SMITH COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015

COUNTY JUDGE – JOEL BAKER

Members of the Commissioners Court:

Jeff Warr – Commissioner, Pct. #1
Cary Nix – Commissioner, Pct. #2
Terry Phillips – Commissioner, Pct. #3
JoAnn Hampton – Commissioner, Pct. #4

Prepared by the
SMITH COUNTY AUDITOR'S OFFICE
County Auditor – Ann Wilson, CPA, CIO

SMITH COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015

TABLE OF CONTENTS

	Exhibit or Schedule	Page(s)
INTRODUCTORY SECTION		
Letter of Transmittal		i-iv
GFOA Certificate of Achievement for Excellence in Financial Reporting		v
Organizational Chart		vi
List of Principal Officials		vii
FINANCIAL SECTION		
Independent Auditors' Report		1-2
Management's Discussion and Analysis (Unaudited)		4-15
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	Exhibit 1	17
Statement of Activities	Exhibit 2	18
Fund Financial Statements:		
Balance Sheet – Governmental Funds	Exhibit 3	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit 1)	Exhibit 4	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	Exhibit 5	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit 2)	Exhibit 6	22
Statement of Net Position – Proprietary Funds	Exhibit 7	23
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	Exhibit 8	24
Statement of Cash Flows – Proprietary Funds	Exhibit 9	25
Statement of Fiduciary Assets and Liabilities – Agency Funds	Exhibit 10	26
Notes to the Basic Financial Statements		27-53
Required Supplementary Information:		
General Fund – Detailed Schedule of Revenues, Expenditures And Changes in Fund Balance – Budget and Actual	Schedule 1	55-57
Special Revenue Fund – Road and Bridge – Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	Schedule 2	58
Schedule of Changes in the County's Net Pension Liability	Schedule 3	59
Schedule of Employer Contributions	Schedule 4	60
Schedule of Funding Progress for the Retiree Health Plan for the Employees of Smith County	Schedule 5	61
Notes to Required Supplementary Information		62

SMITH COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015

TABLE OF CONTENTS

		Page(s)
Additional Supplementary Information:		
Nonmajor Governmental Funds:		
Combining and Individual Funds Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	Schedule 6	67-72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	Schedule 7	73-78
Detailed Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:		
Jail Expansion Project Fund	Schedule 8	81
County Law Library Fund	Schedule 9	82
County Clerk Records Preservation Fund	Schedule 10	83
District Clerk Records Preservation Fund	Schedule 11	84
Graffiti Eradication Fund	Schedule 12	85
Courthouse Security Fund	Schedule 13	86
Justice Court Technology Fund	Schedule 14	87
County & District Court Technology Fund	Schedule 15	88
Community Policing Fund	Schedule 16	89
Forfeiture Interest 10% Fund	Schedule 17	90
JAC Maintenance Fund	Schedule 18	91
Facility Improvement Fund	Schedule 19	92
Debt Service Fund	Schedule 20	93
Internal Service Funds:		
Combining Statement of Net Position – Internal Service Funds	Schedule 21	95
Combining Statement of Revenues, Expenses and Changes in Net position – Internal Service Funds	Schedule 22	96
Combining Statement of Cash Flows – Internal Service Funds	Schedule 23	97
Fiduciary Funds:		
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	Schedule 24	99-100
Combining Statement of Changes in Assets and Liabilities – Agency Funds	Schedule 25	101-102
STATISTICAL SECTION (UNAUDITED)		
Description of Statistical Section		105
Net Position by Component	Table 1	106
Changes in Net Position	Table 2	107
Fund Balances of Governmental Funds	Table 3	108
Changes in Fund Balances of Governmental Funds	Table 4	109
Governmental Activities Tax Revenues by Source	Table 5	110
Taxable Assessed Valuations by Category	Table 6	111-112
Property Tax Rates	Table 7	113
Principal Property Taxpayers	Table 8	114
Property Tax Levies and Collections	Table 9	115
Ratios of Outstanding Debt by Type	Table 10	116
Ratios of Net General Bonded Debt Outstanding	Table 11	117
Computation of Direct and Overlapping Debt	Table 12	118
Legal Debt Margin Information	Table 13	119

SMITH COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015

TABLE OF CONTENTS

		Page(s)
STATISTICAL SECTION (UNAUDITED) - Continued		
Demographic and Economic Statistics	Table 14	120
Principle Employers	Table 15	121
Full-Time Equivalent County Government Employees by Function	Table 16	122
Operations Indicators by Function	Table 17	123
Capital Asset Statistics by Function	Table 18	124
GOVERNMENTAL COMPLIANCE SECTION		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*		127-128

THE COUNTY OF SMITH

TEXAS

THE COUNTY OF SMITH
TEXAS

INTRODUCTORY SECTION

THE COUNTY OF SMITH

TEXAS

COUNTY OF SMITH

THE COUNTY AUDITOR

200 E. FERGUSON, SUITE 407

TYLER, TEXAS 75702

Ann W. Wilson, CPA, CIO
County Auditor

(903) 590-4700
Fax (903) 590-4716

March 16, 2016

The Honorable Board of District Judges and Commissioners Court
Smith County, Texas

The Comprehensive Annual Financial Report of Smith County, Texas for the fiscal year ending September 30, 2015 is submitted in accordance to the requirements of Chapter 114.025 of the Local Government Code.

This report consists of management's representations concerning the finances of Smith County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, Smith County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Smith County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, Smith County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Smith County's financial statements have been audited by Gollob Morgan Peddy PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Smith County for the fiscal year ended September 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Smith County's financial statements for the fiscal year ended September 30, 2015, are presented fairly in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Smith County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal and state awards. These reports are available in a separate Single Audit document.

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

The financial section of this report also includes government-wide financial statements, fund financial statements, notes to the financial statement, required supplementary information and the combining and individual fund financial statements and schedules. The statistical section of the report includes selected financial and demographic information on a multi-year basis.

PROFILE OF SMITH COUNTY

The County of Smith was established in 1846 and is located in the north east section of the state. Smith County covers 932 square miles and serves a population of approximately 220,000. The City of Tyler is the county seat and Smith County's largest incorporated area with an estimated population of approximately 107,405 residents. Smith County also includes the Cities of Lindale, Whitehouse, Arp, Troup, Bullard, Winona, New Chapel Hill, Noonday, Overton, and Hide-a-way Lake.

Smith County is a political subdivision of the State of Texas. The governing body of the County is the Commissioners Court. The County Judge is the chairman of the court and the Commissioner from each of the four precincts are also members. Commissioners serve four year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four year term. The Court has only such powers as are conferred upon it by the Constitution and the statutes or by necessary implication there from.

The Commissioners Court sets the tax rates, establishes policies for county operations, approves contracts for the county and develops and adopts the county budget within the resources as estimated by the County Auditor. The Commissioners Court is also responsible for approving financial commitments and appointments of various department officials. The management and leadership provided by members of the Commissioners Court and the elected and appointed officials of other key county offices is crucial to the success of Smith County in financial management and growth.

The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and "examining, auditing, and approving" all disbursements from County funds prior to their submission to the Commissioners Court for approval.

The County provides a full range of services as authorized by the Constitution and Statutes of the State of Texas. The primary functions include general government, justice system, law enforcement, juvenile service, public transportation, public health, human services, and debt service.

The annual budget process serves as the foundation of the County's planning and control. All departments are required to submit requests to the budget officer during a defined period each year. The budget officer uses these requests as the starting point for developing a proposed budget. The proposed budget is then presented to the Commissioners Court for review. The Commissioners Court is required to hold public hearings on the proposed budget. The County is required to adopt a final budget by the first day of the new fiscal year. The appropriated budget is prepared by fund, function, and department. All transfers of appropriations other than inter-departmental operating category transfers require Commissioners Court approval. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy – Smith County continues to be the home to many major industries, including manufacturing, health care and higher education. As of December 2015, Smith County reports an unemployment rate of 4.3% which is lower than the national unemployment rate of 4.6% in December 2015 according to the US Bureau of Labor Statistics.

Smith County has ten public independent school districts and is home to Tyler Junior College, the University of Texas at Tyler, Texas College, and UT Health Northeast.

As Smith County continues to grow, mobility issues are being addressed. Smith County is a founding member of the North East Texas Regional Mobility Authority (NET RMA) whose goal is to enhance mobility and create economic opportunity in the North East Texas Region. The Loop 49 project completed the construction of Segment 3B of the toll road which connects Texas Highway 31 West to Interstate 20 in a 32 mile segment. The connection to Interstate 20 has increased the usage of the loop and stimulated investment all along the route.

LONG TERM FINANCIAL PLANNING

Smith County has adopted several financial management policies to provide guidelines to insure its long-term financial health. The general fund balance policy sets a minimum level of reserve funds in the general fund at 17% of current budgeted expenditures and discourages any dependence on reserves to balance the general fund budget. The debt management policy establishes guidelines for debt issuance, debt levels, appropriate types of debt to issue, and debt

repayment schedules. The County remains in compliance with these policies. Smith County maintains a formal Capital Improvement Plan for 2015.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award to Smith County for its annual budget document dated October 1, 2014. This was the 11th consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device.

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Smith County for the Comprehensive Annual Financial Report dated September 30, 2014. This was the 5th consecutive year Smith County has applied and received this award.

Smith County has been awarded the Leadership Circle Platinum Member Award by the Texas Comptroller of Public Accounts. The Leadership Circle recognizes local governments across Texas that are striving to meet a high standard for financial transparency online by opening their books to the public; providing a clear, consistent picture of spending; and sharing information in a user-friendly format. The Platinum designation highlights those entities that are setting the bar in their transparency efforts.

This report would not have been possible without the efficient and dedicated services of the entire staff of the Auditor's office and the audit team of Gollob Morgan Peddy. I would like to express my appreciation to all members of the department who contributed to the preparation of this report. In addition, I would like to thank the Commissioners Court and the District Judges for their interest and continued support and for the responsive and progressive manner in which they support the financial position and operations of the County. Also, my gratitude goes to all elected officials and employees concerning all matters related to the operation of this office during the past year and for their efforts toward improving County business.

Respectfully submitted,

Ann W. Wilson

Ann W. Wilson, CPA
Smith County Auditor

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

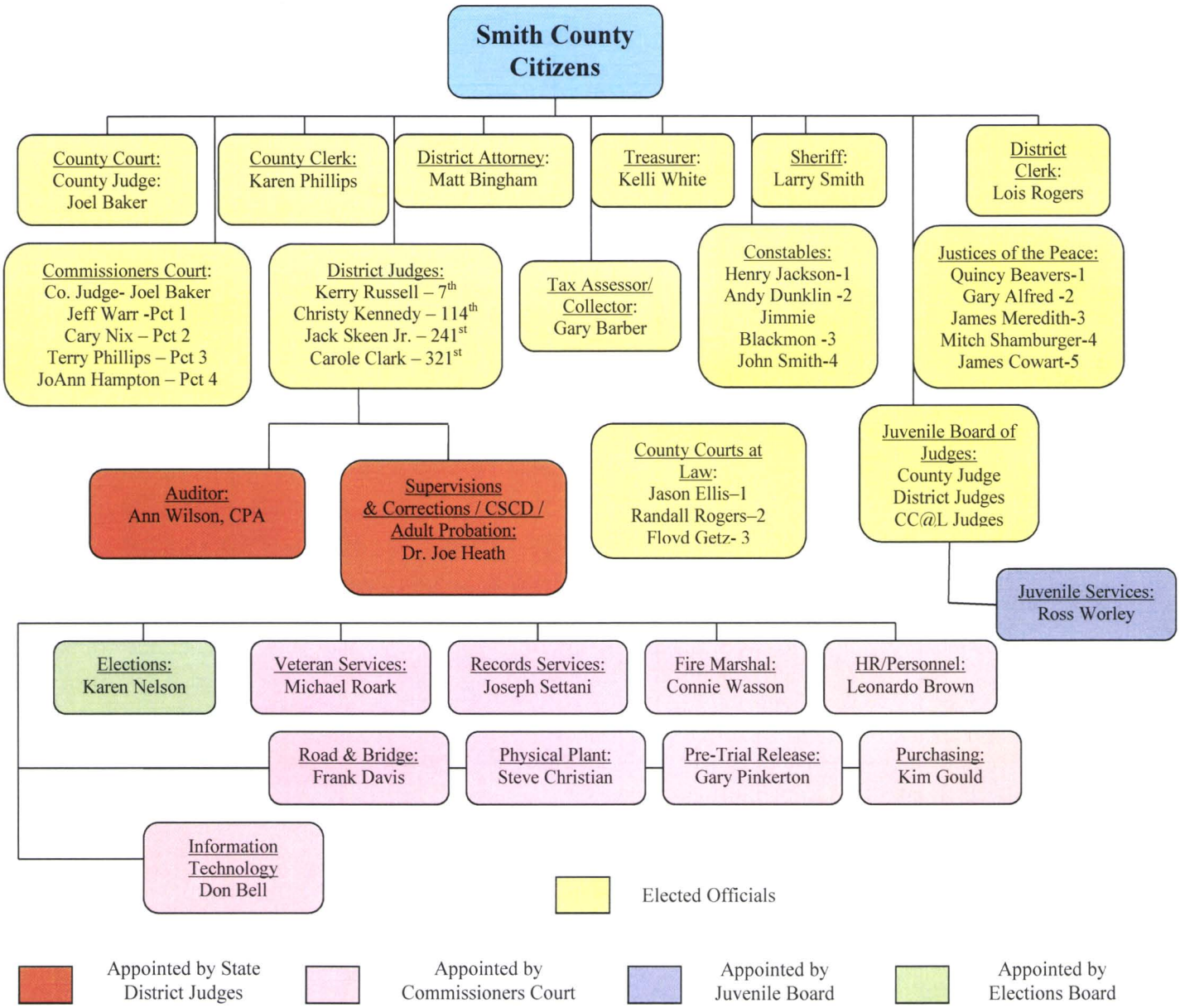
Smith County

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO


Smith County Citizens
County Court: County Judge: Joel Baker
County Clerk: Karen Phillips
District Attorney: Matt Bingham
Treasurer: Kelli White
Sheriff: Larry Smith
District Clerk: Lois Rogers
Commissioners Court: Co. Judge- Joel Baker Jeff Warr -Pct 1 Cary Nix – Pct 2 Terry Phillips – Pct 3 JoAnn Hampton – Pct 4
District Judges: Kerry Russell – 7th Christy Kennedy – 114th Jack Skeen Jr. – 241st Carole Clark – 321st
Tax Assessor/ Collector: Gary Barber
Constables: Henry Jackson-1 Andy Dunklin -2 Jimmie Blackmon -3 John Smith-4
Justices of the Peace: Quincy Beavers-1 Gary Alfred -2 James Meredith-3 Mitch Shamburger-4 James Cowart-5
Auditor: Ann Wilson, CPA
Supervisions & Corrections / CSCD / Adult Probation: Dr. Joe Heath
County Courts at Law: Jason Ellis–1 Randall Rogers–2 Floyd Getz- 3
Juvenile Board of Judges: County Judge District Judges CC@L Judges
Juvenile Services: Ross Worley
Elections: Karen Nelson
Veteran Services: Michael Roark
Records Services: Joseph Settani
Fire Marshal: Connie Wasson
HR/Personnel: Leonardo Brown
Road & Bridge: Frank Davis
Physical Plant: Steve Christian
Pre-Trial Release: Gary Pinkerton
Purchasing: Kim Gould
Information Technology Don Bell
Elected Officials
Appointed by State District Judges
Appointed by Commissioners Court
Appointed by Juvenile Board
Appointed by Elections Board

SMITH COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2015

Commissioners Court	
County Judge	Joel Baker
Commissioner - Precinct #1	Jeff Warr
Commissioner - Precinct #2	Cary Nix
Commissioner - Precinct #3	Terry Phillips
Commissioner - Precinct #4	JoAnn Hampton

Judicial	
County Court	Judge Joel Baker
County Court at Law	Judge Jason Ellis
County Court at Law #2	Judge Randall Rogers
County Court at Law #3	Judge Floyd T. Getz
7th District Court	Judge Kerry Russell
114th District Court	Judge Christy Kennedy
241st District Court	Judge Jack Skeen, Jr.
321st District Court	Judge Carole Clark

County & Precinct Officials	
Constable - Precinct #1	Henry Jackson
Constable - Precinct #2	Andy Dunklin
Constable - Precinct #3	Jimmie Blackmon
Constable - Precinct #4	John Smith
Constable - Precinct #5	Kenneth Bibby
County Clerk	Karen Phillips
District Attorney	Matt Bingham
District Clerk	Lois Rogers
Elections/Voter Registration	Karen Nelson
Justice of the Peace - Pct. #1	Judge Quincy Beavers, Jr.
Justice of the Peace - Pct. #2	Judge Gary Alfred
Justice of the Peace - Pct. #3	Judge James Meredith
Justice of the Peace - Pct. #4	Judge Mitch Shamburger
Justice of the Peace - Pct. #5	Judge James Cowart
Sheriff	Larry Smith
Tax Assessor-Collector	Gary Barber
County Treasurer	Kelli White
Adult Probation	Dr. Joe Heath
County Auditor	Ann W. Wilson, CPA
Juvenile Services	Ross Worley
Purchasing	Kim Gould

THE COUNTY OF SMITH

TEXAS

FINANCIAL SECTION

Gollob Morgan Peddy
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Commissioners' Court of Smith County
Tyler, Texas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Smith 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.

Emphasis of Matter

As discussed in Note XI and XIV, the County implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*, as well as Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These standards significantly changed the accounting for the County's net pension liability and the related disclosures. Our opinions are not modified with respect to this matter.

Gollob Morgan Peddy PC
1001 ESE Loop 323, Suite 300, Tyler, TX 75701
Tel 903-534-0088 Fax 903-581-3915 www.gmpcpa.com
Members American Institute of Certified Public Accountants and Private Companies Practice Section

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 4–15; the budgetary comparison information contained in Schedules 1 and 2 on pages 55–58; the Schedule of Changes in the County's Net Pension Liability and Related Ratios on page 59; the Schedule of Employer Contributions on page 60; the Schedule of Funding Progress on page 61, and the Notes to Required Supplementary Information on page 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Smith County, Texas' basic financial statements. The introductory section, additional supplemental information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2016, on our consideration of Smith County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Smith County, Texas' internal control over financial reporting and compliance.

Gollob Morgan Peddy PC

Certified Public Accountants
Tyler, Texas
March 16, 2016

Gollob Morgan Peddy PC
1001 ESE Loop 323, Suite 300, Tyler, TX 75701
Tel 903-534-0088 Fax 903-581-3915 www.gmpcpa.com
Members American Institute of Certified Public Accountants and Private Companies Practice Section

THE COUNTY OF SMITH

TEXAS

SMITH COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the County of Smith's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2015. The MD&A should be read in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements. The discussion and analysis includes comparative data for prior years of government-wide data.

