287
Restricted cash and cash equivalents	<u>--</u>	<u>1,145,558</u>	<u>1,145,558</u>
Total government wide	4,176,384	2,191,461	6,367,845
Agency funds	<u>319,471</u>	<u>--</u>	<u>319,471</u>
	<u>\$4,495,855</u>	<u>\$2,191,461</u>	<u>\$6,687,316</u>

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	NonMajor and Other	Total
Taxes receivable	\$107,996	\$32,533	\$33,505	\$36,420	\$35,833	\$ --	\$246,287
Fines receivable	\$737,407	\$ --	\$ --	\$ --	\$ --	\$ --	\$737,407
Allowance	(278,989)	--	--	--	--	--	(278,989)
	\$458,418	\$ --	\$ --	\$ --	\$ --	\$ --	\$458,418

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Major Funds:			
Deferred tax revenue (General Fund)	\$97,162	\$ --	\$97,162
Deferred fines revenue (General Fund)	249,371	--	249,371
Deferred tax revenue (Road & Bridge Fund #1)	31,782	--	31,782
Deferred tax revenue (Road & Bridge Fund #2)	32,898	--	32,898
Deferred tax revenue (Road & Bridge Fund #3)	35,402	--	35,402
Deferred tax revenue (Road & Bridge Fund #4)	34,761	--	34,761
Deferred revenue - other	--	28,333	28,333
Total deferred/unearned revenue for governmental funds	\$481,376	\$28,333	\$509,709

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

C. Capital assets

Capital asset activity for the year ended September 30, 2015:

	Balance 9/30/14	Additions	Retirements	Completed Construction	Balance 9/30/15
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$140,695	\$ --	\$ --	\$ --	\$140,695
Construction in progress	--	--	--	--	--
Total capital assets not being depreciated	<u>140,695</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>140,695</u>
Capital assets, being depreciated:					
Buildings	3,646,901	--	--	--	3,646,901
Infrastructure	46,335,989	--	--	--	46,335,989
Machinery and equipment	5,025,038	1,498,820	(1,024,534)	--	5,499,324
Total capital assets being depreciated	<u>55,007,928</u>	<u>1,498,820</u>	<u>(1,024,534)</u>	<u>--</u>	<u>55,482,214</u>
Less accumulated depreciation for:					
Buildings	(999,044)	(67,782)	--	--	(1,066,826)
Infrastructure	(44,987,608)	(36,309)	--	--	(45,023,917)
Machinery and equipment	(2,281,571)	(501,726)	533,503	--	(2,249,794)
Total accumulated depreciation	<u>(48,268,223)</u>	<u>(605,817)</u>	<u>533,503</u>	<u>--</u>	<u>(48,340,537)</u>
Total capital assets being depreciated, net	<u>6,739,705</u>	<u>893,003</u>	<u>(491,031)</u>	<u>--</u>	<u>7,141,677</u>
Governmental activities capital assets, net	<u>\$6,880,400</u>	<u>\$893,003</u>	<u>(\$491,031)</u>	<u>\$ --</u>	<u>\$7,282,372</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$1,500
Public safety	18,183
Public transportation	475,469
Nondepartmental	<u>110,665</u>
Total depreciation expense - governmental activities	<u>\$605,817</u>

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

	Balance 9/30/14	Additions	Retirements	Reclassify	Balance 9/30/15
DISCRETE COMPONENT UNIT:					
Capital assets, not being depreciated:					
Land	\$361,951	\$ --	\$ --	\$ --	\$361,951
Construction in progress	--	--	--	--	--
Total capital assets not being depreciated	361,951	--	--	--	361,951
Capital assets, being depreciated:					
Buildings	2,666,903	--	--	--	2,666,903
Land improvements	16,779	--	--	--	16,779
Equipment	6,369,748	163,693	--	--	6,533,441
Leased assets	524,009	--	--	--	524,009
Total capital assets being depreciated	9,577,439	163,693	--	--	9,741,132
Less accumulated depreciation for:					
Buildings	(1,637,233)	(77,828)	--	--	(1,715,061)
Land improvements	(4,682)	(1,119)	--	--	(5,781)
Equipment	(4,410,070)	(491,866)	--	--	(4,901,936)
Leased assets	(295,239)	(101,676)	--	--	(396,915)
Total accumulated depreciation	(6,347,204)	(672,489)	--	--	(7,019,693)
Total capital assets being depreciated, net	3,230,235	(508,796)	--	--	2,721,439
Governmental activities capital assets, net	<u>\$3,592,186</u>	<u>(\$508,796)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$3,083,390</u>

D. Interfund receivables, payables, and transfers

There were no interfund receivable balances as of September 30, 2015.