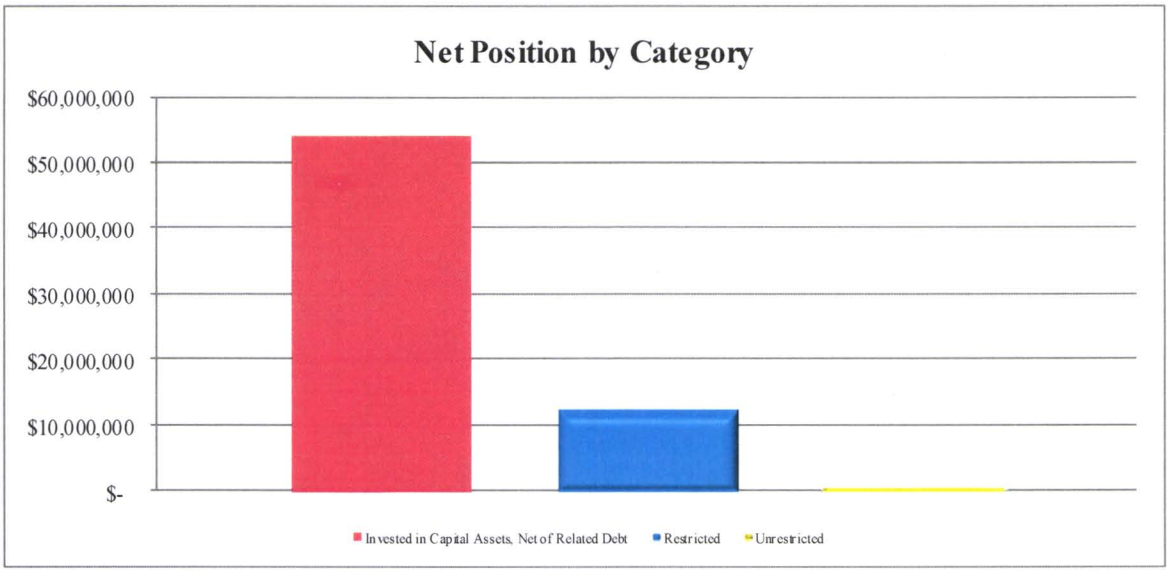
FINANCIAL HIGHLIGHTS

Government-Wide:

Smith County's total government-wide assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by $67,735,330 at the close of the fiscal year ending September 30, 2015. This is an increase of $3,933,580, which is net of a prior period adjustment of $3,563,471, from the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $63,801,750.

Total net position of the primary government is comprised of the following:

- Net investment in capital assets of $54,266,461 includes land, improvements, buildings, infrastructure, intangible assets, construction in progress, and other capital assets, net of accumulated depreciation, and is reduced by outstanding debt, net of unspent proceeds, related to the purchase or construction of capital assets.
- Of the total net position, $13,034,397 is restricted by constraints imposed from outside the County such as debt obligations, laws, and regulations.
- The unrestricted amount of the net position of $434,472 represents the portion available to meet ongoing obligations to citizens and creditors.



Governmental Fund Financial Statements

- As of September 30, 2015, Smith County governmental funds reported combined fund balances of $51,868,454. This reflects an increase of $3,077,870 from the previous fiscal year. The current year total consist of a combined nonspendable fund balance of $86,345, restricted fund balance of $13,036,474, committed fund balance of $8,926,246, assigned fund balance of 2,586,449, and unassigned fund balance of $27,232,940 for fiscal year 2015.

- The general fund is used to account for the general operations of the county, indigent health care, workforce development and juvenile services. At the end of the fiscal year, the nonspendable fund balance was $86,345, the assigned fund balance for the Indigent Health Fund, Workforce Development Fund, and Juvenile Services was $2,586,449 and the unassigned fund balance was $27,232,940.

- The Road & Bridge Fund is used to account for construction, maintenance, repair or operation of roads, streets, highways, or other related facilities. The committed fund balance for the Road & Bridge Fund at fiscal year end was $6,045,297.

- The nonmajor governmental funds had a combined total fund balance at September 30, 2015 of $15,917,423. Of that amount, $2,880,949 is committed and $13,036,474 is restricted ($11,411,625 for special revenue funds, $2,077 for capital project funds, and $1,622,772 for debt service).

Long-Term Debt:

- In fiscal year 2015, the County did not issue any additional long-term debt.

- Smith County's general obligation debt decreased by $3,375,000. Total general obligation debt at the end of fiscal year 2015 is $26,905,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to introduce the reader to the County's basic financial statements. These statements are comprised of three components 1) Government-wide financial statements; 2) Fund financial statements, and 3) Notes to the basic financial statements. Required supplementary information is included to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of Smith County's finances, in a manner similar to a private-sector business. They include a *Statement of Net Position* and a *Statement of Activities*. Both of these statements are presented using the accrual method of accounting; therefore, revenues and expenses are taken into account regardless of when cash is received or when liabilities are paid.

The *Statement of Net Position* presents information on all of Smith County's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Smith County is improving or deteriorating. There are other non-financial factors, such as changes in the County's property tax base and the condition of the County's roads and facilities that should be considered to assess the overall health of the County.

The *Statement of Activities* presents information showing how Smith County'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 related cash flows. Due to a full accrual presentation, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Smith County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Smith County include general government, judicial, public safety/law enforcement, health and welfare, public transportation, and community and economic development. The County has no business-type activities and no component units.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Smith County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of Smith County can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

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

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Road & Bridge Fund, and Other Governmental Funds. The General Fund consists of the County's General Fund, Juvenile General Fund, Facility Improvement Fund, the Workforce Investment Fund, and the Indigent Health Care Trust Fund. Data from other

governmental funds is combined into a single, aggregated presentation.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund (a component of proprietary funds) is used to report activities that provide supplies and services for other programs and activities, such as the County's self-insurance program. Because these services predominantly benefit governmental rather than business-type functions, the Internal Service Fund is reported with governmental activities in the government-wide financial statements.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Smith County's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Basic Financial Statements provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information is in addition to the basic financial statements and accompanying notes and presents a budgetary comparison schedule, which includes the original and final amended budget and actual figures.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $67,735,330 for fiscal year 2015 and $63,801,750 for fiscal year 2014. Revenues exceeded expenses during the current year, increasing net position by $3,933,580.

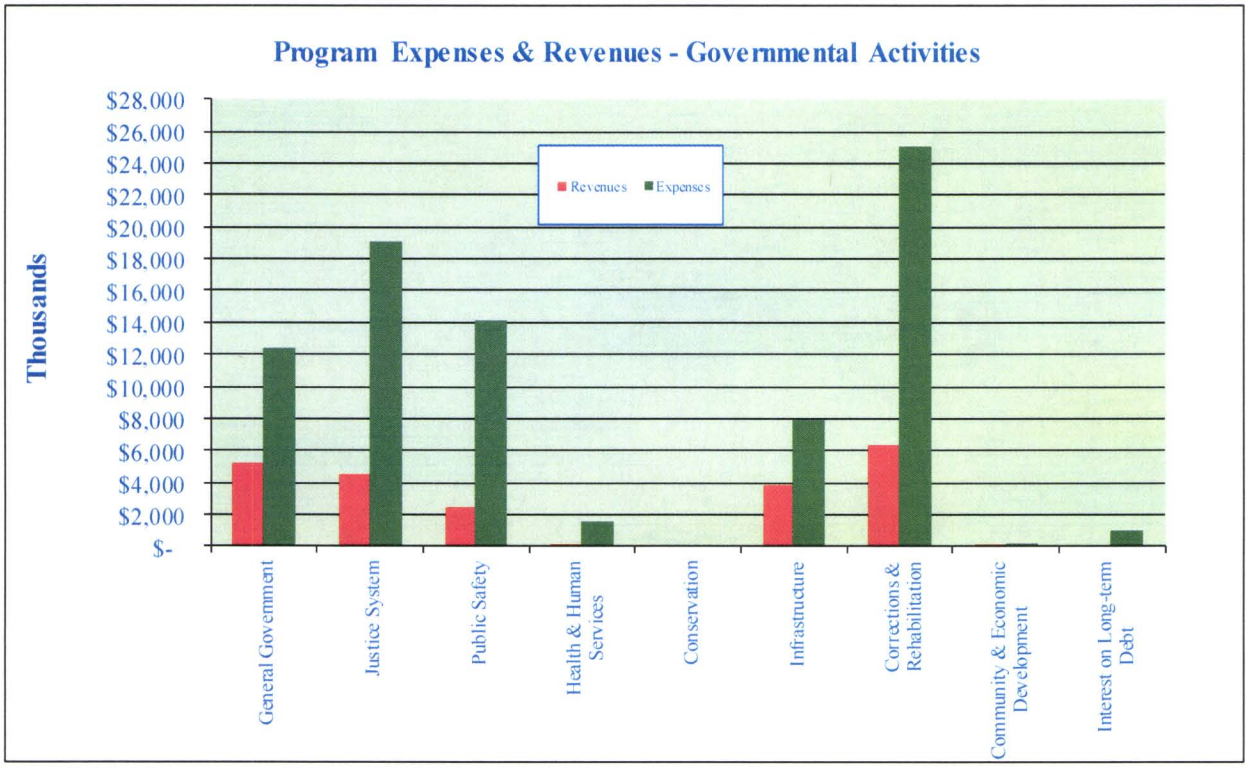
	Governmental Activities FY14	Governmental Activities FY15
Current & Other Assets	$ 57,529,535	$ 62,545,138
Capital Assets (net of depreciation)	82,407,258	86,407,514
Total Assets	**$ 139,936,793**	**$ 148,952,652**
Deferred Outflows & Resources		
Deferred Charge on TCDRS Pension	$ -	$ 5,658,036
	$ -	**$ 5,658,036**
Current & Other Liabilities	$ 11,420,783	$ 12,035,039
Long-term Liabilities	64,714,260	74,840,319
Total Liabilities	**$ 76,135,043**	**$ 86,875,358**
Net Position:		
Invested in Capital Assets, Net of Related Debt	$ 50,279,650	$ 54,266,461
Restricted	12,046,080	13,034,397
Unrestricted	1,476,020	434,472
Total Net Position	**$ 63,801,750**	**$ 67,735,330**

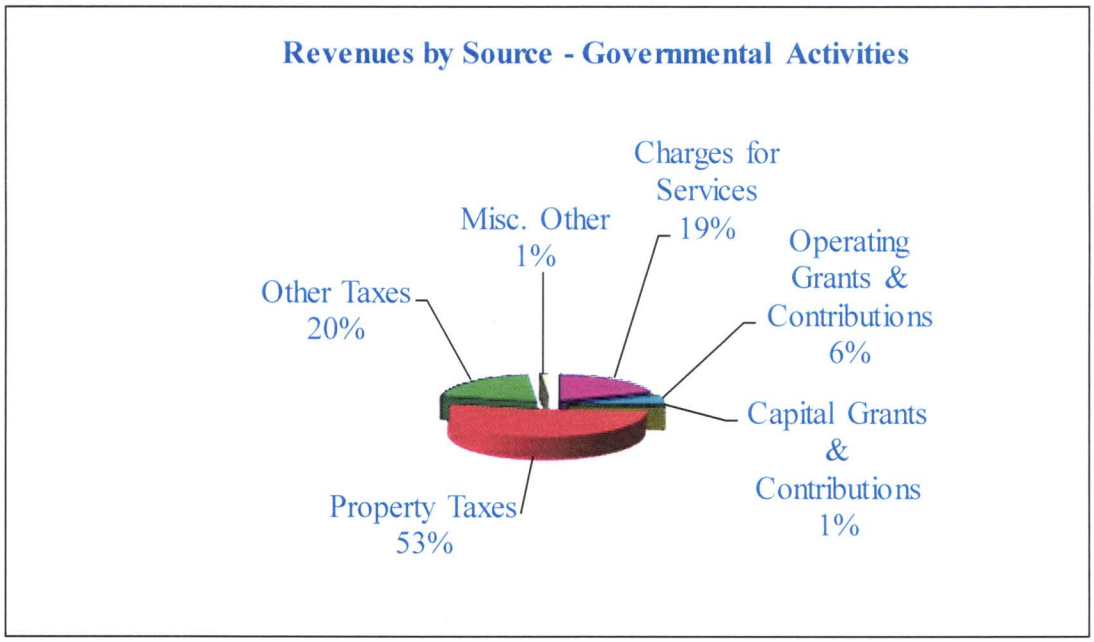
The largest portion of the County's current fiscal year net position, $54,266,461, is invested in capital assets (e.g. land, improvements, buildings, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The primary use of these capital assets is to provide services to citizens; therefore, these assets are not available for future spending. The increase of $3,986,811 in the County's net position net investment in capital assets is primarily comprised of the completion of the Jail Expansion Project.

The following table indicates changes in net position for the governmental activities.

Smith County's Changes in Net Position

	Governmental Activities 2014	Governmental Activities 2015
Net Program Revenues:		
Charges for Services	$ 17,704,080	$ 17,096,291
Operating Grants & Contributions	5,589,457	5,048,437
Capital Grants & Contributions	346,022	537,923
General Revenues:		
Property Taxes	44,562,723	46,738,447
Sales & Other Taxes	17,368,276	17,989,224
Rentals & Commissions		
Reimbursements		
Miscellaneous	217,938	563,264
Gain (Loss) in Sale of Assets	64,921	382,297
Interest	176,107	305,073
Total Revenues	$ 86,029,524	$ 88,660,956
Expenses:		
General Government	$ 13,288,738	$ 12,424,974
Justice System	18,633,229	19,096,917
Public Safety	14,250,079	14,075,256
Health & Human Services	1,733,055	1,569,689
Conservation		
Infrastructure	7,094,425	7,856,817
Corrections & Rehabilitation	24,339,547	25,051,057
Community & Economic Development	437,030	115,116
Interest on Long-term Debt	948,025	974,079
Total Expenses	$ 80,724,128	$ 81,163,905
Change in Net Position	$ 5,305,396	$ 7,497,051
Net Position - Beginning	58,645,809	63,801,750
Prior Period Adjustment	(149,455)	(3,563,471)
Other Increases (Decreases) in Fund Balance	-	-
Net Position - Ending	$ 63,801,750	$ 67,735,330





Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Program revenues of $22,682,651 equaled 28% of governmental expenses of $81,163,905. As expected, general revenues of $65,978,305 and net position provided the additional support and coverage for expenses.
- Approximately 31% of the expenses are for Corrections & Rehabilitation ($25,051,057)

while this category provided about 7% of the total revenues of $88,660,956.

- The next largest category of expenses is the Justice System ($19,096,917) at 24%. The Justice System provided about 5% of total revenues. Justice System expense increases are primarily due to the mandated indigent defense legislation that resulted in changes regarding assignment of attorneys and is dependent upon the number and costs of cases.

- Public Safety activities accounted for 17% of governmental expenses while this category provided 3% of total revenues.

- Infrastructure (Road & Bridge) accounted for 10% of governmental expenses while this category provided 4.3% of total revenues.

- Grant revenues and contributions comprised about 6% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Fund accounting and budget controls provide the framework for the County's strong fiscal management and accountability. The County has an AA2/AA+ bond rating.

Governmental Funds - The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of Smith County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Smith County's annual financing and budgeting requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $51,868,454. Approximately $13,036,474 or 25% are restricted; $8,926,246 or 17% are committed; $2,586,449 or 5% are assigned; $27,232,940 or 53% are unassigned and $86,345 are non-spendable.

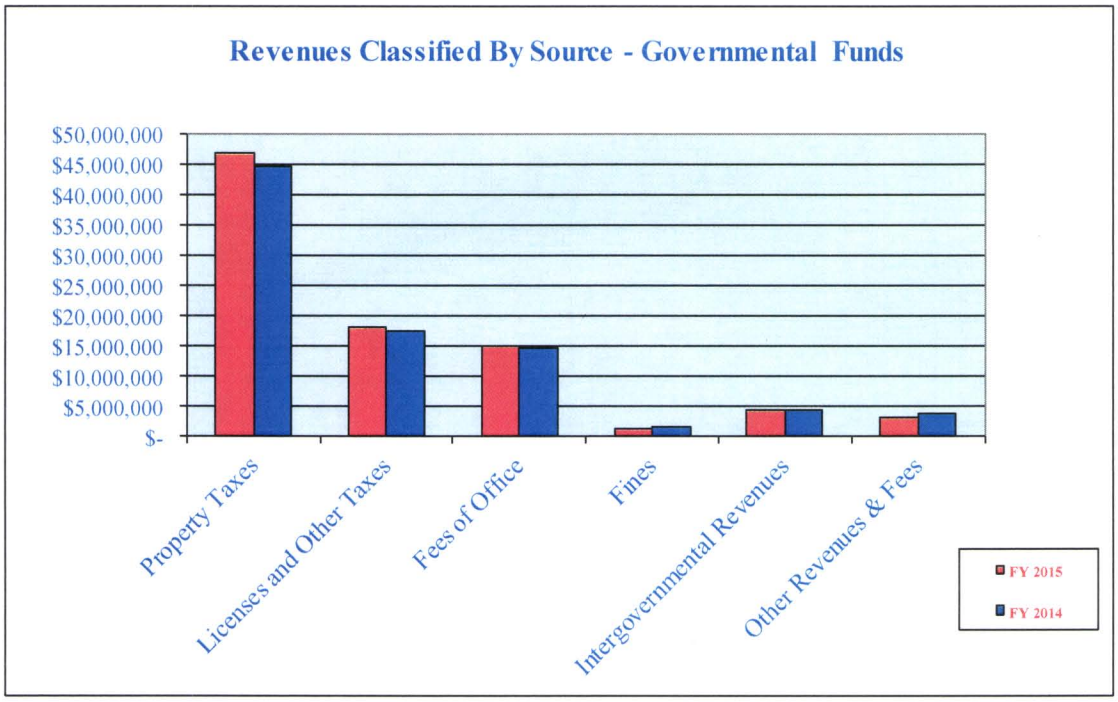
Smith County's General Fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance in the County's General Fund was $27,232,940. As a measure of the general fund's liquidity, we compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance in the County's general fund ($27,232,940) represents approximately 44% of the County's general fund expenditures. The minimum general fund budgetary target for reserves is 17% of expenditures. The fund balance of the County's general fund increased by $3,291,083 during the current fiscal year. The increase was attributable to actual revenues exceeding budgetary estimates and actual expenditures at less than appropriated amounts.

The debt service fund has a total fund balance of $1,622,772, an increase of $35,392 as compared with the prior year.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Governmental Funds - Revenues Classified by Source

Revenues by Source	FY 2015	FY 2014	Increase (Decrease)	Percent of Change
Property Taxes	$ 46,696,153	$ 44,447,153	$ 2,249,000	5.06%
Licenses and Other Taxes	17,989,224	17,375,869	613,355	3.53%
Fees of Office	14,843,542	14,567,863	275,679	1.89%
Fines	1,222,979	1,492,331	(269,352)	-18.05%
Intergovernmental Revenues	4,430,032	4,393,404	36,628	0.83%
Other Revenues & Fees	2,908,504	3,652,503	(743,999)	-20.37%
Total Revenues	$ 88,090,434	$ 85,929,123	$ 2,161,311	2.52%



- Property Taxes - the increase of $2,249,000 was primarily due to an increase in taxable values and new construction.

- Licenses & Other Taxes – the increase is primarily due to the sales tax increases from the recovering economic conditions and changes in localized spending options.

- The increase in Intergovernmental Revenue is primarily due to increases received from the State of Texas.

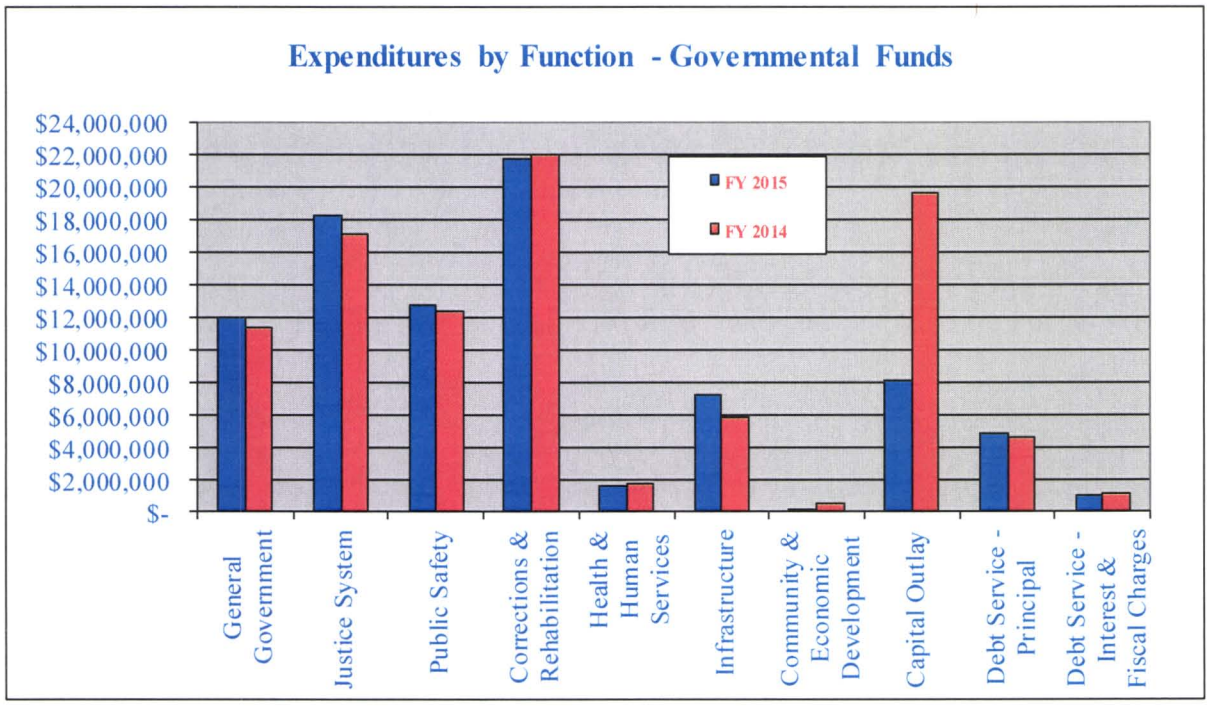
- The decrease in fine collections is primarily due to the stabilization of past due accounts after a new collection program in the past few years.

The following table presents expenditure by function compared to prior year amounts.

Expenditures by Function - Governmental Funds

Expenditures by Function	FY 2015	FY 2014	Increase (Decrease)	Percent of Change
General Government	$ 11,976,341	$ 11,377,443	$ 598,898	5.26%
Justice System	18,162,995	17,022,271	1,140,724	6.70%
Public Safety	12,728,202	12,332,830	395,372	3.21%
Corrections & Rehabilitation	21,722,139	21,976,306	(254,167)	-1.16%
Health & Human Services	1,590,381	1,722,653	(132,272)	-7.68%
Infrastructure	7,248,522	5,799,789	1,448,733	24.98%
Community & Economic Development	115,116	437,030	(321,914)	-73.66%
Capital Outlay	8,087,998	19,625,860	(11,537,862)	-58.79%
Debt Service - Principal	4,874,229	4,631,457	242,772	5.24%
Debt Service - Interest & Fiscal Charges	998,436	1,065,246	(66,810)	-6.27%
	$ 87,504,359	$ 95,990,885	$ (8,486,526)	-8.84%

Overall, total expenditures decreased by approximately 8.8%. The overall decrease in expenditures was primarily attributed to the completion of the jail expansion project. The largest increase in expenditures of 25% in Infrastructure is attributable to the County's transition from maintenance mode back into a road reconstructive phase.



OPERATING FUNDS - BUDGETARY HIGHLIGHTS

The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County Budget Officer and approved by the Commissioners Court following a public hearing. Appropriated budgets are approved and employed as a management control device during the year. The County maintains strict budgetary controls and sets its appropriations at the category level (i.e. salaries, benefits, operating expenses, and capital) for each department. Appropriation transfers may be made between select categories or departments only with the approval of the Commissioners Court.

The following are significant variations between the final budget and actual amounts in the general operating funds.

> Actual revenues were higher than budgeted by $1.7M primarily due to increases in sales tax revenue. Fiscal year budget estimates were calculated in a conservative manner and Smith County experienced unanticipated increases in sales tax collections for the year.
>
> Actual expenditures were 93% of the amended budget. Operations savings from budgeted amounts were primarily from salary lag and unused contingency funds.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-term Debt - At September 30, 2015, Smith County had general obligation bonds outstanding in the amount of $26,905,000. The County's bond rating is AA2 from Moody's and AA+ from Standard and Poor's. In compliance with Governmental Accounting Standards Board (GASB) Statement 45, Smith County began reporting the Other Post Employment Benefit (OPEB) obligation in FY09.

The following represents the activity of the long-term debt of the County for FY2015.

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
General Obligation Bonds	30,280,000	-	$ 3,375,000	26,905,000
Bond Premium, Net	523,569	-	$ 110,215	413,354
Compensated Absences	2,479,333	1,452,319	1,457,571	2,474,081
OPEB Obligation	33,922,335	2,568,537	-	36,490,872
Net Pension Liability	5,787,580	4,759,004	-	10,546,584
Capital Leases	4,214,508	2,109,498	1,499,230	4,824,776
Total	$ 77,207,325	$ 10,889,358	$ 6,442,016	$ 81,654,667

Additional information on the County's long-term debt can be found in note VIII of this report.

Capital Assets - The capital assets of Smith County are those assets (land, buildings, improvements, roads & bridges, and machinery & equipment), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2015, net capital assets of the governmental activities totaled $86,407,514. Depreciation on capital assets is recognized in the Government-wide financial statements.

Smith County's Capital Assets

	Cost	Accumulated Depreciation	Net Capital Assets
Governmental Activities:			
Land	$ 1,126,005	$ -	$ 1,126,005
Buildings & Improvements	85,709,161	31,088,720	54,620,441
Machinery & Equipment	26,805,369	20,565,484	6,239,885
Infrastructure	81,275,275	59,589,000	21,686,275
Construction in Progress	2,734,908	-	2,734,908
Total	$ 197,650,718	$ 111,243,204	$ 86,407,514

Additional information on the County's capital assets can be found in note VI of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The annual budget is developed to provide efficient and economic uses of Smith County's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities.

In considering the Smith County budget for FY2016, the County Commissioners and management considered the following factors:

- Property tax revenues are budgeted to increase in FY16 due to an increase in the taxable values and new property.
- Interest rates are planned to remain relatively unchanged.
- Expenditures are budgeted to provide zero dependence on fund balance for ongoing operations.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the appropriate financial office (County Auditor, County Treasurer or County Judge) at 200 E. Ferguson St., Tyler, Texas 75702 or visit the County's website at www.smith-county.com.

BASIC FINANCIAL STATEMENTS

EXHIBIT 1

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

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	$ 26,626,168
Investments	26,719,304
Receivables (net of allowance for doubtful accounts)	8,476,299
Investment in joint venture	637,022
Prepaids and other assets	86,345
Capital assets (net of accumulated depreciation):	
Land	1,126,005
Buildings	12,808,885
Improvements	41,811,556
Machinery and equipment	6,239,885
Construction in progress	2,734,908
Infrastructure	21,686,275
Total Assets	148,952,652
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	5,658,036
Total Deferred Outflows of Resources	5,658,036
LIABILITIES	
Vouchers payable	3,682,520
Salaries payable	1,304,472
Accrued interest payable	183,699
Bail bond collateral	50,000
Long-term debt:	
Due within one year	6,814,348
Due in more than one year	74,840,319
Total Liabilities	86,875,358
NET POSITION	
Net investment in capital assets	54,266,461
Restricted for:	
Records preservation	4,814,229
Law enforcement purposes	1,053,990
Adult probation	3,235,909
Juvenile services	863,015
Inmates	475,613
Courthouse security	519,990
Technology	281,401
Public services	9,324
Judicial support	158,154
Debt service	1,622,772
Unrestricted	434,472
Total Net Position	$ 67,735,330

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

EXHIBIT 2

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

Functions/Programs	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES
Primary Government:					
Governmental activities:					
General government	$ 12,424,974	$ 5,096,512	$ 85,471	$ -	$ (7,242,991)
Justice system	19,096,917	4,054,229	512,622	-	(14,530,066)
Public safety	14,075,256	1,127,719	1,305,705	-	(11,641,832)
Corrections and rehabilitation	25,051,057	3,467,857	2,861,649	-	(18,721,551)
Health and human services	1,569,689	-	193,082	-	(1,376,607)
Infrastructure	7,856,817	3,349,974	-	512,715	(3,994,128)
Community and economic development	115,116	-	89,908	25,208	-
Interest on long-term debt	974,079	-	-	-	(974,079)
Total primary government	$ 81,163,905	$ 17,096,291	$ 5,048,437	$ 537,923	$ (58,481,254)

General revenues:	
Property taxes	$ 46,738,447
Sales taxes	17,359,451
Other taxes	629,773
Miscellaneous	563,264
Gain on sale of assets	382,297
Interest earned	305,073
Total general revenues	65,978,305
Change in net position	7,497,051
Net position - beginning of year, as originally stated	63,801,750
Prior period adjustment for the effects of GASB 68	(3,563,471)
Net position - beginning of year, as restated	60,238,279
Net position - end of year	$ 67,735,330

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

EXHIBIT 3

SMITH COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	$ 13,096,975	$ 3,099,804	$ 8,395,276	$ 24,592,055
Investments	15,897,562	2,711,454	8,109,710	26,718,726
Receivables:				
Property taxes	2,106,065	241,938	364,304	2,712,307
Other	3,886,471	681,013	269,138	4,836,622
Prepaid and other assets	86,345	-	-	86,345
Due from other funds	162,000	-	13,652	175,652
Total assets	$ 35,235,418	$ 6,734,209	$ 17,152,080	$ 59,121,707
LIABILITIES				
Vouchers payable	$ 2,210,700	$ 358,940	$ 580,859	$ 3,150,499
Salaries payable	1,057,724	100,493	146,255	1,304,472
Bail bond collateral	50,000	-	-	50,000
Due to other funds	13,652	-	162,000	175,652
Total liabilities	3,332,076	459,433	889,114	4,680,623
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	1,997,608	229,479	345,543	2,572,630
Total Deferred Inflows of Resources	1,997,608	229,479	345,543	2,572,630
FUND BALANCES				
Nonspendable:				
Prepaids	86,345	-	-	86,345
Restricted for:				
District clerk	-	-	37,260	37,260
County law library	-	-	156,289	156,289
Records preservation	-	-	4,776,969	4,776,969
Graffiti eradification	-	-	4,195	4,195
Courthouse security	-	-	519,990	519,990
Law enforcement purposes	-	-	1,018,819	1,018,819
Drug court program	-	-	(8,690)	(8,690)
Adult probation	-	-	3,235,909	3,235,909
Juvenile services	-	-	863,015	863,015
Crime victims	-	-	-	-
Tobacco law enforcement	-	-	12,583	12,583
Technology	-	-	281,401	281,401
Law enforcement training	-	-	22,588	22,588
County judge training	-	-	6,360	6,360
Voting machines	-	-	7,557	7,557
Voter registration services	-	-	1,767	1,767
Inmates	-	-	475,613	475,613
Transportation			-	-
Capital projects	-	-	2,077	2,077
Debt service	-	-	1,622,772	1,622,772
Committed to:				
Community policing contracted services	-	-	12,982	12,982
Care of animals	-	-	-	-
Major building repairs	-	-	1,095,306	1,095,306
Elections department	-	-	66,199	66,199
Capital projects	-	-	1,706,462	1,706,462
Road maintenance	-	6,045,297	-	6,045,297
Assigned to:				
Indigent healthcare	53,234	-	-	53,234
Workforce development	247,978	-	-	247,978
Juvenile services	2,285,237	-	-	2,285,237
Unassigned	27,232,940	-	-	27,232,940
Total fund balances	29,905,734	6,045,297	15,917,423	51,868,454
Total liabilities, deferred inflows of resources, and fund balances	$ 35,235,418	$ 6,734,209	$ 17,152,080	$ 59,121,707

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

EXHIBIT 4

SMITH COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (EXHIBIT 1)
SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances governmental funds (Exhibit 3)	$	51,868,454
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet.		86,407,514
Equity in an affiliated joint venture is included in governmental activities in the statement of net position.		637,022
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds balance sheet.		2,392,176
Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in governmental funds balance sheet.		(183,699)
Internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		2,610,494
Net other post employment benefit obligation in governmental activities does not require current financial resources and therefore are not reported in the governmental funds balance sheet.		(36,490,872)
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.		(34,617,211)
Net pension liability		(10,546,584)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position as well as the differences between expected and actual experience and the net difference between projected and actual earnings.		5,658,036
Net position of governmental activities	$	67,735,330

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

EXHIBIT 5

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

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Property taxes	$ 36,815,242	$ 4,188,013	$ 5,692,898	$ 46,696,153
Licenses and other taxes	17,989,224	-	-	17,989,224
Fees of office	7,241,574	2,721,640	4,880,328	14,843,542
Fines	604,842	618,137	-	1,222,979
Intergovernmental revenues	1,022,826	512,715	2,894,491	4,430,032
Other revenues and fees	2,034,837	28,828	844,839	2,908,504
Total revenues	65,708,545	8,069,333	14,312,556	88,090,434
EXPENDITURES				
Current:				
General government	11,561,067	-	415,274	11,976,341
Justice system	17,672,351	-	490,644	18,162,995
Public safety	11,633,179	-	1,095,023	12,728,202
Corrections and rehabilitation	15,949,393	-	5,772,746	21,722,139
Health and human services	1,541,013	-	49,368	1,590,381
Infrastructure and environmental	-	7,248,522	-	7,248,522
Community and econcomic development	-	-	115,116	115,116
Capital outlay	1,429,117	1,979,300	4,679,581	8,087,998
Debt service:				
Principal retirement	731,896	359,064	3,783,269	4,874,229
Interest and fiscal charges	76,906	19,899	901,631	998,436
Total expenditures	60,594,922	9,606,785	17,302,652	87,504,359
Excess (deficiency) of revenues over (under) expenditures	5,113,623	(1,537,452)	(2,990,096)	586,075
OTHER FINANCING SOURCES (USES)				
Sale of equipment	14,926	367,371	-	382,297
Capital lease proceeds	788,498	1,321,000	-	2,109,498
Transfers in	-	2,000,000	770,964	2,770,964
Transfers (out)	(2,625,964)	-	(145,000)	(2,770,964)
Total other financing sources (uses)	(1,822,540)	3,688,371	625,964	2,491,795
Net change in fund balances	3,291,083	2,150,919	(2,364,132)	3,077,870
Fund balances - beginning of year	26,614,651	3,894,378	18,281,555	48,790,584
Fund balances - end of year	$ 29,905,734	$ 6,045,297	$ 15,917,423	$ 51,868,454

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

EXHIBIT 6

SMITH COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (EXHIBIT 2)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds	$	3,077,870
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay in the current period exceeded depreciation for County owned assets.		38,149,167
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(34,148,911)
The net increase of the equity in investment in an affiliated joint venture is reflected on the statement of activities.		35,716
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		42,293
Governmental funds report all payments to other post employment benefits as expenditures. However, in the government-wide statement of activities the actuarial annually required contribution is considered an expense. Any deficit amount is considered a liability. Change in net other post employment benefits obligation.		(2,568,537)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; wheras the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		2,874,947
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds. This amount reflects the change in the accrued liability for compensated absences and change in pension expense as a result of GASB 68.		(1,319,825)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as an expenditure in governmental funds.		24,357
Internal service fund is used by management to charge the costs of health insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.		1,329,974
Change in net position of governmental activities	$	7,497,051

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

EXHIBIT 7

SMITH COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash	$ 2,034,113
Investments	578
Accounts receivable	1,107,824
Total Current Assets	3,142,515
LIABILITIES	
Current Liabilities:	
Vouchers payable	532,021
Total Current Liabilities	532,021
NET POSITION	
Unrestricted	2,610,494
Total Net Position	$ 2,610,494

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

EXHIBIT 8

SMITH COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premiums and reimbursements	$ 8,549,827
Total Operating Revenues	8,549,827
OPERATING EXPENSES	
Insurance claims and administrative fees	7,226,694
Total Operating Expenses	7,226,694
Operating income	1,323,133
NON-OPERATING REVENUES	
Interest income and other	6,841
Change in net position	1,329,974
NET POSITION - SEPTEMBER 30, 2014	1,280,520
NET POSITION - SEPTEMBER 30, 2015	$ 2,610,494

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

EXHIBIT 9

SMITH COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received for premiums and payroll	$ 56,813,570
Cash paid to customers and employees	(55,705,821)
Net cash provided by operating activities	1,107,749
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	6,841
Net cash provided by investing activities	6,841
Net increase in cash	1,114,590
Cash at beginning of year	919,523
CASH AT END OF YEAR	$ 2,034,113
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 1,323,133
Adjustment to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(334,215)
Increase in vouchers payable	118,831
Net cash provided by operating activities	$ 1,107,749

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

EXHIBIT 10

SMITH COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
SEPTEMBER 30, 2015

	Agency Funds
ASSETS	
Cash	$ 7,405,294
Investments	2,978,551
Accounts receivable	111,487
Total Assets	$ 10,495,332
LIABILITIES	
Vouchers payable	$ 534,246
Due to other governments	443,648
Other liabilities	9,517,438
Total Liabilities	$ 10,495,332

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Smith County (the County) is a public corporation and political subdivision of the State of Texas. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general government (e.g., tax collection), justice system (courts, juries, district attorney, etc.), public safety (sheriff, constables, etc.), corrections and rehabilitation (jail and community supervision), health and human services (assistance to indigents, veteran services, etc.), conservation, and infrastructure and environmental (streets and highways).