Interfund transfers:

Fund	Transfer In	Transfer Out
Major Governmental Funds		
General Fund	\$ --	\$240,060
Road and Bridge Number One	60,000	--
Road and Bridge Number Two	60,000	--
Road and Bridge Number Three	60,000	--
Road and Bridge Number Four	60,000	--
NonMajor Governmental Funds		
County Attorney	60	--
Total	<u>\$240,060</u>	<u>\$240,060</u>

Transfers were made to subsidize the Road and Bridge Funds, and the County Attorney Fund.

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

E. Long-term debt

From time to time, the County issues general obligation bonds, certificates of obligation bonds, notes payable and capital lease obligations to provide funds for the acquisition and construction of equipment and major capital facilities. These issues are direct obligations and pledge the full faith and credit of the County. During the year ended the County called the outstanding bonds and paid them off.

The County leases equipment with a historical cost and accumulated amortization of \$3,350,547 and \$611,710, respectively, under capital lease arrangements.

Capital Lease Obligations Currently Outstanding:

Purpose	Original Amount	Date of Lease	Final Maturity	Interest Rate	Balance 09/30/15
2015 John Deere 672G Motor Gr.	\$211,261	12/01/14	2/15/17	2.25%	\$199,225
2015 John Deere 672G Motor Gr.	209,758	12/01/14	2/15/17	2.25%	200,221
2014 12M3 CAT Motor Grader	184,151	2/03/15	1/30/18	2.25%	184,151
2015 4700 SF Western Star	104,750	3/11/15	3/24/18	2.25%	39,834
2015 420F Cat Backhoe	51,260	8/06/15	8/05/18	2.25%	48,326
2015 Mack Haul Truck	103,250	9/28/15	9/28/18	2.25%	103,250
2015 Magnum Tractor w/mower	106,653	2/24/15	2/24/20	2.55%	106,653
2015 CAT 924 Wheel Loader	130,314	7/24/15	2/30/20	2.25%	130,314
2013 Cat Skid Steer	47,887	2/15/14	2/15/18	2.25%	33,796
2013 JD 310K Backhoe Loader	60,688	2/15/14	2/15/18	2.25%	31,767
2014 CAT 140 M2 Motor Grader	46,145	1/13/14	1/13/18	2.25%	37,357
2013 CAT 420F Backhoe	41,729	3/14/14	3/15/19	2.25%	37,747
2014 CAT 140 M2 Motor Grader	136,845	3/14/14	3/15/19	2.25%	125,437
2014 CAT 140 M2 Motor Grader	122,637	3/14/14	3/15/18	2.25%	105,856
2014 CAT 140 M2 Motor Grader	151,794	3/14/14	3/15/18	2.25%	140,778
2014 CAT 140 M2 Motor Grader	122,531	3/14/14	3/15/18	2.25%	105,747
2014 CAT 140 M2 Motor Grader	120,426	3/14/14	3/15/18	2.25%	103,520
2014 CAT 914G Wheel Loader	87,430	3/14/14	3/15/19	2.25%	74,246
2011 CAT Motor Grader	165,399	2/15/14	2/18/17	2.25%	143,839
Total Leases Payable					<u>\$1,952,064</u>

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

Capital lease obligation debt service requirements to maturity are as follows:

Year	Total
2016	\$196,360
2017	691,465
2018	371,981
2019	686,690
2020	134,584
Total payments	2,081,080
Less imputed interest	(129,016)
Total Capital Lease Obligations	\$1,952,064

CHANGES IN LONG-TERM LIABILITIES

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

	Balance 09/30/14	Additions	Retirements	Balance 09/30/15	Due Within One Year
Governmental activities:					
Capital leases	\$1,510,724	\$1,101,397	(\$660,057)	\$1,952,064	\$144,823
Net pension liability	604,814	699,657	(706,564)	597,907	--
Compensated absences	86,795	91,892	(86,795)	91,892	91,892
Governmental activity long-term liabilities	\$2,202,333	\$1,892,946	(\$1,453,416)	\$2,641,863	\$236,715

For the governmental activities, claims and judgements are generally liquidated by the general fund.

	Balance 09/30/14	Additions	Retirements	Balance 09/30/15	Due Within One Year
Discrete Component Unit:					
Capital leases	\$224,114	\$ --	(\$120,009)	\$104,105	\$86,761
Governmental activity long-term liabilities	\$224,114	\$ --	(\$120,009)	\$104,105	\$86,761

V. OTHER INFORMATION

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

B. Contingent Liabilities and Commitments

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

The County periodically is defendant in various lawsuits. As of September 30, 2015, after consultation with the County's attorney, the County is not aware of any pending or threatened litigation which would have a material effect on the financial statements.

The District Clerk has invested trust funds at various financial institutions in accordance with court orders. The County has a fiduciary responsibility over these funds until their final disposition.

C. Change in Generally Accepted Accounting Policy

The County has implemented new accounting guidance from Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27. Certain assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses are now recognized by governmental type activities.

D. Prior Year Adjustment

As noted above, the County implemented GASB-68 during FY2015. GASB-68 requires that beginning net position, for Governmental Activities and funds applying the full accrual method, be restated for the effect of beginning net pension (liability)/asset and beginning deferred pension outflows of resources.

Description	Governmental Activities	
Net position - FYE 9/30/14	\$10,172,726	
Beginning net pension liability	(604,814)	
Beginning deferred pension outflows of resources	234,362	
Total restatement for GASB 68	(370,452)	(1)
Removal of lease recorded in error	165,607	(2)
Restated net position - FY 9/30/14	<u>\$9,967,881</u>	

(1) The effect of implementing GASB 68 was to decrease net position by \$370,452.

(2) The effect of correcting duplication in capital leases.

E. Retirement Commitments

1. Plan Description

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

The plan provisions are adopted by the County commissioners' court, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the County commissioners' court within the 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 contribution and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Benefits

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

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

Inactive employees (or their beneficiaries) currently receiving benefits	59
Inactive employees entitled to but not yet receiving benefits	28
Active employees	70
	<hr/>
	157
	<hr/> <hr/>

3. Contributions

The contribution rates for employees in TCDRS is 7% of employee gross earnings, and the County percentages is 10.07%, both as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for each County is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The County's contributions to TCDRS for the year ended September 30, 2015, were \$484,497 and were equal to the required contributions.

4. Net Pension Liability

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

Actuarial assumptions:

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

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. These assumptions were first used in the December 31, 2014 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	16.50%	5.35%
Private Equity	12.00%	8.35%
Global Equities	1.50%	5.65%
International Equities - Developed	11.00%	5.35%
International Equities - Emerging	9.00%	6.35%
Investment - Grade Bonds	3.00%	0.55%
High-Yield Bonds	3.00%	3.75%
Opportunistic Credit	5.00%	5.54%
Direct Lending	2.00%	5.80%
Distressed Debt	3.00%	6.75%
REIT Equities	2.00%	4.00%
Commodities	2.00%	-0.20%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	3.00%	7.20%
Hedge Funds	25.00%	5.15%
	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability (Asset).

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

Changes in the net pension liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
	[a]	[b]	[a] - (b)
Balance at 12/31/13	\$13,341,384	\$12,736,570	\$604,814
Changes for the year:			
Service cost	339,370	--	339,370
Interest on total pension liability	1,065,724	--	1,065,724
Effect of plan changes	--	--	--
Effect of economic/demographic gains or losses	9,847	--	9,847
Effect of of assumptions changes or inputs	--	--	--
Refund of contributions	(84,045)	(84,045)	--
Benefit payments	(631,239)	(631,239)	--
Administrative expenses	--	(10,079)	10,079
Member contributions	--	202,054	(202,054)
Net investment income	--	870,107	(870,107)
Employer contributions	--	317,514	(317,514)
Other	--	42,252	(42,252)
Net changes	699,657	706,564	(6,907)
Balance at 12/31/14	<u>\$14,041,041</u>	<u>\$13,443,134</u>	<u>\$597,907</u>

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

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.1%) or 1 percentage point higher (9.1%) than the current rate:

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$15,556,592	\$14,041,041	\$12,774,302
Fiduciary net position	13,443,134	13,443,134	13,443,134
Net Pension Liability (Asset)	<u>\$2,113,458</u>	<u>\$597,907</u>	<u>(\$668,832)</u>

Pension Plan Fiduciary Net Position

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

CLAY COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2015

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

For the year ended September 30, 2015, the County recognized pension expense of \$436,692. At September 30, 2015, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 12/31/14 Expense	Balance of Deferred Inflows 12/31/14	Balance of Deferred Outflows 12/31/2014
Investment (gains) or losses	\$165,140	12/31/2014	5.0	\$33,028	\$ --	\$132,112
Economic/demographic						
gains or losses	9,847	12/31/2014	4.0	2,462	--	7,385
Employer contributions made						
subsequent to measurement date	243,048	12/31/2014	1.0		--	243,048
243048						<u>\$382,545</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Inflows/outflows to Be Recognized in Future Years

Year ended December 31,	
2015	\$278,537
2016	35,490
2017	35,490
2018	33,028
2019	--
	<u>\$382,545</u>

F. Concentrations of Credit Risk

Taxes receivable are due from citizens and businesses within the County's boundaries. Risk of loss is immaterial due to wide dispersion of receivables and because of policies which address procedures for filing property tax liens. Fines receivable are due from citizens primarily within the County's boundaries. Risk of loss is reduced by an allowance for uncollectibles and collection policies.

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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.