The accounting and reporting policies of the County relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide* and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the County are described below.

The basic financial statements are prepared in conformity GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Significantly, the County's statement of net position includes both noncurrent assets and noncurrent liabilities of the County. In addition, the government-wide statement of activities reflects depreciation expenses on the County's capital assets, including infrastructure.

For financial reporting purposes, based on standards established by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* this financial statement presents the County (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria; the primary government appoints the voting majority of its board and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. Under these standards, the County has no component units which are required to be reported, discretely or blended, in combination with the primary government.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The **government-wide financial statements** include the Statement of Net Position and the Statement of Activities. Government-wide statements report, except for County fiduciary activity, information on all of the activities of the County. The effect of interfund transfers has been removed from the government-wide statements, but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues are reported separate from certain legally separate component units for which the government is financially accountable.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. 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. This measurement focus is also used for the proprietary funds included in the fund financial statements. Under this measurement focus, 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. Fines and forfeitures are recognized when they have been assessed and adjudicated and earned. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

The Statement of Activities reflects the degree to which the direct expenses of the County's programs are offset by those programs' revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or function. Program revenues for governmental activities include those generated from general government, judicial, public safety, health and human service, corrections and rehabilitation, and community and economic development. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund and the Road and Bridge Fund are classified as **major governmental funds**. Each major fund is reported in separate columns in the fund financial statements. Non-major funds include Special Revenue, Capital Projects, and Debt Service funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for all non-major funds are presented within Combining Schedules.

FUND-LEVEL FINANCIAL STATEMENTS
Fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers revenues as available if they are collected within 60 days after the fiscal year ends. Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property tax revenues, the County's primary revenue source, is susceptible to accrual and is considered available to the extent of delinquent taxes collected within 60 days after the end of the fiscal period. Grant and entitlement revenues are also subject to accrual. Encumbrances are used during the year and lapse at the end of the year. Valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Governmental funds are accounted for using the current financial resourced measurement focus. This means that only current assets, current liabilities, and current deferred outflows/inflows of resources are generally included on their balance sheet. Their reported fund balance (net current assets and current deferred outflows of resources) is considered a measure of "available spending resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and current deferred outflows of resources. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

All proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Claims incurred, but not reported are included in payables and expenses. All assets, liabilities, and deferred outflows/inflows of resources (current and noncurrent) associated with their activities are included in the fund's statement of net position.

The County's accounts are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues and expenses or expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, although the latter are excluded from the government-wide statements.

The government reports the following major governmental funds:

> The **General Fund** is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general government, justice system, public safety, corrections and rehabilitation, health and human services, and infrastructure and environmental.
>
> The **Road and Bridge Special Revenue Fund** accounts for the activities associated with the building, maintaining or improving roads, highways, and bridges within the County, including maintenance of road and bridge facilities. Major revenue sources include property taxes and charges for services.

Other Fund types include proprietary and fiduciary funds which are considered as nonmajor funds. Non-major funds include special revenue funds, capital projects funds, and debt service funds.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. Internal Service funds are used to account for the financing of goods or services provided by one department or agency of the County to other County departments or agencies on a cost reimbursement basis.

The County has two proprietary funds which are classified as internal service funds: 1) The Insurance Fund used to account for the County's group medical self-insurance program. Revenues are derived from County contributions, employee and retiree/COBRA premiums, investment of idle funds and stop loss collections. Expenses are for claims and administrative expenses. 2) The Payroll fund acts as an agent for the payroll processing of the County's departments. The fund operates as an agency fund, where liabilities are recorded when monies are received. However, this fund is the recipient of interest and incurs certain related expenses. The residual interest and related expenditures result in an equity balance which is inappropriate for agency funds recorded in the Fiduciary Statements.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

The **Proprietary funds** are accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations (e.g. insurance payments).

Fiduciary fund level financial statements include fiduciary funds which are classified into private purpose trust and agency funds. The County has only agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County reports eleven agency funds as nonmajor fiduciary funds.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position 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. State statutes and the County's official Investment Policy authorize the County to invest in repurchase agreements, certificates of deposit, direct obligations of the U. S. Government and agency securities, money market mutual funds, and managed public funds investment pools.

The County records investments at fair market value in accordance with provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* The reported value of the pool is the same as the fair value of the pool shares. All investment income is recognized as revenue in the appropriate fund's statement of activity and or statement of revenues, expenditures, and changes in fund balance.

2. Receivables and Payables

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible amounts.

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

Lending or borrowing between funds is reflected as "due to or due from" (current portion) or "advances to/from other funds" (non-current). Interfund activity reflected in "due to or due from" is eliminated on the government-wide statements.

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity - Continued

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The fund financial statements are offset by a reservation of fund balance which indicates they do not represent "available spendable resources." Prepaids are accounted for using the consumption method. Under the consumption method, prepaids are recorded as expenditures when they are used.

4. Capital Assets

Capital assets, which include land, buildings, improvements, machinery and equipment, and infrastructure assets (e.g., roads and bridges) are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of $5,000 or more and estimated useful lives in excess of one year. Infrastructure assets, which include County-owned roads and bridges, are capitalized with a cost of $50,000 or more. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30
Building improvements	15 to 25
Infrastructure	20 to 45
Machinery and equipment	3 to 15

5. Construction-in-Progress

Expenditures on incomplete capital projects have been capitalized as construction-in-progress. The assets resulting from these projects will be transferred from the construction-in-progress accounts to the appropriate asset account as the projects are completed.

6. Compensated Absences

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

- leave or compensation is attributable to services already rendered
- leave or compensation is not contingent on a specific event (such as illness)

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

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity - Continued

6. Compensated Absences - Continued

Permanent full-time employees earn vacation leave at an established rate according to their years of service and may accumulate up to 18 days if years of service are less than 10 years, 24 days if years of service are 10-20 years, and 30 days if years of service are greater than 20 years. Employees lose, without pay, unused vacation leave which exceeds this limit.

Each permanent full-time employee earns sick leave at the rate of one working day per month and may accumulate maximum sick leave of 80 working days. After an employee accumulates the maximum number of sick days, any excess may be converted to vacation days at an exchange rate of four sick days for one day of vacation. Outstanding sick leave balances are canceled, without recompensation, upon termination, resignation, retirement or death. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences,* no liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

The regular workweek is based on 40 hours actually worked. Overtime, unless required to be paid by Federal statutes, is accumulated as compensatory (comp) time and earned at time and a half for non-exempt employees and at straight time for exempt employees. Comp time is accumulated and either taken off or paid at the employees' current rate of pay on termination, resignation, retirement or death.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. On new bonds issued, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, government 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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County did not have any items that qualified for reporting in this category other than the items related to the changes in the net pension liability which are discussed below.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity - Continued

8. Deferred Outflows/Inflows of Resources - Continued

item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The County also has deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

9. Fund Equity

In the fund financial statements, governmental funds report fund balance categorized as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by an ordinance, which is the formal action of the County's highest level of decision-making authority, the Commissioners' Court. Committed resources cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by the same type of action previously used to commit those amounts.

Assigned fund balance – represents amounts the County intends to use for specific purposes as expressed by the Commissioners' Court. This is the residual classification for all governmental funds other than the general fund.

Unassigned fund balance – represents the residual classification for the general fund or deficit balances in other funds.

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity - Continued

9. Fund Equity - Continued

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

The County's minimum fund balance policy requires that unassigned fund balances are maintained at a level adequate to provide for unanticipated expenditures of a nonrecurring nature and to meet unexpected increases in service delivery costs. The minimum level for General Fund unassigned fund balances is 17% of budgeted General Fund expenditures.

10. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows/inflows of resources and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the County's retirement plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

D. Future Implementation of New Standards

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, which will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement will also enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. This statement is effective for periods beginning after June 15, 2015. The County is evaluating the impact of this statement on the County's financial statements.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. This statement is effective for periods beginning after June 15, 2015 except those provisions that address employers and governmental

(Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Future Implementation of New Standards - Continued

nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. The County is evaluating the impact of this statement on the County's financial statements.

In June 2015, the GASB issued Statement No.74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, which will improve financial reporting primarily through enhance note disclosures and schedule of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. This statement is effective for fiscal years beginning after June 15, 2016. The County is evaluating the impact of this statement on the County's financial statements.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, which will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. This statement is effective for fiscal year beginning after June 15, 2017. The County is evaluating the impact of this statement on the County's financial statements.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*, which will improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users and as a result, user will be better equipped to understand how tax abatements affect a government's future ability to raise resources and meet its financial obligations and the impact those abatements have on a government's financial position and economic condition. This statement is effective for reporting periods beginning after December 15, 2015. The County is evaluating the impact of this statement on the County's financial statements.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans,* which addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions.* This statement is effective for reporting periods beginning after December 15, 2015. The County is evaluating the impact of this statement on the County's financial statements.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*, which will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. This statement is effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26 and 40, which are effective for reporting periods beginning after December 15, 2015. The County is evaluating the impact of this statement on the County's financial statements.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, which will clarify the financial statement presentation requirements for certain component units. This statement is effective for reporting periods beginning after June 15, 2016. The County is evaluating the impact of this statement on the County's financial statements.

(Continued)

II. RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance for total governmental funds and net position as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable and pension liability, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet." The details of this $34,617,211 difference are as follows:

Bond payable	$ (26,905,000)
Bond premium, net	(413,354)
Capital leases obligations	(4,824,776)
Compensated absences	(2,474,081)
Net adjustment to reduce fund balance - total governental funds to arrive at net position - governmental activities	$ (34,617,211)

Another element of that reconciliation states that "capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet." The details of this $86,407,514 difference are as follows:

Beginning balance of capital assets, net of accumulated depreciation	$ 82,407,258
Capital asset additions, net of retirements	9,843,515
Depreciation of capital assets, current year	(5,843,259)
	$ 86,407,514

B. Explanation of certain differences between the government fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation indicates that "governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $38,149,167 difference are as follows:

Capital outlay	$ 43,992,426
Depreciation expense	(5,843,259)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net postion of governmental activities	$ 38,149,167

(Continued)

II. RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS – continued

B. Explanation of certain differences between the government fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities - continued

Another element of that reconciliation states that "The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas the amounts are deferred and amortized in the statement of activities." The details of this $2,874,947 difference are as follows:

Capital lease proceeds	$ (2,109,498)
Principal payments on long-term devt	4,874,230
Amortization of bond premium	110,215
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 2,874,947

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

(1) Prior to September 1, the County Judge submits to the Commissioners' Court a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. After adoption by Commissioners' Court, the control for the detailed fee office/department budgets is at the department head or elected official level and by the County Auditor.

(2) Public hearings are conducted to obtain taxpayer comment.

(3) The budget is legally enacted through adoption by the Commissioners' Court.

(4) Budgets for the General, certain Special Revenue Funds (County Law Library, County Clerk Records Preservation, District Clerk Records Preservation, Graffiti Eradification, Courthouse Security, Justice Court Technology, County & District Court Technology, Community Policing, Forfeiture Interest 10%, JAC Maintenance, and Road & Bridge), Capital Projects, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America.

(5) Encumbrances expire at fiscal year-end, which is consistent with generally accepted accounting principles in the United States of America.

(6) Comparison of budgeted and actual amounts as shown in Schedules 1 through 2 in the accompanying financial report include the General Fund and the Road and Bridge Special Revenue Fund which are two of the County's major funds in the current fiscal year.

(7) Budgetary data for certain Special Revenue funds encompassing various Federal and State programs are cumulative as opposed to annual budgets or the annual budgets have a fiscal year end consistent with the state program or agency from which they receive state funding rather than the County's fiscal year end. Therefore, budget and actual comparisons are not reported in the accompanying financial report for these funds.

(Continued)

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

A. Budgets and Budgetary Accounting - continued

(8) In addition, certain Special Revenue funds are not required under the Texas Local Government Code to submit budgets under the County budgeting process. During the current year, these Smith County offices submitted a budget to Commissioners' Court for reporting purposes only.

The budgets as presented in the financial statements reflect all amendments approved by the Commissioners' Court for the year ended September 30, 2015, if designated as final budget.

B. Expenditures Over Appropriations

No funds had expenditures in excess of appropriations for the year ended September 30, 2015.

C. Deficit Fund Equity

As of September 30, 2015, the Court Improvement Fund, a Special Revenue Fund, had a deficit fund balance of $8,690. This deficit will be eliminated by an interfund loan from the General Fund.

IV. DEPOSITS AND INVESTMENTS

The carrying amount of the County's cash was $26,626,168, and total bank balances equaled $30,617,904. The carrying amount of the County's Trust and Agency cash was $7,405,294 and total bank balances equaled $9,468,098. The bank deposits were entirely covered by federal depository insurance or by collateral held by the depository bank in the County's name.

All deposits are held in the County's main depository or subdepository banks except funds held in trust by the Justice of the Peace offices number 2, 3 and 4, and Auto Registration, which are not under a subdepository contract.

The County's investment policies are governed by state statutes and county ordinance. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and repurchase agreements. The County holds investments in Local Government Investment Cooperative (LOGIC) and Texstar. Investments at LOGIC normally consist of U.S. T-bills, commercial paper, T-notes, collateralized certificates of deposit and repurchase agreements. Investments at Texstar consist of U.S. T-bills, T-notes, collateralized certificates of deposit and repurchase agreements. Both LOGIC and Texstar are managed in full compliance with the Texas Public Funds Investment Act. The County records all interest revenue earned from investment activities in the respective funds.

Both investment pools carry investments at amortized cost, which approximates fair value. Investments are priced daily and compared to carrying value. If the ratio of the fair value of the portfolio of investments to the carrying value of investments is less than .995 or greater than 1.005, the investment pools will sell investment securities, as required, to maintain the ratio at a point between .995 and 1.005.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the government or its agent in the government's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the government's name.

(Continued)

IV. DEPOSITS AND INVESTMENTS - continued

Investments are stated at fair value or amortized costs, which approximates fair value, and are held by the County's agent in the County's name. The County's deposits and investments at year end are shown below.

	Fair Value	Weighted Average Maturity	Credit Risk
Local Government Investment Cooperative	$ 18,639,541	37	AAAm
TexStar	8,068,829	46	AAAm
Southside - Certificate of Deposit	10,933	248	N/A
Cash in bank	26,626,168	N/A	N/A
Total fair value	$ 53,345,471		
Portfolio weighted average maturity		20	

Credit risk – Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The County has limited credit risk, in conformance to state statutes and County ordinance, by investing in only the safest types of securities as permitted by the Public Funds Investment Act, using approved brokers and with different investment pools.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. The County has no formal policy on interest rate risk.

Custodial credit risk – Custodial credit risk is the risk for deposits that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County requires all bank deposits to be collateralized at a level not less than 100% of the total uninsured deposits. At September 30, 2015, the carrying amount of the County's cash was covered by pledged securities.

Foreign currency risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The County's investment policy does not permit securities listed in foreign denominations. Consequently, the County is not exposed to foreign currency risk.

V. PROPERTY TAXES AND OTHER RECEIVABLES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied prior to September 30, become due on October 1 and are delinquent after January 31. The County bills and collects its own property taxes and those for the City of Bullard, City of Tyler, City of Troup, City of Whitehouse, City of Winona, the Bullard Independent School District (ISD), Tyler ISD, Whitehouse ISD, Winona ISD, Tyler Junior College and the Smith County Water Control District. The County is the only entity controlled by the Commissioners' Court; the County acts only as an intermediary in the collection and distribution of property taxes to the other entities.

Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor/Collector's Agency Fund. Tax collections are recorded net of the entities' related collection commission paid to the County in this agency fund according to the levy year for which the taxes are collected. Tax collections deposited for the County are distributed on a monthly basis to the General and Debt Service Funds of the County.

This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

Governmental funds report unavailable 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

(Continued)

V. PROPERTY TAXES AND OTHER RECEIVABLES - Continued

connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

Unavailable revenue:	
General fund	$ 1,997,608
Road & Bridge fund	229,479
Facility improvement fund	77,958
Debt service fund	267,585
Total unavailable reveune	$ 2,572,630

The County is authorized by the tax laws of the State of Texas to levy taxes up to $.479505 per $100 of assessed valuation for general governmental services and the payment of principal and interest on certain permanent improvement long-term debt. The tax rate as of September 30, 2015 was $.330000.

Receivables as of year-end for the governmental activities, individual major governmental funds and nonmajor governmental funds, including the applicable allowances for uncollectible accounts, as required by GASB 34 are as follows:

	Internal Service and General Fund	Road and Bridge Special Revenue Fund	Other Nonmajor Funds	Total Governmental Activities
Receivables:				
Property Taxes	$ 2,106,065	$ 241,938	$ 364,304	$ 2,712,307
Other	4,994,295	681,013	269,138	5,944,446
Gross receivables	7,100,360	922,951	633,442	8,656,753
Less: Allowance for uncollecitbles	140,120	16,097	24,237	180,454
Net total receivables	$ 6,960,240	$ 906,854	$ 609,205	$ 8,476,299

(Continued)

VI. CAPITAL ASSETS

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB 34, depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are recorded at estimated acquisition costs by using indexes to discount estimated current replacement costs.