CLAY COUNTY, TEXAS
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 3,449,117	\$ 3,449,117	\$ 3,663,184	\$ 214,067
<i>Licenses and permits</i>	100,000	100,000	167,628	67,628
<i>Intergovernmental</i>	1,035,000	1,035,000	101,058	(933,942)
<i>Fines and fees</i>	324,800	324,800	340,614	15,814
<i>Interest</i>	5,000	5,000	606	(4,394)
<i>Miscellaneous</i>	362,841	362,841	425,875	63,034
Total revenues	<u>5,276,758</u>	<u>5,276,758</u>	<u>4,698,965</u>	<u>(577,793)</u>
Expenditures:				
Current:				
<i>General government</i>	736,107	736,107	648,472	87,635
<i>Judicial</i>	649,711	647,313	530,976	116,337
<i>Legal</i>	175,541	175,541	160,273	15,268
<i>Financial administration</i>	226,674	226,114	218,939	7,175
<i>Public facilities</i>	142,665	142,665	137,835	4,830
<i>Public Safety</i>	2,175,094	2,174,645	2,007,970	166,675
<i>Health and welfare</i>	266,032	265,032	182,909	82,123
<i>Conservation</i>	108,325	108,325	96,407	11,918
<i>Nondepartmental</i>	2,505,044	2,509,451	928,034	1,581,417
Total expenditures	<u>6,985,193</u>	<u>6,985,193</u>	<u>4,911,815</u>	<u>2,073,378</u>
Excess (deficiency) of revenues over (under) expenditures	(1,708,435)	(1,708,435)	(212,850)	1,495,585
Other financing sources (uses):				
<i>Transfers out</i>	(240,504)	(240,504)	(240,060)	444
<i>Sale of capital assets</i>	--	--	26,547	26,547
Total other financing sources (uses)	<u>(240,504)</u>	<u>(240,504)</u>	<u>(213,513)</u>	<u>26,991</u>
Net change in fund balances	(1,948,939)	(1,948,939)	(426,363)	1,522,576
Fund balances, October 1	2,784,816	2,784,816	2,784,816	--
Fund balances, September 30	<u>\$ 835,877</u>	<u>\$ 835,877</u>	<u>\$ 2,358,453</u>	<u>\$ 1,522,576</u>

CLAY COUNTY, TEXAS
ROAD & BRIDGE NUMBER ONE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 244,871	\$ 244,871	\$ 259,786	\$ 14,915
<i>Licenses and permits</i>	110,000	110,000	118,028	8,028
<i>Intergovernmental</i>	50,000	50,000	30,379	(19,621)
<i>Fines and fees</i>	6,000	6,000	31,001	25,001
<i>Interest</i>	500	500	60	(440)
<i>Miscellaneous</i>	--	--	5,732	5,732
Total revenues	<u>411,371</u>	<u>411,371</u>	<u>444,986</u>	<u>33,615</u>
Expenditures:				
Current:				
<i>Public transportation</i>	608,395	608,395	461,492	146,903
Total expenditures	<u>608,395</u>	<u>608,395</u>	<u>461,492</u>	<u>146,903</u>
Excess (deficiency) of revenues over (under) expenditures	(197,024)	(197,024)	(16,506)	180,518
Other financing sources (uses):				
<i>Transfers in</i>	60,000	60,000	60,000	--
Total other financing sources (uses)	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>--</u>
Net change in fund balances	(137,024)	(137,024)	43,494	180,518
Fund balances, October 1	368,565	368,565	368,565	--
Fund balances, September 30	<u>\$ 231,541</u>	<u>\$ 231,541</u>	<u>\$ 412,059</u>	<u>\$ 180,518</u>

CLAY COUNTY, TEXAS
ROAD & BRIDGE NUMBER TWO
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT B-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 198,130	\$ 198,130	\$ 209,514	\$ 11,384
<i>Licenses and permits</i>	110,000	110,000	118,235	8,235
<i>Intergovernmental</i>	23,574	23,574	10,809	(12,765)
<i>Fines and fees</i>	6,000	6,000	27,010	21,010
<i>Interest</i>	250	250	30	(220)
<i>Miscellaneous</i>	--	--	6,393	6,393
Total revenues	<u>337,954</u>	<u>337,954</u>	<u>371,991</u>	<u>34,037</u>
Expenditures:				
Current:				
<i>Public transportation</i>	<u>578,789</u>	<u>563,789</u>	<u>601,007</u>	<u>(37,218)</u>
Total expenditures	<u>578,789</u>	<u>563,789</u>	<u>601,007</u>	<u>(37,218)</u>
Excess (deficiency) of revenues over (under) expenditures	(240,835)	(225,835)	(229,016)	(3,181)
Other financing sources (uses):				
<i>Transfers in</i>	60,000	60,000	60,000	--
<i>Sale of capital assets</i>	15,000	--	15,000	15,000
<i>Capital leases</i>	--	--	154,510	154,510
Total other financing sources (uses)	<u>75,000</u>	<u>60,000</u>	<u>229,510</u>	<u>169,510</u>
Net change in fund balances	(165,835)	(165,835)	494	166,329
Fund balances, October 1	365,824	265,824	265,824	--
Fund balances, September 30	<u>\$ 199,989</u>	<u>\$ 99,989</u>	<u>\$ 266,318</u>	<u>\$ 166,329</u>

CLAY COUNTY, TEXAS
ROAD & BRIDGE NUMBER THREE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT B-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 331,818	\$ 331,818	\$ 352,107	\$ 20,289
<i>Licenses and permits</i>	110,000	110,000	118,028	8,028
<i>Intergovernmental</i>	150,361	150,361	58,105	(92,256)
<i>Fines and fees</i>	6,000	6,000	37,261	31,261
<i>Interest</i>	500	500	60	(440)
<i>Miscellaneous</i>	80,000	--	88,877	88,877
Total revenues	<u>678,679</u>	<u>598,679</u>	<u>654,438</u>	<u>55,759</u>
Expenditures:				
Current:				
<i>Public transportation</i>	895,146	815,146	1,260,508	(445,362)
Total expenditures	<u>895,146</u>	<u>815,146</u>	<u>1,260,508</u>	<u>(445,362)</u>
Excess (deficiency) of revenues over (under) expenditures	(216,467)	(216,467)	(606,070)	(389,603)
Other financing sources (uses):				
<i>Transfers in</i>	60,000	60,000	60,000	--
<i>Capital leases</i>	--	--	525,769	525,769
Total other financing sources (uses)	<u>60,000</u>	<u>60,000</u>	<u>585,769</u>	<u>525,769</u>
Net change in fund balances	(156,467)	(156,467)	(20,301)	136,166
Fund balances, October 1	341,222	341,222	341,222	--
Fund balances, September 30	<u>\$ 184,755</u>	<u>\$ 184,755</u>	<u>\$ 320,921</u>	<u>\$ 136,166</u>

CLAY COUNTY, TEXAS
ROAD & BRIDGE NUMBER FOUR
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT B-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 349,520	\$ 349,520	\$ 370,715	\$ 21,195
<i>Licenses and permits</i>	110,000	110,000	118,028	8,028
<i>Intergovernmental</i>	224,433	224,433	79,473	(144,960)
<i>Fines and fees</i>	6,000	6,000	38,522	32,522
<i>Interest</i>	500	500	90	(410)
<i>Miscellaneous</i>	--	--	8,721	8,721
Total revenues	<u>690,453</u>	<u>690,453</u>	<u>615,549</u>	<u>(74,904)</u>
Expenditures:				
Current:				
<i>Public transportation</i>	984,313	984,313	1,139,246	(154,933)
Total expenditures	<u>984,313</u>	<u>984,313</u>	<u>1,139,246</u>	<u>(154,933)</u>
Excess (deficiency) of revenues over (under) expenditures	(293,860)	(293,860)	(523,697)	(229,837)
Other financing sources (uses):				
<i>Transfers in</i>	60,000	60,000	60,000	--
<i>Sale of capital assets</i>	--	--	5,970	5,970
<i>Capital leases</i>	--	--	421,118	421,118
Total other financing sources (uses)	<u>60,000</u>	<u>60,000</u>	<u>487,088</u>	<u>427,088</u>
Net change in fund balances	(233,860)	(233,860)	(36,609)	197,251
Fund balances, October 1	470,444	470,444	470,444	--
Fund balances, September 30	<u>\$ 236,584</u>	<u>\$ 236,584</u>	<u>\$ 433,835</u>	<u>\$ 197,251</u>

CLAY COUNTY, TEXAS
SCHEDULE OF CHANGES IN THE COUNTY'S
NET PENSION LIABILITY AND RELATED RATIOS
CLAY COUNTY, TEXAS PENSION PLAN
LAST TEN PLAN YEARS *

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total pension liability:										
Service cost	\$ 339,370	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Interest	1,065,724	--	--	--	--	--	--	--	--	--
Changes of benefit terms	--	--	--	--	--	--	--	--	--	--
Differences between expected and actual experience	9,847	--	--	--	--	--	--	--	--	--
Changes of assumptions	--	--	--	--	--	--	--	--	--	--
Benefit payments, including refunds of employee contributions	(715,284)	--	--	--	--	--	--	--	--	--
Net change in total pension liability	699,657	--	--	--	--	--	--	--	--	--
Total pension liability - beginning	13,341,384	--	--	--	--	--	--	--	--	--
Total pension liability - ending (a)	\$ 14,041,041	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Plan fiduciary net position:										
Contributions - employer	\$ 317,514	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions - employee	202,054	--	--	--	--	--	--	--	--	--
Net investment income	870,107	--	--	--	--	--	--	--	--	--
Benefit payments, including refunds of employee contributions	(715,284)	--	--	--	--	--	--	--	--	--
Administrative expense	(10,079)	--	--	--	--	--	--	--	--	--
Other	42,252	--	--	--	--	--	--	--	--	--
Net change in plan fiduciary net position	706,564	--	--	--	--	--	--	--	--	--
Plan fiduciary net position - beginning	12,736,570	--	--	--	--	--	--	--	--	--
Plan fiduciary net position - ending (b)	\$ 13,443,134	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
County's net pension liability - ending (a) - (b)	\$ 597,907	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Plan fiduciary net position as a percentage of the total pension liability	95.74%	--	--	--	--	--	--	--	--	--
Covered-employee payroll	\$ 2,886,490	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
County's net pension liability as a percentage of covered-employee payroll	20.71%	--	--	--	--	--	--	--	--	--