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,126,005	$ -	$ -	$ 1,126,005
Construction in progress	34,148,911	2,734,908	(34,148,911)	2,734,908
Total capital assets, not being depreciated	35,274,916	2,734,908	(34,148,911)	3,860,913
Capital assets, being depreciated:				
Infrastructure	79,026,770	2,248,505	-	81,275,275
Buildings	34,282,998	-	-	34,282,998
Improvements	15,787,789	35,638,374	-	51,426,163
Machinery and equipment	24,568,195	3,360,926	(1,123,752)	26,805,369
Total capital assets being depreciated	153,665,752	41,247,805	(1,123,752)	193,789,805
Less accumulated depreciation for:				
Infrastructure	(57,806,351)	(1,782,649)	-	(59,589,000)
Buildings	(20,662,830)	(811,283)	-	(21,474,113)
Improvements	(8,553,016)	(1,061,591)	-	(9,614,607)
Machinery and equipment	(19,511,213)	(2,187,736)	1,133,465	(20,565,484)
Total accumulated depreciation	(106,533,410)	(5,843,259)	1,133,465	(111,243,204)
Total capital assets, being depreciated, net	47,132,342	35,404,546	9,713	82,546,601
Governmental activities capital assets, net	$ 82,407,258	$ 38,139,454	$ (34,139,198)	$ 86,407,514

Depreciation expense for 2015 was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 1,195,709
Public safety	1,224,336
Correction and rehabilitation	904,218
Health and human services	-
Infrastructure and environmental	2,433,001
Justice system	85,995
Total depreciation expense – governmental activities	$ 5,843,259

(Continued)

VII. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments. As of September 30, 2015, the County has active construction projects. At year end the County's commitments with contractors are as follows:

Project	Spent-to-Date	Estimated Remaining Commitments
Judicial Software System	$ 2,445,654	$ 554,346
Crescent Laundry Project	289,254	126,000

The remaining commitment amounts of $554,346 for the Judicial Software System and $126,000 for the Crescent Laundry Project were encumbered at fiscal year end. As discussed earlier in note III.A.5., Budgets and Budgetary Accounting, the encumbrances and related appropriations lapse at the end of the year, but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Encumbrances. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	$ 87,109
Road and Bridge fund	2,856,589
Nonmajor governmental funds	884,973
Total	$ 3,828,671

VIII. LONG-TERM DEBT

During the year ended September 30, 2011, the County issued $39,955,000 *General Obligation Bonds - 2011 Series.* The proceeds from the sale of the bonds were used to fund the Jail Expansion project, to refund $5,710,000 of the County's outstanding certificates of obligation to achieve debt service savings, and to pay the cost related to the issuance of the bonds.

General obligation bonds currently outstanding are as follows:

Description	Original Bond Amt	Interest Rates (%)	Date of Issue	Date of Maturity	Bonds Outstanding
General Obligation Bonds - 2011 Series	$ 39,955,000	1.0 - 4.0	6/28/2011	8/15/2023	$ 26,905,000

The annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending September 30	Principal	Interest
2016	$ 3,440,000	$ 838,750
2017	3,545,000	769,950
2018	3,645,000	699,050
2019	3,665,000	589,700
2020	3,780,000	443,100
2021-2023	8,830,000	470,900
	$ 26,905,000	$ 3,811,450

General Obligation Bonds are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest tax regulations under these provisions.

VIII. LONG-TERM DEBT - continued

Changes in Long-Term Debt

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

Governmental Activities:	Beginning Balance 10/1/2014	Additions	Reductions	Ending Balance 9/30/2015	Due Within One Year	Due in More Than One Year
General obligation bonds	$ 30,280,000	$ -	$ 3,375,000	$ 26,905,000	$ 3,440,000	$ 23,465,000
Bond premium, net	523,569	-	110,215	413,354	-	413,354
Compensated absences	2,479,333	1,452,319	1,457,571	2,474,081	1,985,792	488,289
OPEB obligation	33,922,335	2,568,537	-	36,490,872	-	36,490,872
Net Pension Liability	5,787,580	4,759,004	-	10,546,584	-	10,546,584
Capital leases	4,214,508	2,109,498	1,499,230	4,824,776	1,388,556	3,436,220
Total	$ 77,207,325	$ 10,889,359	$ 6,442,017	$ 81,654,667	$ 6,814,348	$ 74,840,319

The liabilities listed above for compensated absences, other post-employment benefit obligation and net pension liability will be liquidated by the County's General Funds, Road and Bridge Fund, Adult Probation Funds, and Juvenile Probation Funds. The liability for capital leases will be liquidated by the General Funds and Road and Bridge Fund.

IX. LEASES

Operating Leases

The County operates under numerous lease agreements classified as operating leases. The leases contain annual renewals and include leases for copy machines and postage meters. The combined annual expenditures for operating leases during the fiscal year ended September 30, 2015 was approximately $326,305.

Capital Leases

During the year ended September 30, 2015, the County entered into four new lease agreements classified as capital leases in addition to the other leases capitalized in prior years. The County obtained fourteen vehicles and a Dell laptop lease for the Sheriff's Department, three vehicles for the Jail, and nine items of equipment for the Road and Bridge Department. The amount capitalized as equipment was $2,109,498. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	$ 6,961,984
Improvements	3,354,679
Less: Accumulated depreciation	(5,999,418)
Total	$ 4,317,245

Depreciation expense on assets under capital lease for the year ended September 30, 2015 was $1,412,845.

(Continued)

IX. LEASES - continued

Capital Leases - continued

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

Year Ending September 30	Governmental Activities
2016	$ 1,522,095
2017	770,081
2018	1,678,275
2019	410,062
2020	410,062
2021-2024	421,784
Total minimum lease payments	5,212,359
Less: amount representing interest	(387,583)
Present value of minimum lease payments	$ 4,824,776

X. INTERFUND RECEIVABLES, PAYABLE BALANCES AND TRANSFERS

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. Balances between individual governmental funds are eliminated in the government-wide financial statements.

The composition of interfund balances as of September 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Non-major Governmental Funds	$162,000	Supplement fund sources
Non-major Governmental Funds	General Fund	13,652	Reimburse unallowable cost
	Total	$175,652	

The following summarized the County's transfers for the year ended September 30, 2015:

	Transfers In			
	Road and Bridge Fund	Nonmajor Governmental Funds	Total	Explanation
Transfers out:				
General Fund	$ 2,000,000	$ 625,964	$ 2,625,964	Supplemental fund sources
Nonmajor Governmental Funds	-	145,000	145,000	Supplemental fund sources
Totals	$ 2,000,000	$ 770,964	$ 2,770,964	

(Continued)

XI. DEFINED BENEFIT PENSION PLAN

(a) PLAN DESCRIPTION

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

The plan provisions are adopted by the governing body of the employers, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the employer.

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

(b) PLAN MEMBERSHIP

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

	12/31/2013	12/31/2014
Inactive employees or beneficiaries currently receiving benefits	382	398
Inactive employees entitled to but noy yet receiving benefits	159	197
Active employees	847	859
	1,388	1,454

(c) CONTRIBUTIONS

The employer has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 10.33% for the months of the accounting year 2015, and 8.24% for the months of the accounting year 2014. County contributions to the plan were $3,569,819 for the year ended September 30, 2015.

The deposit rate payable by the employee members for calendar year 2015 is the rate of 7% as adopted by the governing body of the employer. The employee deposit rate and the employer deposit rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

(Continued)

XI. DEFINED BENEFIT PENSION PLAN - continued

(d) NET PENSION LIABILITY OF THE COUNTY

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

(e) ACTUARIAL ASSUMPTIONS

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

Inflation	3.0%
Overall payroll growth	3.5%
Investment rate of return	8.10%, net of pension plan investment expenses, including inflation

Salary increases were based on a service-related table. Mortality rates for active members were based on the RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year set-back, both with the projection scale AA. Mortality rates for service retirees, beneficiaries and non-depositing members were based on the RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females. Mortality rates for disabled retirees were based on the RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

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

The long-term expected rate of return on pension plan investments is 8.10% and is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2015 information for a 7-10 year time horizon.

The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. For more details, see Milliman's TCDRS Investigation of Experience report for the period January 1, 2009 – December 31, 2013.

(Continued)

XI. DEFINED BENEFIT PENSION PLAN – continued

(e) ACTUARIAL ASSUMPTIONS - continued

Asset Class	Benchmark	Target Allocation [1]	Geometric Real Rate of Return (Expected minus Inflation)[2]
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index [3]	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net)+50% MSCI World Ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index+50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Oppotunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index+33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index [4]	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%
		100.00%	

[1] Target asset allocation adopted at the April 2015 TCDRS Board meeting.
[2] Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2015 capital market assumptions.
[3] Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.
[4] Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

(f) DISCOUNT RATE

The discount rates used to measure the Total Pension Liability was 8.10%. The projection of cash flows used to determine the discount rate assumed that the 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 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.

(Continued)

XI. DEFINED BENEFIT PENSION PLAN – continued

(g) CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2013	$ 123,283,144	$ 117,495,564	$ 5,787,580
Changes for the year:			
Service cost	4,018,152	-	4,018,152
Interest on total pension liability [1]	9,987,652	-	9,987,652
Effect of plan changes	2,013,743	-	2,013,743
Effect of economic/demographic gains or losses	2,010,479	-	2,010,479
Refund of contributions	(787,568)	(787,568)	-
Benefit payments	(5,201,082)	(5,201,082)	-
Administrative expenses	-	(93,288)	93,288
Member contributions	-	2,471,480	(2,471,480)
Net investment income	-	8,000,020	(8,000,020)
Employer contributions	-	2,909,278	(2,909,278)
Other [2]	-	(16,468)	16,468
Balances as of December 31, 2014	$ 135,324,520	$ 124,777,936	$ 10,546,584

[1] Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
[2] Relates to allocation of system-wide items.

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

(h) SENSITIVITY ANALYSIS

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

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	$ 153,261,131	$ 135,324,520	$ 120,659,345
Fiduciary net position	124,777,937	124,777,936	124,777,936
Net pension liability/(asset)	$ 28,483,194	$ 10,546,584	$ (4,118,591)

(Continued)

XI. DEFINED BENEFIT PENSION PLAN – continued

(i) PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2015, the County recognized pension expense of $4,894,895. At September 30, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 1,507,859
Net difference between projected and actual earnings	1,265,528
Contributions made subsequent to measurement date	2,884,649
Total	$ 5,658,036

County contributions subsequent to the measurement date of $2,884,649 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2015	$ 819,002
2016	819,002
2017	819,002
2018	316,381
	$2,773,387

XII. OTHER INFORMATION

RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The County maintains commercial insurance coverage for each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims did not exceed this commercial insurance coverage during the past three years.

CONTINGENT LIABILITIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. A contingent liability was not established because potential reimbursements are considered immaterial.

Litigation

The County is involved in lawsuits and other claims in the ordinary course of operations. Such litigation included lawsuits alleging violations of the Texas Open Records Act, unlawful termination, and violations of civil rights. The County is aggressively defending these suits and believes that the loss, if any, resulting from the suits listed above will not have a material impact on the County's financial position, results of operations and cash flows in the future years.

(Continued)

XII. OTHER INFORMATION - continued

JOINT VENTURE

The North Texas Public Health District was established, effective October 1, 1993, by a cooperative agreement between the City of Tyler and Smith County, Texas pursuant to authority by the Texas Health and Safety Code for the purpose of providing public health services previously provided by the participating entities. The District is considered a joint venture between the City and County with each retaining an equity interest based upon the percentage each contributed to the budget.

For the year ended September 30, 2015, the County budgeted funding of $215,000 for the Health District. The County's equity interest in the Health District was $637,022 at September 30, 2015. Financial statements for the Health District may be obtained at the entity's Administrative Offices.

DEFERRED COMPENSATION

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan assets are not a part of the County's financial statements because a third party administrator holds these plan assets in trust.

The market value and carrying value of deferred compensation plan assets is $2,340,243 as of September 30, 2015.

HEALTH, DENTAL AND LIFE PLANS

The County implemented a self-insured health plan for employees, including dental and prescription benefits. The County pays the full amount of insurance premiums for their retirees except dependent coverage. The employees pay the cost of coverage for any dependents they enroll under the plan. The County maintains an Insurance Fund to track premiums and claim payments. The County has retained an insurance policy for specific and aggregate stop-loss coverage. There is an individual stop-loss of $175,000 and aggregate protection at 175% of total health and prescription claims per year.

Changes in the estimated liability for medical claims for fiscal years 2014 and 2015 are presented below:

Insurance Fund	Insurance Claims Payable At Beginning of Year	Current Year Claims and Changes In Estimates	Actual Claim Payments	Insurance Claims Payable At End of Year
9/30/2014	$ 285,424	$ 7,246,045	$ 7,162,089	$ 369,380
9/30/2015	369,380	6,984,213	6,851,745	501,848

XIII. POST EMPLOYMENT BENEFITS

(a) HEALTH PLAN

Program Description

In addition to the pension benefits described in Note XI, as required by state law and defined by County Policy, the County makes available health care benefits, including medical/RX, dental, and life insurance, to all employees, and their spouses and children, who retire from the County and who are receiving benefits from a County sponsored retirement program (Texas County and District Retirement System (TCDRS)) through a single-employer defined benefit healthcare plan. The healthcare plan provides insurance to eligible retirees, their spouses, and children through the County's group health insurance plan, which covers both active and retired members, until age 65 when retirees become eligible and are required to enroll in Medicare Part B, at which time coverage supplements Medicare.

(Continued)

XIII. POST EMPLOYMENT BENEFITS – Continued

(a) HEALTH PLAN - continued

Program Description - continued

Current retirees in the health plan and at retirement, active employees that meet the conditions for retirement from TCDRS (age 60 and above with 8 years or more of service, 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more) and the retirees that have worked for Smith County for 20 years, are eligible to remain in the health plan at the total blended contribution rate for active and retiree participants (Retiree Health Existing (Closed) Program).

Active employees hired after June 1, 2005 are not eligible to continue coverage in the County-sponsored medical/RX or dental plan, nor are they provided life insurance by the County. Under the provisions of GASB Statement 45, these employees who will not be eligible to continue coverage in the County's Health Plan do not receive an Other Post Employment Benefit. Accordingly, only those employees who are eligible to participate in the Retiree Health Existing (Closed) Program are included in the valuation results described below.

Funding Policy

Retirees in the Retiree Health Existing (Closed) Program do not contribute to the funding unless they have dependent coverage for which they contribute at the same rate as active employees with dependent coverage. The County contribution consists of monthly premium contributions to the Smith County Insurance Fund to pay claims for retirees that are not Medicare eligible. The contributions are at the same premium rate as for active employees. Medicare eligible retirees are provided a Medicare insurance supplement program. The County contributions to the Smith County Insurance Fund for retirees in fiscal year 2015 were $790,000.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post employment benefit (OPEB) cost (expense) for the Retiree Health Existing (Closed) Program is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its OPEB actuarial valuation performed for the fiscal year beginning October 1, 2014 as required by GASB. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

	9/30/2015	9/30/2014
Annual required contribution (ARC)	$ 4,023,639	$ 6,273,432
Interest on net OPEB obligation	1,289,810	1,107,870
Adjustment to annual required contribution	(1,954,912)	(1,659,946)
Annual OPEB cost	3,358,537	5,721,356
Contributions made	(790,000)	(755,000)
Change in OPEB obligation	2,568,537	4,966,356
Net OPEB obligation - beginning of year	33,922,335	28,955,979
Net OPEB obligation - end of year	$ 36,490,872	$ 33,922,335

(Continued)

XIII. POST EMPLOYMENT BENEFITS – Continued

(a) HEALTH PLAN – continued

Annual OPEB Cost and Net OPEB Obligation - continued

Trend Information

Fiscal Year Ended December 31	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation/ (Asset)
2013	$ 5,541,970	14%	$28,955,979
2014	5,721,356	13%	33,922,335
2015	3,358,537	24%	36,490,872

Funded Status and Funding Progress

As of October 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $38,353,967 all of which was unfunded. There are no valuation assets available to offset the liabilities of the plan.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (c) = (b-a)	Covered Payroll (d)	UAAL as a Percentage of Covered Payroll (e) = (c/d)
10/1/2014	$ -	$ 38,353,967	0%	$ 38,353,967	$13,300,000	288.37%

Actuarial values of the program involve estimates of the value of reported amounts and assumption of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information (only one year presented in this year of implementation) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As the County chose to close its program as of June 1, 2005 and not to establish an irrevocable trust, plan assets will always be reported under GASB Statement 45 as zero.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2014, actuarial valuation, the projected unit credit, closed amortization period, level percent of payroll cost method was used. The actuarial assumptions included a 4.0% discount rate and an annual healthcare cost trend rate for medical/RX of 8.67% initially, reduced by decrements to an ultimate rate of 5.0% after 11 years, and the annual healthcare cost trend rate for dental of 5.5% initially, reduced by decrements to an ultimate rate of 5.0% after 2 years. Assumptions also include a 100% election of employees hired prior to June 1, 2005 to

(Continued)

XIII. POST EMPLOYMENT BENEFITS - Continued

(a) HEALTH PLAN - Continued

Actuarial Methods and Assumptions - Continued

participate in the health insurance and dental insurance plans, and a 25% election of spousal coverage in both plans. Rates include a 4% inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level percent of active member payroll over a period of 30 years. A 30-year amortization period for unfunded actuarial accrued liabilities is the maximum period that complies with the GASB requirements.

(b) SUPPLEMENTAL DEATH BENEFITS PLAN

Plan Description

The County participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County and District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Retired employees are insured for $5,000.

The GTLF is a separate trust administered by the TCDRS board of trustees. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County & District Retirement System, P.O. Box 2034, Austin, TX 76768-2034, or by calling 800-823-7782.

Funding Policy

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The County's contributions to the GTLF for the years ended for the years ended September 30, 2015, 2014, and 2013 were $115,969, $110,179 and $101,185, respectively which equaled the contractually required contributions each year.

XIV. PRIOR PERIOD ADJUSTMENT

As discussed in Note I and Note XI, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*. The new standards significantly changed the County's accounting for pension amounts. As a result of this change in accounting principle, the County was required to record a prior period adjustment. This prior period adjustment resulted in a decrease to the County's beginning net position of $3,563,471; an increase to the beginning deferred outflows of $2,224,109; and an increase to beginning net pension liability of $5,787,580.