Notes to Schedule:

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

CLAY COUNTY, TEXAS
SCHEDULE OF COUNTY CONTRIBUTIONS
CLAY COUNTY, TEXAS PENSION PLAN
LAST TEN PLAN YEARS *

	Plan Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 311,741	\$ 293,174	\$ 274,093	\$ 351,368	\$ 242,304	\$ 237,721	\$ 201,838	\$ 192,237	\$ 189,967	\$ N/A
Contributions in relation to the actuarially determined contribution	(317,514)	(310,226)	(298,785)	(275,129)	(250,033)	(281,073)	(252,725)	(215,556)	(210,014)	N/A
Contribution deficiency (excess)	\$ (5,773)	\$ (17,052)	\$ (24,692)	\$ 76,239	\$ (7,729)	\$ (43,352)	\$ (50,887)	\$ (23,319)	\$ (20,047)	\$ N/A
Covered-employee payroll	\$ 2,886,490	\$ 2,768,408	\$ 2,598,039	\$ 2,501,176	\$ 2,273,023	\$ 2,227,934	\$ 2,082,956	\$ 1,959,599	\$ 1,909,221	\$ N/A
Contributions as a percentage of covered-employee payroll	11.00%	11.21%	11.50%	11.00%	11.00%	12.62%	12.13%	11.00%	11.00%	N/A

Valuation date: December 31, 2014

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.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year non-asymptotic
Inflation	3.0%
Salary increases	3.5%, average, including inflation
Investment rate of return	8.10%, net of pension plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the County's plan of benefits.
Mortality	Based upon the results of an actuarial experience for the period January 1, 2009 - December 31, 2012, except where required to be different by GASB-68. In the 2014 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table.

Notes to Schedule:

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

CLAY COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended September 30, 2015

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on the GAAP basis of accounting for the general fund and all special revenue funds. All annual appropriations lapse at fiscal year end.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available fund balance.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. Thus, the legal level of budgetary control is at the fund level. No significant supplemental appropriations were required during the year.

Encumbrance accounting is not employed by the County because it is not considered necessary to assure effective budgetary control.

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*Combining Statements and Budget Comparisons
as Supplementary Information*

This 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.

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

	Special Revenue Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS		
<i>Cash and cash equivalents</i>	\$ 338,372	\$ 338,372
Total Assets	<u>\$ 338,372</u>	<u>\$ 338,372</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
<i>Accrued liabilities and other payables</i>	\$ 160	\$ 160
Total Liabilities	<u>160</u>	<u>160</u>
Fund balances:		
<i>Restricted</i>	338,212	338,212
Total fund balances	<u>338,212</u>	<u>338,212</u>
 Total Liabilities and Fund Balances	 <u>\$ 338,372</u>	 <u>\$ 338,372</u>

CLAY COUNTY, TEXAS

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

	Special Revenue Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:		
<i>Intergovernmental</i>	\$ 2,000	\$ 2,000
<i>Fines and fees</i>	85,749	85,749
<i>Miscellaneous</i>	2,205	2,205
Total revenues	<u>89,954</u>	<u>89,954</u>
Expenditures:		
Current:		
<i>General government</i>	37,685	37,685
<i>Legal</i>	12,850	12,850
<i>Public Safety</i>	5,552	5,552
<i>Nondepartmental</i>	13,037	13,037
Total expenditures	<u>69,124</u>	<u>69,124</u>
Excess (deficiency) of revenues over (under) expenditures	20,830	20,830
Other financing sources (uses):		
<i>Transfers in</i>	60	60
Total other financing sources (uses)	<u>60</u>	<u>60</u>
Net change in fund balances	20,890	20,890
Fund balances, October 1	317,322	317,322
Fund balances, September 30	<u>\$ 338,212</u>	<u>\$ 338,212</u>

CLAY COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015

	Records Management Fee	Court Reporter Service	Records Preservation	Courthouse Security
ASSETS				
<i>Cash and cash equivalents</i>	\$ 153,680	\$ 24,696	\$ 17,780	\$ 90,952
Total Assets	<u>\$ 153,680</u>	<u>\$ 24,696</u>	<u>\$ 17,780</u>	<u>\$ 90,952</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accrued liabilities and other payables</i>	\$ --	\$ --	\$ --	\$ 160
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>160</u>
 Fund balances:				
<i>Restricted</i>	153,680	24,696	17,780	90,792
Total fund balances	<u>153,680</u>	<u>24,696</u>	<u>17,780</u>	<u>90,792</u>
 Total Liabilities and Fund Balances	 <u>\$ 153,680</u>	 <u>\$ 24,696</u>	 <u>\$ 17,780</u>	 <u>\$ 90,952</u>

County Attorney	Sheriff's Forfeiture	Juvenile Case Manager	Court Technology	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 142	\$ 3,821	\$ 2,315	\$ 44,986	\$ 338,372
<u>\$ 142</u>	<u>\$ 3,821</u>	<u>\$ 2,315</u>	<u>\$ 44,986</u>	<u>\$ 338,372</u>
\$ --	\$ --	\$ --	\$ --	\$ 160
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>160</u>
142	3,821	2,315	44,986	338,212
<u>142</u>	<u>3,821</u>	<u>2,315</u>	<u>44,986</u>	<u>338,212</u>
<u>\$ 142</u>	<u>\$ 3,821</u>	<u>\$ 2,315</u>	<u>\$ 44,986</u>	<u>\$ 338,372</u>

CLAY COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Records Management Fee	Court Reporter Service	Records Preservation	Courthouse Security
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ --	\$ --
<i>Fines and fees</i>	55,978	1,323	2,794	9,238
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>55,978</u>	<u>1,323</u>	<u>2,794</u>	<u>9,238</u>
Expenditures:				
Current:				
<i>General government</i>	35,469	2,216	--	--
<i>Legal</i>	--	--	--	--
<i>Public Safety</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	8,833
Total expenditures	<u>35,469</u>	<u>2,216</u>	<u>--</u>	<u>8,833</u>
Excess (deficiency) of revenues over (under) expenditures	20,509	(893)	2,794	405
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	20,509	(893)	2,794	405
Fund balances, October 1	133,171	25,589	14,986	90,387
Fund balances, September 30	<u>\$ 153,680</u>	<u>\$ 24,696</u>	<u>\$ 17,780</u>	<u>\$ 90,792</u>

County Attorney	Sheriff's Forfeiture	Juvenile Case Manager	Court Technology	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ 2,000	\$ --	\$ 2,000
885	--	7,599	7,932	85,749
--	2,205	--	--	2,205
<u>885</u>	<u>2,205</u>	<u>9,599</u>	<u>7,932</u>	<u>89,954</u>
--	--	--	--	37,685
850	--	12,000	--	12,850
--	5,552	--	--	5,552
--	--	--	4,204	13,037
<u>850</u>	<u>5,552</u>	<u>12,000</u>	<u>4,204</u>	<u>69,124</u>
35	(3,347)	(2,401)	3,728	20,830
60	--	--	--	60
<u>60</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>60</u>
95	(3,347)	(2,401)	3,728	20,890
47	7,168	4,716	41,258	317,322
<u>\$ 142</u>	<u>\$ 3,821</u>	<u>\$ 2,315</u>	<u>\$ 44,986</u>	<u>\$ 338,212</u>

CLAY COUNTY, TEXAS
RECORDS MANAGEMENT FEE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-5

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
<i>Fines and fees</i>	\$ 38,050	\$ 55,978	\$ 17,928
Total revenues	<u>38,050</u>	<u>55,978</u>	<u>17,928</u>
Expenditures:			
Current:			
<i>General government</i>	90,000	35,469	54,531
Total expenditures	<u>90,000</u>	<u>35,469</u>	<u>54,531</u>
Net change in fund balances	(51,950)	20,509	72,459
Fund balances, October 1	133,171	133,171	--
Fund balances, September 30	<u>\$ 81,221</u>	<u>\$ 153,680</u>	<u>\$ 72,459</u>

CLAY COUNTY, TEXAS
 COURT REPORTER SERVICE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines and fees</i>	\$ 1,200	\$ 1,323	\$ 123
Total revenues	<u>1,200</u>	<u>1,323</u>	<u>123</u>
Expenditures:			
Current:			
<i>General government</i>	10,000	2,216	7,784
Total expenditures	<u>10,000</u>	<u>2,216</u>	<u>7,784</u>
Net change in fund balances	(8,800)	(893)	7,907
Fund balances, October 1	25,589	25,589	--
Fund balances, September 30	<u>\$ 16,789</u>	<u>\$ 24,696</u>	<u>\$ 7,907</u>