XV. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 16, 2016, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property Taxes:				
Taxes - current	$ 35,749,613	$ 35,749,613	$ 35,760,211	$ 10,598
Taxes - delinquent	731,830	731,830	529,185	(202,645)
Penalty and collection fees	450,000	450,000	525,846	75,846
Total Property Taxes	36,931,443	36,931,443	36,815,242	(116,201)
Licenses and Other Taxes:				
Liquor drink tax	480,000	480,000	526,254	46,254
Sales tax	16,600,000	16,600,000	17,359,451	759,451
Bingo taxes	56,000	56,000	65,045	9,045
Miscellaneous	7,500	7,500	38,474	30,974
Total Licenses and Other Taxes	17,143,500	17,143,500	17,989,224	845,724
Fees of Office:				
County Judge	4,500	4,500	4,936	436
Sheriff	355,000	355,000	277,666	(77,334)
Constables	303,000	303,000	310,082	7,082
County Clerk	1,403,500	1,403,500	1,502,164	98,664
Tax Assessor-Collector	190,000	190,000	204,495	14,495
Criminal District Attorney	46,000	46,000	42,159	(3,841)
District Clerk	450,000	450,000	435,746	(14,254)
Justices of the Peace	304,000	304,000	315,301	11,301
County Courts at Law	-	-	5	5
Vehicle sales tax commission	1,565,000	1,565,000	1,940,064	375,064
Auto registration	760,000	760,000	765,005	5,005
Records management	85,000	85,000	68,841	(16,159)
Court imposed fees	594,500	594,500	610,994	16,494
State imposed fees	176,600	176,600	168,010	(8,590)
Titles and certificates	292,500	292,500	315,356	22,856
Telephone coin station revenues	260,000	260,000	196,945	(63,055)
Miscellaneous	111,900	111,900	83,805	(28,095)
Total Fees of Office	6,901,500	6,901,500	7,241,574	340,074
Fines:				
District and county courts	736,500	736,500	604,842	(131,658)
Total Fines	736,500	736,500	604,842	(131,658)
Intergovernmental Revenues:				
Intergovernmental revenues	994,000	997,000	1,022,826	25,826
Total Intergovernmental Revenues	994,000	997,000	1,022,826	25,826
Other Revenues and Fees:				
Interest	92,295	92,295	118,752	26,457
Rentals	68,020	68,020	127,170	59,150
Donations	4,000	13,290	13,391	101
Reimbursements	450,500	450,500	479,385	28,885
Prisoner care	465,000	465,000	639,979	174,979
Other revenues	230,000	239,491	656,160	416,669
Total Other Revenues and Fees	1,309,815	1,328,596	2,034,837	706,241
Total Revenues	64,016,758	64,038,539	65,708,545	1,670,006

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
General Government:				
Commissioners' Court	$ 554,538	$ 618,645	$ 578,338	$ 40,307
Record Service Bureau	165,909	165,909	159,706	6,203
County Auditor	763,795	763,795	723,350	40,445
Election division	446,350	446,350	363,114	83,236
County Treasurer	157,661	157,661	156,615	1,046
Tax Assessor-Collector	1,677,815	1,677,815	1,623,400	54,415
General operations	4,316,606	4,108,596	3,364,293	744,303
Physical plant	1,632,136	1,721,556	1,587,262	134,294
Personnel	139,105	139,105	115,632	23,473
County administration	234,399	234,399	151,244	83,155
Information services	2,475,697	2,411,590	2,221,639	189,951
Collections	133,014	133,014	128,591	4,423
Veterans service office	210,052	210,052	176,119	33,933
Purchasing agent	210,518	225,048	211,764	13,284
Total General Government	13,117,595	13,013,535	11,561,067	1,452,468
Justice System:				
County Court	266,475	266,475	256,997	9,478
County Court at Law	399,720	409,720	406,133	3,587
County Court at Law #2	419,803	419,803	401,250	18,553
County Court at Law #3	417,848	417,848	409,111	8,737
County Clerk	1,227,093	1,227,093	1,178,496	48,597
District Courts	2,419,644	2,430,144	2,277,511	152,633
District Clerk	1,262,728	1,262,728	1,239,029	23,699
Justices of the Peace	1,450,804	1,524,500	1,461,259	63,241
Indigent defense	1,500,000	1,500,000	1,385,857	114,143
Pre-trial release	181,576	181,576	177,230	4,346
Juvenile probation	4,813,021	4,813,021	4,467,572	345,449
Criminal District Attorney	4,183,648	4,183,648	4,011,906	171,742
Total Justice System	18,542,360	18,636,556	17,672,351	964,205
Public Safety:				
Civil defense and rural fire aid	718,085	898,742	842,723	56,019
Constables	1,516,841	1,326,413	1,267,231	59,182
Sheriff's department	8,164,084	8,167,740	7,809,269	358,471
Warrant division	162,109	162,109	157,851	4,258
Litter abatement office	170,037	170,037	154,865	15,172
Dispatcher	1,618,548	1,652,973	1,401,240	251,733
Total Public Safety	12,349,704	12,378,014	11,633,179	744,835
Health and Human Services:				
Indigent health care	1,039,985	1,039,985	860,893	179,092
Agricultural extension	204,257	204,257	188,959	15,298
Public services	490,628	490,628	491,161	(533)
Total Health and Human Services	1,734,870	1,734,870	1,541,013	193,857

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
Corrections and Rehab:				
Jail	$ 17,401,595	$ 17,390,542	15,928,873	$ 1,461,669
Community service & rehab	35,150	35,150	20,520	14,630
Total Corrections and Rehab	17,436,745	17,425,692	15,949,393	1,476,299
Capital Outlay:				
Equipment	645,995	692,655	844,696	(152,041)
Vehicles	73,436	119,670	584,421	(464,751)
Other	30,000	30,000	-	30,000
Total Capital Outlay	749,431	842,325	1,429,117	(586,792)
Debt Service:				
Principal	762,273	751,088	731,896	19,192
Interest	76,906	76,906	76,906	-
Total Debt Service	839,179	827,994	808,802	19,192
Total Expenditures	64,769,884	64,858,986	60,594,922	4,264,064
Excess of Revenues Over Expenditures	(753,126)	(820,447)	5,113,623	5,934,070
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	788,498	788,498
Sale of equipment	-	-	14,926	14,926
Transfers out	(2,625,964)	(2,625,964)	(2,625,964)	-
Total Other Financing Sources (Uses)	(2,625,964)	(2,625,964)	(1,822,540)	803,424
Excess of Revenues and Other Financing Sources (Under) Over Expenditures and Other Financing Uses	(3,379,090)	(3,446,411)	3,291,083	6,737,494
FUND BALANCE, SEPTEMBER 30, 2014	26,614,651	26,614,651	26,614,651	-
FUND BALANCE, SEPTEMBER 30, 2015	$ 23,235,561	$ 23,168,240	$ 29,905,734	$ 6,737,494

SCHEDULE 2

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - ROAD AND BRIDGE
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property Taxes:				
Taxes - current	$ 4,106,797	$ 4,106,797	4,124,602	$ 17,805
Taxes - delinquent	82,136	82,136	63,411	(18,725)
Total Property Taxes	4,188,933	4,188,933	4,188,013	(920)
Fees of Office:				
Auto registration	2,640,000	2,640,000	2,511,417	(128,583)
Other fees	156,000	156,000	210,223	54,223
Total Fees of Office	2,796,000	2,796,000	2,721,640	(74,360)
Fines:				
Justices of the Peace	743,000	743,000	618,137	(124,863)
Total Fines	743,000	743,000	618,137	(124,863)
Intergovernmental Revenues:				
Intergovernmental revenues	-	-	512,715	512,715
Total Intergovernmental Revenues	-	-	512,715	512,715
Other Revenues and Fees:				
Interest	15,000	15,000	18,631	3,631
Other revenue	9,300	9,300	10,197	897
Total Other Revenues and Fees	24,300	24,300	28,828	4,528
Total Revenues	7,752,233	7,752,233	8,069,333	317,100
EXPENDITURES				
Infrastructure and Environmental Services:				
Administrative	643,620	805,103	635,004	170,099
Labor Division	5,677,562	5,931,562	4,990,063	941,499
Equipment Division	1,431,906	1,726,906	1,623,455	103,451
Total Infrastructure and Environmental Services	7,753,088	8,463,571	7,248,522	1,215,049
Capital Outlay:				
Improvements	3,240,406	3,056,406	1,979,300	1,077,106
Total Capital Outlay	3,240,406	3,056,406	1,979,300	1,077,106
Debt Service:				
Principal payments	393,182	393,182	359,064	34,118
Interest and fiscal charges	20,694	20,694	19,899	795
Total Debt Service	413,876	413,876	378,963	34,913
Total Expenditures	11,407,370	11,933,853	9,606,785	2,327,068
Excess of Revenues Over (Under) Expenditures	(3,655,137)	(4,181,620)	(1,537,452)	2,644,168
OTHER FINANCING SOURCES				
Capital lease proceeds	-	-	1,321,000	1,321,000
Sale of equipment	-	365,000	367,371	2,371
Transfers in	2,000,000	2,000,000	2,000,000	-
Total Other Financing Sources	2,000,000	2,365,000	3,688,371	1,323,371
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,655,137)	(1,816,620)	2,150,919	3,967,539
FUND BALANCE, SEPTEMBER 30, 2014	3,894,378	3,894,378	3,894,378	-
FUND BALANCE, SEPTEMBER 30, 2015	$ 2,239,241	$ 2,077,758	$ 6,045,297	$ 3,967,539

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS

	2014
Total Pension Liability	
Service cost	$ 4,018,152
Interest on total pension liability	9,987,652
Effect of plan changes	2,013,743
Effect of assumption changes or inputs	-
Effect of economic/demographic (gains) or losses	2,010,479
Benefit payments/refunds of contributions	(5,988,650)
Net change in total pension liability	12,041,376
Total pension liability, beginning	123,283,144
Total pension liability, ending (a)	$ 135,324,520
Fiduciary Net Position	
Employer contributions	$ 2,909,278
Member contributions	2,471,480
Investment income net of investment expenses	8,000,020
Benefit payments/refunds of contributions	(5,988,650)
Administrative expenses	(93,288)
Other	(16,468)
Net change in fiduciary net position	7,282,372
Fiduciary net position, beginning	117,495,564
Fiduciary net position, ending (b)	$ 124,777,936
Net pension liability/(asset), ending = (a) - (b)	$ 10,546,584
Fiduciary net position as a % of total pension liability	92.21%
Pensionable covered payroll	$ 35,306,853
Net pension liability as a % of covered payroll	29.87%

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	Not available	Not available	Not available	Not available	Not available
2006	$ 2,126,919	$ 2,126,919	$ -	$ 23,398,446	9.1%
2007	2,511,505	2,511,505	-	26,107,118	9.6%
2008	2,896,708	2,896,708	-	30,048,837	9.6%
2009	3,165,296	3,165,296	-	33,637,577	9.4%
2010	3,356,416	3,356,416	-	34,566,592	9.7%
2011	1,883,319	1,883,319	-	33,392,170	5.6%
2012	2,038,613	2,038,613	-	33,346,682	6.1%
2013	2,215,152	2,215,427	(275)	33,767,556	6.6%
2014	2,909,278	2,909,278	-	35,306,853	8.2%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two year prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	Annual salary increase rates assumed for individual members vary by length of service and by entry-age group. 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.
Investment Rate of Return	8.10%
Retirement Age	Experience-based table of rates that are specific to the County's plan of benefits.
Turnover	Rates vary by length of service, entry-age group (age at hire) and sex. No termination after eligibility for retirement is assumed.
Mortality	Depositing members - RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA. Service retirees, beneficiaries and non-depositing members - RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females. Disabled retirees - RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

SMITH COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN
FOR THE EMPLOYEES OF SMITH COUNTY, TEXAS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2010	$ -	$ 73,426,683	$ 73,426,683	0.00%	$ 15,000,000	489.51%
10/1/2012	-	61,086,219	61,086,219	0.00%	14,100,000	433.24%
10/1/2014	-	38,353,967	38,353,967	0.00%	13,300,000	288.38%

(1) The annual covered payroll is the payroll related to those grandfathered employees who will be able to retire and continue health coverage under the retiree health plan.

I. BUDGETS AND BUDGETARY ACCOUNTING

A. BUDGET BASIS

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America.

THE COUNTY OF SMITH

TEXAS

ADDITIONAL SUPPLEMENTARY INFORMATION

THE COUNTY OF SMITH

TEXAS

NONMAJOR GOVERNMENTAL FUNDS

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

	SPECIAL REVENUE FUNDS						
	DISTRICT CLERK TITLE IV-D	COUNTY LAW LIBRARY	COUNTY CLERK RECORDS PRESERVATION	DISTRICT CLERK RECORDS PRESERVATION	GRAFFITI ERADIFICATION	COURTHOUSE SECURITY	DISTRICT ATTORNEY
ASSETS							
Cash	$ 37,204	$ 10,071	$ 2,376,271	$ 148,517	$ 4,190	$ 514,954	$ 34,863
Investments	-	151,595	2,213,322	-	-	-	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	56	7,043	36,967	5,689	5	5,036	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	$ 37,260	$ 168,709	$ 4,626,560	$ 154,206	$ 4,195	$ 519,990	$ 34,863
LIABILITIES							
Vouchers payable	$ -	$ 9,970	$ 3,797	$ -	$ -	$ -	$ 92
Salaries payable	-	2,450	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	-	12,420	3,797	-	-	-	92
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Restricted for:							
District clerk	37,260	-	-	-	-	-	-
County law library	-	156,289	-	-	-	-	-
Records preservation	-	-	4,622,763	154,206	-	-	-
Graffiti eradification	-	-	-	-	4,195	-	-
Courthouse security	-	-	-	-	-	519,990	-
Law enforcement purposes	-	-	-	-	-	-	34,771
Drug court program	-	-	-	-	-	-	-
Adult probation	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-
Tobacco law enforcement	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Law enforcement training	-	-	-	-	-	-	-
County judge training	-	-	-	-	-	-	-
Voting machines	-	-	-	-	-	-	-
Voter registration services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Community policing contracted services	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total fund balance	37,260	156,289	4,622,763	154,206	4,195	519,990	34,771
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 37,260	$ 168,709	$ 4,626,560	$ 154,206	$ 4,195	$ 519,990	$ 34,863

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

	SPECIAL REVENUE FUNDS						
	COURT IMPROVEMENT	DISTRICT ATTORNEY DRUG FORFEITURE	DPS SEIZURES	DRUG FORFEITURE	LOCAL LAW ENFORCEMENT SEIZURES	DISTRICT ADULT PROBATION	EAST TEXAS AUTO CRUSHERS
ASSETS							
Cash	$ 1,610	$ 251,573	$ 110,315	$ 141,432	$ 48,421	$ 760,319	$ 107,858
Investments	-	-	-	-	-	2,609,193	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	12,595	210	-	75	-	-	61,456
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	$ 14,205	$ 251,783	$ 110,315	$ 141,507	$ 48,421	$ 3,369,512	$ 169,314
LIABILITIES							
Vouchers payable	$ 12,895	$ 2,320	$ -	$ 79,210	$ -	$ 15,283	$ 41,774
Salaries payable	-	1,796	-	-	-	118,320	2,280
Due to other funds	10,000	-	-	-	-	-	120,000
Total Liabilities	22,895	4,116	-	79,210	-	133,603	164,054
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Restricted for:							
District clerk	-	-	-	-	-	-	-
County law library	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-
Graffiti eradification	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-
Law enforcement purposes	-	247,667	110,315	62,297	48,421	-	5,260
Drug court program	(8,690)	-	-	-	-	-	-
Adult probation	-	-	-	-	-	3,235,909	-
Juvenile services	-	-	-	-	-	-	-
Tobacco law enforcement	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Law enforcement training	-	-	-	-	-	-	-
County judge training	-	-	-	-	-	-	-
Voting machines	-	-	-	-	-	-	-
Voter registration services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Community policing contracted services	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total fund balance	(8,690)	247,667	110,315	62,297	48,421	3,235,909	5,260
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 14,205	$ 251,783	$ 110,315	$ 141,507	$ 48,421	$ 3,369,512	$ 169,314

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

	SPECIAL REVENUE FUNDS						
	TEXAS JUVENILE JUSTICE DEPARTMENT	CRIME VICTIM'S SERVICES	STEP TOBACCO GRANT	SHERIFF DEA TASK FORCE	JUSTICE COURT TECHNOLOGY FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	JUVENILE JUSTICE ALTERNATIVE EDUCATION
ASSETS							
Cash	$ 204,455	$ 87,196	$ 9,983	$ 131,791	$ 100,590	$ 51,188	$ 46,098
Investments	626,052	-	-	-	130,418	-	25
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	5,516	-	2,700	1,749	1,858	312	-
Due from other funds	13,652	-	-	-	-	-	-
TOTAL ASSETS	$ 849,675	$ 87,196	$ 12,683	$ 133,540	$ 232,866	$ 51,500	$ 46,123
LIABILITIES							
Vouchers payable	$ 11,474	$ -	$ -	$ 8,280	$ 2,965	$ -	$ -
Salaries payable	21,309	-	100	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	32,783	-	100	8,280	2,965	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Restricted for:							
District clerk	-	-	-	-	-	-	-
County law library	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-
Graffiti eradification	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-
Law enforcement purposes	-	87,196	-	125,260	-	-	-
Drug court program	-	-	-	-	-	-	-
Adult probation	-	-	-	-	-	-	-
Juvenile services	816,892	-	-	-	-	-	46,123
Tobacco law enforcement	-	-	12,583	-	-	-	-
Technology	-	-	-	-	229,901	51,500	-
Law enforcement training	-	-	-	-	-	-	-
County judge training	-	-	-	-	-	-	-
Voting machines	-	-	-	-	-	-	-
Voter registration services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Community policing contracted services	-	-	-	-	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total fund balance	816,892	87,196	12,583	125,260	229,901	51,500	46,123
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 849,675	$ 87,196	$ 12,683	$ 133,540	$ 232,866	$ 51,500	$ 46,123

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

	SPECIAL REVENUE FUNDS						
	JUVENILE ACCOUNTABILITY BLOCK GRANT	LEOSE FUND	JUDICIAL EDUCATION	COMMUNITY POLICING	HOMELAND SECURITY	DA CRIME PREVENTION	FORFEITURE INTEREST 10%
ASSETS							
Cash	$ -	$ 23,333	$ 6,195	$ 13,204	$ 28,571	$ 5,495	$ 246,426
Investments	-	-	-	-	-	-	-
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	-	-	514	-	-	-	80
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	$ -	$ 23,333	$ 6,709	$ 13,204	$ 28,571	$ 5,495	$ 246,506
LIABILITIES							
Vouchers payable	$ -	$ 745	$ 349	$ 222	$ -	$ -	$ -
Salaries payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	-	745	349	222	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Restricted for:							
District clerk	-	-	-	-	-	-	-
County law library	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-
Graffiti eradification	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-
Law enforcement purposes	-	-	-	-	28,571	5,495	246,506
Drug court program	-	-	-	-	-	-	-
Adult probation	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-
Tobacco law enforcement	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Law enforcement training	-	22,588	-	-	-	-	-
County judge training	-	-	6,360	-	-	-	-
Voting machines	-	-	-	-	-	-	-
Voter registration services	-	-	-	-	-	-	-
Inmates	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Community policing contracted services	-	-	-	12,982	-	-	-
Major building repairs	-	-	-	-	-	-	-
Elections department	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total fund balance	-	22,588	6,360	12,982	28,571	5,495	246,506
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ -	$ 23,333	$ 6,709	$ 13,204	$ 28,571	$ 5,495	$ 246,506

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

	SPECIAL REVENUE FUNDS						
	JAC MAINTENANCE	ELECTIONS VOTING MACHINE REPLACEMENT	ELECTION SERVICES CONTRACT	CHAPTER 19 VOTER REGISTRATION	EDWARD BYRNE MEMORIAL JAG GRANT	DA FEDERAL ASSETS	COMMISSARY FUND
ASSETS							
Cash	$ 239,906	$ 7,557	$ 66,199	$ 1,767	$ 36	$ 17,024	$ 419,301
Investments	855,400	-	-	-	-	-	10,933
Taxes receivable-delinquent, net	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	47,272
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	$ 1,095,306	$ 7,557	$ 66,199	$ 1,767	$ 36	$ 17,024	$ 477,506
LIABILITIES							
Vouchers payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,893
Salaries payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	1,893
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCE							
Restricted for:							
District clerk	-	-	-	-	-	-	-
County law library	-	-	-	-	-	-	-
Records preservation	-	-	-	-	-	-	-
Graffiti eradification	-	-	-	-	-	-	-
Courthouse security	-	-	-	-	-	-	-
Law enforcement purposes	-	-	-	-	36	17,024	-
Drug court program	-	-	-	-	-	-	-
Adult probation	-	-	-	-	-	-	-
Juvenile services	-	-	-	-	-	-	-
Tobacco law enforcement	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Law enforcement training	-	-	-	-	-	-	-
County judge training	-	-	-	-	-	-	-
Voting machines	-	7,557	-	-	-	-	-
Voter registration services	-	-	-	1,767	-	-	-
Inmates	-	-	-	-	-	-	475,613
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Committed to:							
Community policing contracted services	-	-	-	-	-	-	-
Major building repairs	1,095,306	-	-	-	-	-	-
Elections department	-	-	66,199	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total fund balance	1,095,306	7,557	66,199	1,767	36	17,024	475,613
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,095,306	$ 7,557	$ 66,199	$ 1,767	$ 36	$ 17,024	$ 477,506

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

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS			DEBT SERVICE FUND	
	CAPITAL IMPROVEMENTS GRANTS	TRANSPORTATION GRANTS	TOTAL	FACILITY IMPROVEMENT	JAIL EXPANSION PROJECT FUND	TOTAL	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS								
Cash	$ -	$ 859	$ 6,254,772	$ 1,953,627	$ 1,437	$ 1,955,064	$ 185,440	$ 8,395,276
Investments	-	-	6,596,938	100,755	640	101,395	1,411,377	8,109,710
Taxes receivable-delinquent, net	-	-	-	82,191	-	82,191	282,113	364,304
Accounts receivable	-	64,815	253,948	3,763	-	3,763	11,427	269,138
Due from other funds	-	-	13,652	-	-	-	-	13,652
TOTAL ASSETS	$ -	$ 65,674	$ 13,119,310	$ 2,140,336	$ 2,077	$ 2,142,413	$ 1,890,357	$ 17,152,080
LIABILITIES								
Vouchers payable	$ -	$ 33,674	$ 224,943	$ 355,916	$ -	$ 355,916	$ -	$ 580,859
Salaries payable	-	-	146,255	-	-	-	-	146,255
Due to other funds	-	32,000	162,000	-	-	-	-	162,000
Total Liabilities	-	65,674	533,198	355,916	-	355,916	-	889,114
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	-	-	-	77,958	-	77,958	267,585	345,543
Total Deferred Inflows of Resources	-	-	-	77,958	-	77,958	267,585	345,543
FUND BALANCE								
Restricted for:								
District clerk	-	-	37,260	-	-	-	-	37,260
County law library	-	-	156,289	-	-	-	-	156,289
Records preservation	-	-	4,776,969	-	-	-	-	4,776,969
Graffiti eradification	-	-	4,195	-	-	-	-	4,195
Courthouse security	-	-	519,990	-	-	-	-	519,990
Law enforcement purposes	-	-	1,018,819	-	-	-	-	1,018,819
Drug court program	-	-	(8,690)	-	-	-	-	(8,690)
Adult probation	-	-	3,235,909	-	-	-	-	3,235,909
Juvenile services	-	-	863,015	-	-	-	-	863,015
Tobacco law enforcement	-	-	12,583	-	-	-	-	12,583
Technology	-	-	281,401	-	-	-	-	281,401
Law enforcement training	-	-	22,588	-	-	-	-	22,588
County judge training	-	-	6,360	-	-	-	-	6,360
Voting machines	-	-	7,557	-	-	-	-	7,557
Voter registration services	-	-	1,767	-	-	-	-	1,767
Inmates	-	-	475,613	-	-	-	-	475,613
Capital projects	-	-	-	-	2,077	2,077	-	2,077
Debt service	-	-	-	-	-	-	1,622,772	1,622,772
Committed to:								
Community policing contracted services	-	-	12,982	-	-	-	-	12,982
Major building repairs	-	-	1,095,306	-	-	-	-	1,095,306
Elections department	-	-	66,199	-	-	-	-	66,199
Capital projects	-	-	-	1,706,462	-	1,706,462	-	1,706,462
Total fund balance	-	-	12,586,112	1,706,462	2,077	1,708,539	1,622,772	15,917,423
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ -	$ 65,674	$ 13,119,310	$ 2,140,336	$ 2,077	$ 2,142,413	$ 1,890,357	$ 17,152,080

SMITH 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						
	DISTRICT CLERK TITLE IV-D	COUNTY LAW LIBRARY	COUNTY CLERK RECORDS PRESERVATION	DISTRICT CLERK RECORDS PRESERVATION	GRAFFITI ERADIFICATION	COURTHOUSE SECURITY	DISTRICT ATTORNEY
REVENUES							
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fees of office	-	160,805	1,234,074	18,644	96	127,839	22,651
Intergovernmental revenues	589	-	-	-	-	-	22,706
Other revenues and fees	156	5,233	9,330	594	17	1,995	24,400
Total Revenues	745	166,038	1,243,404	19,238	113	129,834	69,757
EXPENDITURES							
General government	-	-	242,372	-	-	-	-
Justice system	-	165,347	-	-	-	-	99,377
Public safety	-	-	-	-	-	35,850	-
Corrections and rehabilitation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Capital outlay	-	-	12,223	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	-	165,347	254,595	-	-	35,850	99,377
Excess of Revenue Over (Under) Expenditures	745	691	988,809	19,238	113	93,984	(29,620)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	745	691	988,809	19,238	113	93,984	(29,620)
FUND BALANCE, SEPTEMBER 30, 2014	36,515	155,598	3,633,954	134,968	4,082	426,006	64,391
FUND BALANCE, SEPTEMBER 30, 2015	$ 37,260	$ 156,289	$ 4,622,763	$ 154,206	$ 4,195	$ 519,990	$ 34,771

SMITH 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						
	COURT IMPROVEMENT	DISTRICT ATTORNEY DRUG FORFEITURE	DPS SEIZURES	DRUG FORFEITURE	LOCAL LAW ENFORCEMENT SEIZURES	DISTRICT ADULT PROBATION	EAST TEXAS AUTO CRUSHERS
REVENUES							
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fees of office	-	-	-	-	-	3,270,912	-
Intergovernmental revenues	83,765	-	-	-	-	816,260	547,278
Other revenues and fees	5,038	29,568	72,282	122,662	13,575	182,257	454
Total Revenues	88,803	29,568	72,282	122,662	13,575	4,269,429	547,732
EXPENDITURES							
General government	-	-	-	-	-	-	-
Justice system	100,940	-	-	-	-	-	-
Public safety	-	105,648	7,977	267,981	14,890	-	552,491
Corrections and rehabilitation	-	-	-	-	-	4,598,496	-
Health and human services	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	193,737	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	100,940	105,648	7,977	461,718	14,890	4,598,496	552,491
Excess of Revenue Over (Under) Expenditures	(12,137)	(76,080)	64,305	(339,056)	(1,315)	(329,067)	(4,759)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	625,964	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	625,964	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(12,137)	(76,080)	64,305	(339,056)	(1,315)	296,897	(4,759)
FUND BALANCE, SEPTEMBER 30, 2014	3,447	323,747	46,010	401,353	49,736	2,939,012	10,019
FUND BALANCE, SEPTEMBER 30, 2015	$ (8,690)	$ 247,667	$ 110,315	$ 62,297	$ 48,421	$ 3,235,909	$ 5,260

SMITH 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						
	TEXAS JUVENILE JUSTICE DEPARTMENT	CRIME VICTIM'S SERVICES	STEP TOBACCO GRANT	SHERIFF DEA TASK FORCE	JUSTICE COURT TECHNOLOGY FUND	COUNTY & DISTRICT COURT TECHNOLOGY FUND	JUVENILE JUSTICE ALTERNATIVE EDUCATION
REVENUES							
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fees of office	-	-	-	-	34,261	-	-
Intergovernmental revenues	1,198,072	-	26,400	7,793	-	-	-
Other revenues and fees	2,219	11,432	48	1,786	464	9,719	193
Total Revenues	1,200,291	11,432	26,448	9,579	34,725	9,719	193
EXPENDITURES							
General government	-	-	-	-	-	-	-
Justice system	-	77	-	-	3,011	-	-
Public safety	-	-	25,150	38,163	-	-	-
Corrections and rehabilitation	1,168,148	-	-	-	-	-	-
Health and human services	33,368	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Capital outlay	7,500	-	-	5,890	7,001	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	1,209,016	77	25,150	44,053	10,012	-	-
Excess of Revenue Over (Under) Expenditures	(8,725)	11,355	1,298	(34,474)	24,713	9,719	193
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,725)	11,355	1,298	(34,474)	24,713	9,719	193
FUND BALANCE, SEPTEMBER 30, 2014	825,617	75,841	11,285	159,734	205,188	41,781	45,930
FUND BALANCE, SEPTEMBER 30, 2015	$ 816,892	$ 87,196	$ 12,583	$ 125,260	$ 229,901	$ 51,500	$ 46,123

SMITH 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						
	JUVENILE ACCOUNTABILITY BLOCK GRANT	LEOSE FUND	JUDICIAL EDUCATION	COMMUNITY POLICING	HOMELAND SECURITY	DA CRIME PREVENTION	FORFEITURE INTEREST 10%
REVENUES							
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fees of office	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	3,820	-	-	-	-
Other revenues and fees	-	27,487	22	64,929	120	23	10,380
Total Revenues	-	27,487	3,842	64,929	120	23	10,380
EXPENDITURES							
General government	-	-	-	63,635	-	-	-
Justice system	-	-	2,891	-	-	-	-
Public safety	-	14,126	-	-	-	-	-
Corrections and rehabilitation	6,102	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	16,000
Community and economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt Service-principal retirement	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	6,102	14,126	2,891	63,635	-	-	16,000
Excess of Revenue Over (Under) Expenditures	(6,102)	13,361	951	1,294	120	23	(5,620)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,102)	13,361	951	1,294	120	23	(5,620)
FUND BALANCE, SEPTEMBER 30, 2014	6,102	9,227	5,409	11,688	28,451	5,472	252,126
FUND BALANCE, SEPTEMBER 30, 2015	$ -	$ 22,588	$ 6,360	$ 12,982	$ 28,571	$ 5,495	$ 246,506

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

	SPECIAL REVENUE FUNDS						
	JAC MAINTENANCE	ELECTIONS VOTING MACHINE REPLACEMENT	ELECTION SERVICES CONTRACT	CHAPTER 19 VOTER REGISTRATION	EDWARD BYRNE MEMORIAL JAG GRANT	DA FEDERAL ASSETS	COMMISSARY FUND
REVENUES							
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fees of office	-	-	11,046	-	-	-	-
Intergovernmental revenues	-	-	-	7,200	65,492	-	-
Other revenues and fees	1,510	-	261	-	-	114	184,692
Total Revenues	1,510	-	11,307	7,200	65,492	114	184,692
EXPENDITURES							
General government	-	-	10,644	12,196	-	-	-
Justice system	-	-	-	-	-	6,192	112,809
Public safety	-	-	-	-	32,747	-	-
Corrections and rehabilitation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Capital outlay	28,326	-	-	-	32,745	17,456	99,055
Debt Service-principal retirement	-	-	-	-	-	-	-
Debt Service-interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	28,326	-	10,644	12,196	65,492	23,648	211,864
Excess of Revenue Over (Under) Expenditures	(26,816)	-	663	(4,996)	-	(23,534)	(27,172)
OTHER FINANCING SOURCES (USES)							
Transfers in	50,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	50,000	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	23,184	-	663	(4,996)	-	(23,534)	(27,172)
FUND BALANCE, SEPTEMBER 30, 2014	1,072,122	7,557	65,536	6,763	36	40,558	502,785
FUND BALANCE, SEPTEMBER 30, 2015	$ 1,095,306	$ 7,557	$ 66,199	$ 1,767	$ 36	$ 17,024	$ 475,613

SMITH 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			CAPITAL PROJECT FUNDS			DEBT SERVICE FUND	
	CAPITAL IMPROVEMENTS GRANTS	TRANSPORTATION GRANTS	TOTAL	FACILITY IMPROVEMENT	JAIL EXPANSION PROJECT FUND	TOTAL	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES								
Property taxes	$ -	$ -	$ -	$ 1,421,848	$ -	$ 1,421,848	$ 4,271,050	$ 5,692,898
Fees of office	-	-	4,880,328	-	-	-	-	4,880,328
Intergovernmental revenues	25,208	89,908	2,894,491	-	-	-	-	2,894,491
Other revenues and fees	-	-	782,960	10,714	37,923	48,637	13,242	844,839
Total Revenues	25,208	89,908	8,557,779	1,432,562	37,923	1,470,485	4,284,292	14,312,556
EXPENDITURES								
General government	-	-	328,847	86,427	-	86,427	-	415,274
Justice system	-	-	490,644	-	-	-	-	490,644
Public safety	-	-	1,095,023	-	-	-	-	1,095,023
Corrections and rehabilitation	-	-	5,772,746	-	-	-	-	5,772,746
Health and human services	-	-	49,368	-	-	-	-	49,368
Community and economic development	25,208	89,908	115,116	-	-	-	-	115,116
Capital outlay	-	-	403,933	1,254,333	3,021,315	4,275,648	-	4,679,581
Debt Service-principal retirement	-	-	-	408,269	-	408,269	3,375,000	3,783,269
Debt Service-interest and fiscal charges	-	-	-	27,731	-	27,731	873,900	901,631
Total Expenditures	25,208	89,908	8,255,677	1,776,760	3,021,315	4,798,075	4,248,900	17,302,652
Excess of Revenue Over (Under) Expenditures	-	-	302,102	(344,198)	(2,983,392)	(3,327,590)	35,392	(2,990,096)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	675,964	-	95,000	95,000	-	770,964
Transfers out	-	-	-	(145,000)	-	(145,000)	-	(145,000)
Total Other Financing Sources (Uses)	-	-	675,964	(145,000)	95,000	(50,000)	-	625,964
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	978,066	(489,198)	(2,888,392)	(3,377,590)	35,392	(2,364,132)
FUND BALANCE, SEPTEMBER 30, 2014	-	-	11,608,046	2,195,660	2,890,469	5,086,129	1,587,380	18,281,555
FUND BALANCE, SEPTEMBER 30, 2015	$ -	$ -	$ 12,586,112	$ 1,706,462	$ 2,077	$ 1,708,539	$ 1,622,772	$ 15,917,423

THE COUNTY OF SMITH

TEXAS

DETAILED SCHEDULES OF REVENUES

EXPENDITURES AND CHANGES IN

FUND BALANCES – BUDGET TO ACTUAL

SCHEDULE 8

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - JAIL EXPANSION PROJECT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	$ -	$ 2,923	$ 2,923
Other revenue	-	35,000	35,000
Total Other Revenues and Fees	-	37,923	37,923
Total Revenues	-	37,923	37,923
EXPENDITURES			
Capital Outlay:			
Improvements	3,070,531	3,021,315	49,216
Total Capital Outlay	3,070,531	3,021,315	49,216
Total Expenditures	3,070,531	3,021,315	49,216
Excess of Revenues Over (Under) Expenditures	(3,070,531)	(2,983,392)	87,139
OTHER FINANCING SOURCES (USES)			
Transfers in	95,000	95,000	-
Total Other Financing Sources (Uses)	95,000	95,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (2,975,531)	(2,888,392)	$ 87,139
FUND BALANCE, SEPTEMBER 30, 2014		2,890,469	
FUND BALANCE, SEPTEMBER 30, 2015		$ 2,077	

SCHEDULE 9

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY LAW LIBRARY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Law library fees	$ 141,000	$ 160,805	$ 19,805
Total Fees of Office	141,000	160,805	19,805
Other Revenues and Fees:			
Interest	300	228	(72)
Miscellaneous revenue	5,000	5,005	5
Total Other Revenues and Fees	5,300	5,233	(67)
Total Revenues	146,300	166,038	19,738
EXPENDITURES			
Justice System:			
Salaries and benefits	85,683	84,116	1,567
Supplies	62,680	61,512	1,168
Training	3,000	-	3,000
Operating expenses	8,495	2,919	5,576
Miscellaneous	17,100	16,800	300
Total Justice System	176,958	165,347	11,611
Total Expenditures	176,958	165,347	11,611
Excess of Revenues Over (Under) Expenditures	$ (30,658)	691	$ 31,349
FUND BALANCE, SEPTEMBER 30, 2014		155,598	
FUND BALANCE, SEPTEMBER 30, 2015		$ 156,289	

SCHEDULE 10

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY CLERK RECORDS PRESERVATION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Record preservation fees	$ 900,000	$ 1,234,074	$ 334,074
Total Fees of Office	900,000	1,234,074	334,074
Other Revenues and Fees:			
Interest	5,000	9,330	4,330
Total Other Revenues and Fees	5,000	9,330	4,330
Total Revenues	905,000	1,243,404	338,404
EXPENDITURES			
General Government:			
Salaries and benefits	69,984	21,476	48,508
Supplies	10,000	7,795	2,205
Miscellaneous	70,000	-	70,000
Imaging / rebinding	800,000	213,101	586,899
Total General Government	949,984	242,372	707,612
Capital Outlay:			
Equipment	500,000	12,223	487,777
Total Capital Outlay	500,000	12,223	487,777
Total Expenditures	1,449,984	254,595	1,195,389
Excess of Revenues Over (Under) Expenditures	$ (544,984)	988,809	$ 1,533,793
FUND BALANCE, SEPTEMBER 30, 2014		3,633,954	
FUND BALANCE, SEPTEMBER 30, 2015		$ 4,622,763	

SCHEDULE 11

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - DISTRICT CLERK RECORDS PRESERVATION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Record preservation fees	$ 25,000	$ 18,644	$ (6,356)
Total Fees of Office	25,000	18,644	(6,356)
Other Revenues and Fees:			
Interest	500	594	94
Total Other Revenues and Fees	500	594	94
Total Revenues	25,500	19,238	(6,262)
EXPENDITURES			
Capital Outlay:			
Equipment	10,000	-	10,000
Total Capital Outlay	10,000	-	10,000
Total Expenditures	10,000	-	10,000
Excess of Revenues Over (Under) Expenditures	$ 15,500	19,238	$ 3,738
FUND BALANCE, SEPTEMBER 30, 2014		134,968	
FUND BALANCE, SEPTEMBER 30, 2015		$ 154,206	