CLAY COUNTY, TEXAS
 RECORDS PRESERVATION
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines and fees</i>	\$ 2,500	\$ 2,794	\$ 294
Total revenues	<u>2,500</u>	<u>2,794</u>	<u>294</u>
Expenditures:			
Current:			
<i>General government</i>	15,000	--	15,000
Total expenditures	<u>15,000</u>	<u>--</u>	<u>15,000</u>
Net change in fund balances	(12,500)	2,794	15,294
Fund balances, October 1	14,986	14,986	--
Fund balances, September 30	<u>\$ 2,486</u>	<u>\$ 17,780</u>	<u>\$ 15,294</u>

CLAY COUNTY, TEXAS
 COURTHOUSE SECURITY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines and fees</i>	\$ 10,650	\$ 9,238	\$ (1,412)
Total revenues	<u>10,650</u>	<u>9,238</u>	<u>(1,412)</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	74,365	8,833	65,532
Total expenditures	<u>74,365</u>	<u>8,833</u>	<u>65,532</u>
Net change in fund balances	(63,715)	405	64,120
Fund balances, October 1	90,387	90,387	--
Fund balances, September 30	<u>\$ 26,672</u>	<u>\$ 90,792</u>	<u>\$ 64,120</u>

CLAY COUNTY, TEXAS
 COUNTY ATTORNEY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-9

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
<i>Fines and fees</i>	\$ 6,500	\$ 885	\$ (5,615)
Total revenues	<u>6,500</u>	<u>885</u>	<u>(5,615)</u>
Expenditures:			
Current:			
<i>Legal</i>	7,004	850	6,154
Total expenditures	<u>7,004</u>	<u>850</u>	<u>6,154</u>
Excess (deficiency) of revenues over (under) expenditures	(504)	35	539
Other financing sources (uses):			
<i>Transfers in</i>	504	60	(444)
Total other financing sources (uses)	<u>504</u>	<u>60</u>	<u>(444)</u>
Net change in fund balances	--	95	95
Fund balances, October 1	47	47	--
Fund balances, September 30	<u>\$ 47</u>	<u>\$ 142</u>	<u>\$ 95</u>

CLAY COUNTY, TEXAS
JUVENILE CASE MANAGER
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-10

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 12,000	\$ 2,000	\$ (10,000)
<i>Fines and fees</i>	10,000	7,599	(2,401)
Total revenues	<u>22,000</u>	<u>9,599</u>	<u>(12,401)</u>
Expenditures:			
Current:			
<i>Legal</i>	24,000	12,000	12,000
Total expenditures	<u>24,000</u>	<u>12,000</u>	<u>12,000</u>
Net change in fund balances	(2,000)	(2,401)	(401)
Fund balances, October 1	4,716	4,716	--
Fund balances, September 30	<u>\$ 2,716</u>	<u>\$ 2,315</u>	<u>\$ (401)</u>

CLAY COUNTY, TEXAS
 COURT TECHNOLOGY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-11

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines and fees</i>	\$ 9,150	\$ 7,932	\$ (1,218)
Total revenues	<u>9,150</u>	<u>7,932</u>	<u>(1,218)</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	34,300	4,204	30,096
Total expenditures	<u>34,300</u>	<u>4,204</u>	<u>30,096</u>
Net change in fund balances	(25,150)	3,728	28,878
Fund balances, October 1	41,258	41,258	--
Fund balances, September 30	<u>\$ 16,108</u>	<u>\$ 44,986</u>	<u>\$ 28,878</u>

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CLAY COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2015

	<u>District Clerk</u>	<u>County Clerk</u>	<u>Sheriff Agency</u>
ASSETS			
<i>Cash and cash equivalents</i>	\$ 46,344	\$ 2,585	\$ 46,154
Total Assets	<u>\$ 46,344</u>	<u>\$ 2,585</u>	<u>\$ 46,154</u>
LIABILITIES			
<i>Due to other governments</i>	\$ --	\$ --	\$ --
<i>Due to others</i>	46,344	2,585	46,154
Total Liabilities	<u>\$ 46,344</u>	<u>\$ 2,585</u>	<u>\$ 46,154</u>

Tax Assessor Collector	County Attorney Agency	County Treasurer	Officer's Fee	Total Agency Funds (See Exhibit A-7)
\$ 167,372	\$ 1,157	\$ 18,865	\$ 36,994	\$ 319,471
<u>\$ 167,372</u>	<u>\$ 1,157</u>	<u>\$ 18,865</u>	<u>\$ 36,994</u>	<u>\$ 319,471</u>
\$ 167,122	\$ --	\$ --	\$ 35,439	\$ 202,561
250	1,157	18,865	1,555	116,910
<u>\$ 167,372</u>	<u>\$ 1,157</u>	<u>\$ 18,865</u>	<u>\$ 36,994</u>	<u>\$ 319,471</u>

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