SCHEDULE 12

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - GRAFFITI ERADIFICATION FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Graffiti Eradification	$ 250	$ 96	$ (154)
Total Fees of Office	250	96	(154)
Other Revenues and Fees:			
Interest	10	17	7
Total Other Revenues and Fees	10	17	7
Total Revenues	260	113	(147)
EXPENDITURES			
Total Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	$ 260	113	$ (147)
FUND BALANCE, SEPTEMBER 30, 2014		4,082	
FUND BALANCE, SEPTEMBER 30, 2015		$ 4,195	

SCHEDULE 13

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COURTHOUSE SECURITY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Courthouse security	$ 90,000	93,409	$ 3,409
Courthouse security - Precinct #1	42,000	34,430	(7,570)
Total Fees of Office	132,000	127,839	(4,161)
Other Revenues and Fees:			
Interest	1,500	1,995	495
Total Other Revenues and Fees	1,500	1,995	495
Total Revenues	133,500	129,834	(3,666)
EXPENDITURES			
Public Safety:			
Salaries and benefits	5,000	-	5,000
Operating	193,000	3,647	189,353
Training	2,000	1,938	62
Miscellaneous	50,000	30,265	19,735
Total Public Safety	250,000	35,850	214,150
Total Expenditures	250,000	35,850	214,150
Excess of Revenues Over (Under) Expenditures	$ (116,500)	93,984	$ 210,484
FUND BALANCE, SEPTEMBER 30, 2014		426,006	
FUND BALANCE, SEPTEMBER 30, 2015		$ 519,990	

SCHEDULE 14

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JUSTICE COURT TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Fees of Office:			
Justice Court technology	$ 42,000	$ 34,261	$ (7,739)
Total Fees of Office	42,000	34,261	(7,739)
Other Revenues and Fees:			
Interest	200	464	264
Total Other Revenues and Fees	200	464	264
Total Revenues	42,200	34,725	(7,475)
EXPENDITURES			
Justice System:			
Operating expenses	5,000	3,011	1,989
Total Justice System	5,000	3,011	1,989
Capital Outlay:			
Equipment	60,000	7,001	52,999
Total Capital Outlay	60,000	7,001	52,999
Total Expenditures	65,000	10,012	54,988
Excess of Revenues Over (Under) Expenditures	$ (22,800)	24,713	$ 47,513
FUND BALANCE, SEPTEMBER 30, 2014		205,188	
FUND BALANCE, SEPTEMBER 30, 2015		$ 229,901	

SCHEDULE 15

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COUNTY & DISTRICT COURT TECHNOLOGY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	$ 100	$ 197	$ 97
Other revenue	11,000	9,522	(1,478)
Total Other Revenues and Fees	11,100	9,719	(1,381)
Total Revenues	11,100	9,719	(1,381)
EXPENDITURES			
Capital Outlay:			
Miscellaneous equipment	1,500	-	1,500
Computer equipment	50,000	-	50,000
Total Capital Outlay	51,500	-	51,500
Total Expenditures	51,500	-	51,500
Excess of Revenues Over (Under) Expenditures	$ (40,400)	9,719	$ 50,119
FUND BALANCE, SEPTEMBER 30, 2014		41,781	
FUND BALANCE, SEPTEMBER 30, 2015		$ 51,500	

SCHEDULE 16

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - COMMUNITY POLICING FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	$ -	$ 49	$ 49
Other revenue	64,880	64,880	-
Total Other Revenues and Fees	64,880	64,929	49
Total Revenues	64,880	64,929	49
EXPENDITURES			
General Government:			
Salaries and benefits	58,448	58,461	(13)
Supplies	1,069	514	555
Travel and training	1,000	976	24
Operating expenses	5,425	3,684	1,741
Total General Government	65,942	63,635	2,307
Total Expenditures	65,942	63,635	2,307
Excess of Revenues Over (Under) Expenditures	$ (1,062)	1,294	$ 2,356
FUND BALANCE, SEPTEMBER 30, 2014		11,688	
FUND BALANCE, SEPTEMBER 30, 2015		$ 12,982	

SCHEDULE 17

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - FORFEITURE INTEREST 10% FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	$ 1,000	1,063	$ 63
Other revenue	12,000	9,317	(2,683)
Total Other Revenues and Fees	13,000	10,380	(2,620)
Total Revenues	13,000	10,380	(2,620)
EXPENDITURES			
Health and Human Services:			
Operating expenses	16,000	16,000	-
Total Health and Human Services	16,000	16,000	-
Total Expenditures	16,000	16,000	-
Excess of Revenues Over (Under) Expenditures	$ (3,000)	(5,620)	$ (2,620)
FUND BALANCE, SEPTEMBER 30, 2014		252,126	
FUND BALANCE, SEPTEMBER 30, 2015		$ 246,506	

SCHEDULE 18

SMITH COUNTY, TEXAS
SPECIAL REVENUE FUND - JAC MAINTENANCE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Other Revenues and Fees:			
Interest	$ 1,200	$ 1,510	$ 310
Total Other Revenues and Fees	1,200	1,510	310
Total Revenues	1,200	1,510	310
EXPENDITURES			
Capital Outlay:			
Building Improvements	65,500	6,100	59,400
Equipment	210,000	22,226	187,774
Total Capital Outlay	210,000	28,326	181,674
Total Expenditures	210,000	28,326	181,674
Excess of Revenues Over (Under) Expenditures	(208,800)	(26,816)	181,984
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	50,000	-
Total Other Financing Sources (Uses)	50,000	50,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (158,800)	23,184	$ 181,984
FUND BALANCE, SEPTEMBER 30, 2014		1,072,122	
FUND BALANCE, SEPTEMBER 30, 2015		$ 1,095,306	

SCHEDULE 19

SMITH COUNTY, TEXAS
CAPITAL PROJECTS FUND - FACILITY IMPROVEMENT FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property Taxes:			
Taxes - current	$ 1,395,161	$ 1,401,210	$ 6,049
Taxes - delinquent	27,903	20,638	(7,265)
Total Property Taxes	1,423,064	1,421,848	(1,216)
Other Revenues and Fees:			
Interest	3,500	10,714	7,214
Total Other Revenues and Fees	3,500	10,714	7,214
Total Revenues	1,426,564	1,432,562	5,998
EXPENDITURES			
General Government:			
Operating expenses	22,000	22,000	-
Lease agreements	50,000	50,000	-
Professional fees	75,000	64,427	10,573
Miscellaneous	241,000	-	241,000
Total general government	388,000	136,427	251,573
Capital Outlay:			
Improvements	2,637,287	1,204,333	1,432,954
Total capital outlay	2,637,287	1,204,333	1,432,954
Debt Service:			
Principal	-	408,269	(408,269)
Interest	-	27,731	(27,731)
Total Debt Service	-	436,000	(436,000)
Total Expenditures	3,025,287	1,776,760	1,248,527
Excess of Revenues Over (Under) Expenditures	(1,598,723)	(344,198)	1,254,525
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(145,000)	(145,000)	-
Total Other Financing Sources (Uses)	(145,000)	(145,000)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (1,743,723)	(489,198)	$ 1,254,525
FUND BALANCE, SEPTEMBER 30, 2014		2,195,660	
FUND BALANCE, SEPTEMBER 30, 2015		$ 1,706,462	

SCHEDULE 20

SMITH COUNTY, TEXAS
DEBT SERVICE FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property Taxes:			
Taxes - current	$ 4,194,069	$ 4,206,783	$ 12,714
Taxes - delinquent	85,593	64,267	(21,326)
Total Property Taxes	4,279,662	4,271,050	(8,612)
Other Revenues and Fees:			
Interest	15,000	13,242	(1,758)
Total Other Revenues and Fees	15,000	13,242	(1,758)
Total Revenues	4,294,662	4,284,292	(10,370)
EXPENDITURES			
Debt Service:			
Principal	3,375,000	3,375,000	-
Interest	875,000	873,900	1,100
Total Debt Service	4,250,000	4,248,900	1,100
Total Expenditures	4,250,000	4,248,900	1,100
Excess of Revenues Over (Under) Expenditures	$ 44,662	35,392	$ (9,270)
FUND BALANCE, SEPTEMBER 30, 2014		1,587,380	
FUND BALANCE, SEPTEMBER 30, 2015		$ 1,622,772	

INTERNAL SERVICE FUNDS

SCHEDULE 21

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2015

	Governmental Activities		
	Insurance Fund	Payroll Fund	Total
ASSETS			
Current Assets:			
Cash	$ 1,940,341	$ 93,772	$ 2,034,113
Investments	578	-	578
Accounts receivable	1,107,824	-	1,107,824
Total Current Assets	3,048,743	93,772	3,142,515
LIABILITIES			
Current Liabilities:			
Vouchers payable	501,848	30,173	532,021
Total Current Liabilities	501,848	30,173	532,021
NET POSITION			
Unrestricted	2,546,895	63,599	2,610,494
Total Net Position	$ 2,546,895	$ 63,599	$ 2,610,494

SCHEDULE 22

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	Governmental Activities		
	Insurance Fund	Payroll Fund	Total
OPERATING REVENUES			
Premiums and reimbursements	$ 8,549,827	$ -	$ 8,549,827
Total Operating Revenues	8,549,827	-	8,549,827
OPERATING EXPENSES			
Insurance claims and administrative fees	7,226,694	-	7,226,694
Total Operating Expenses	7,226,694	-	7,226,694
Operating income	1,323,133	-	1,323,133
NON-OPERATING REVENUES			
Interest income and other	6,335	506	6,841
Change in net position	1,329,468	506	1,329,974
NET POSITION - SEPTEMBER 30, 2014	1,217,427	63,093	1,280,520
NET POSITION - SEPTEMBER 30, 2015	$ 2,546,895	$ 63,599	$ 2,610,494

SCHEDULE 23

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	Governmental Activities		
	Insurance Fund	**Payroll Fund**	**Total**
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for premiums and payroll	$ 8,215,415	$ 48,598,155	$ 56,813,570
Cash paid to customers and employees	(7,094,226)	(48,611,595)	(55,705,821)
Net cash provided by (used in) operating activities	1,121,189	(13,440)	1,107,749
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	6,335	506	6,841
Net cash provided by investing activities	6,335	506	6,841
Net increase (decrease) in cash	1,127,524	(12,934)	1,114,590
Cash at beginning of year	812,817	106,706	919,523
CASH AT END OF YEAR	$ 1,940,341	$ 93,772	$ 2,034,113
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 1,323,133	$ -	$ 1,323,133
Adjustment to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	(334,412)	197	(334,215)
Increase (decrease) in vouchers payable	132,468	(13,637)	118,831
Net cash provided by (used in) operating activities	$ 1,121,189	$ (13,440)	$ 1,107,749

FIDUCIARY FUNDS

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
SEPTEMBER 30, 2015

	Trust & Agency Fund	Evidence Fund	ACH Clearing Fund	Tax Office Fee Account	District Clerk Fee Account	County Clerk Fee Account
Assets						
Cash	$ 866,407	$ 5,624	$ 2,324	$ 2,082,723	$ 1,287,714	$ 2,898,230
Investments	-	-	-	-	1,253,171	1,725,380
Accounts receivable	111,487	-	-	-	-	-
Total assets	$ 977,894	$ 5,624	$ 2,324	$ 2,082,723	$ 2,540,885	$ 4,623,610
Liabilities						
Vouchers payable	$ 534,246	$ -	$ -	$ -	$ -	$ -
Due to other governments	443,648	-	-	-	-	-
Other liabilities	-	5,624	2,324	2,082,723	2,540,885	4,623,610
Total liabilities	$ 977,894	$ 5,624	$ 2,324	$ 2,082,723	$ 2,540,885	$ 4,623,610

SMITH COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
SEPTEMBER 30, 2015

	Sheriff Fee Account	Justices of the Peace Fee Account	Adult Probation Fee Account	Juvenile Probation Fee Account	District Attorney Fee Account	Total Agency Funds
Assets						
Cash	$ 162,255	$ 15,281	$ 84,723	$ 13	$ -	$ 7,405,294
Investments	-	-	-	-	-	2,978,551
Accounts receivable	-	-	-	-	-	111,487
Total assets	$ 162,255	$ 15,281	$ 84,723	$ 13	$ -	$ 10,495,332
Liabilities						
Vouchers payable	$ -	$ -	$ -	$ -	$ -	$ 534,246
Due to other governments	-	-	-	-	-	443,648
Other liabilities	162,255	15,281	84,723	13	-	9,517,438
Total liabilities	$ 162,255	$ 15,281	$ 84,723	$ 13	$ -	$ 10,495,332

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

	September 30, 2014	Additions	Deductions	September 30, 2015
Trust & Agency Fund				
Assets				
Cash	$ 897,552	$ 2,292,047	$ 2,323,192	$ 866,407
Accounts receivable	128,222	113,894	130,629	111,487
Total assets	$ 1,025,774	$ 2,405,941	$ 2,453,821	$ 977,894
Liabilities				
Vouchers payable	$ 620,107	$ 854,846	$ 940,707	534,246
Due to other governments	405,667	1,551,095	1,513,114	443,648
Total liabilities	$ 1,025,774	$ 2,405,941	$ 2,453,821	$ 977,894
Evidence Fund				
Assets				
Cash	$ 5,600	$ 24	$ -	5,624
Total assets	$ 5,600	$ 24	$ -	$ 5,624
Liabilities				
Other liabilities	$ 5,600	$ 24	$ -	$ 5,624
Total liabilities	$ 5,600	$ 24	$ -	$ 5,624
ACH Clearing Fund				
Assets				
Cash	$ 1,941	$ 2,571,332	$ 2,570,949	2,324
Total assets	$ 1,941	$ 2,571,332	$ 2,570,949	$ 2,324
Liabilities				
Other liabilities	$ 1,941	$ 2,571,332	$ 2,570,949	$ 2,324
Total liabilities	$ 1,941	$ 2,571,332	$ 2,570,949	$ 2,324
Tax Office Fee Account				
Assets				
Cash	$ 2,965,650	$ 365,357,800	$ 366,240,727	$ 2,082,723
Total assets	$ 2,965,650	$ 365,357,800	$ 366,240,727	$ 2,082,723
Liabilities				
Other liabilities	$ 2,965,650	$ 365,357,800	$ 366,240,727	$ 2,082,723
Total liabilities	$ 2,965,650	$ 365,357,800	$ 366,240,727	$ 2,082,723
District Clerk Fee Account				
Assets				
Cash	$ 1,349,986	$ 4,229,385	$ 4,291,657	$ 1,287,714
Investments	972,670	280,501	-	1,253,171
Total assets	$ 2,322,656	$ 4,509,886	$ 4,291,657	$ 2,540,885
Liabilities				
Other liabilities	$ 2,322,656	$ 4,509,886	$ 4,291,657	$ 2,540,885
Total liabilities	$ 2,322,656	$ 4,509,886	$ 4,291,657	$ 2,540,885
County Clerk Fee Account				
Assets				
Cash	$ 1,958,088	$ 6,605,722	$ 5,665,580	$ 2,898,230
Investments	1,818,057	-	92,677	1,725,380
Total assets	$ 3,776,145	$ 6,605,722	$ 5,758,257	$ 4,623,610
Liabilities				
Other liabilities	$ 3,776,145	$ 6,605,722	$ 5,758,257	$ 4,623,610
Total liabilities	$ 3,776,145	$ 6,605,722	$ 5,758,257	$ 4,623,610

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

	September 30, 2014	Additions	Deductions	September 30, 2015
Sherriff Fee Account				
Assets				
Cash	$ 130,063	$ 2,280,168	$ 2,247,976	$ 162,255
Total assets	$ 130,063	$ 2,280,168	$ 2,247,976	$ 162,255
Liabilities				
Other liabilities	$ 130,063	$ 2,280,168	$ 2,247,976	$ 162,255
Total liabilities	$ 130,063	$ 2,280,168	$ 2,247,976	$ 162,255
Justices of the Peace Fee Account				
Assets				
Cash	$ 53,730	$ 2,480,875	$ 2,519,324	$ 15,281
Total assets	$ 53,730	$ 2,480,875	$ 2,519,324	$ 15,281
Liabilities				
Other liabilities	$ 53,730	$ 2,480,875	$ 2,519,324	$ 15,281
Total liabilities	$ 53,730	$ 2,480,875	$ 2,519,324	$ 15,281
Adult Probation Fee Account				
Assets				
Cash	$ 100,409	$ 1,840,826	$ 1,856,512	$ 84,723
Total assets	$ 100,409	$ 1,840,826	$ 1,856,512	$ 84,723
Liabilities				
Other liabilities	$ 100,409	$ 1,840,826	$ 1,856,512	$ 84,723
Total liabilities	$ 100,409	$ 1,840,826	$ 1,856,512	$ 84,723
Juvenile Probation Fee Account				
Assets				
Cash	$ 12	$ 205	$ 204	$ 13
Total assets	$ 12	$ 205	$ 204	$ 13
Liabilities				
Other liabilities	$ 12	$ 205	$ 204	$ 13
Total liabilities	$ 12	$ 205	$ 204	$ 13
District Attorney Fee Account				
Assets				
Cash	$ -	$ 216,171	$ 216,171	$ -
Total assets	$ -	$ 216,171	$ 216,171	$ -
Liabilities				
Other liabilities	$ -	$ 216,171	$ 216,171	$ -
Total liabilities	$ -	$ 216,171	$ 216,171	$ -
Total - All Agency Funds				
Assets				
Cash	$ 7,463,031	$ 387,874,555	$ 387,932,292	$ 7,405,294
Investments	2,790,727	280,501	92,677	2,978,551
Accounts receivable	128,222	113,894	130,629	111,487
Total assets	$ 10,381,980	$ 388,268,950	$ 388,155,598	$ 10,495,332
Liabilities				
Vouchers payable	$ 620,107	$ 854,846	$ 940,707	$ 534,246
Due to other governments	405,667	1,551,095	1,513,114	443,648
Other liabilities	9,356,206	385,863,009	385,701,777	9,517,438
Total liabilities	$ 10,381,980	$ 388,268,950	$ 388,155,598	$ 10,495,332

THE COUNTY OF SMITH

TEXAS

STATISTICAL SECTION

SMITH COUNTY, TEXAS
STATISTICAL SECTION

This part of Smith County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and supplementary information says about the County's overall financial health.

Contents **Page**

Financial Trends

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time. 106

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes. 110

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. 116

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. 120

Operating Information

These schedules contain service and infrastructure date to help the reader understand how the information in the County's financial report relates to the service the County provides and the activities it performs. 122

Table 1

SMITH COUNTY, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS [1]

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets, net of related debt	$ 27,880,686	$ 33,410,463	$ 35,484,517	$38,706,007	$ 41,641,439	$ 41,344,486	$ 41,543,340	$ 45,191,948	$ 50,279,650	$ 54,266,461
Restricted	6,141,813	3,235,153	2,669,251	2,619,999	1,178,862	10,939,989	11,457,212	11,273,480	12,046,080	13,034,397
Unrestricted	16,284,071	21,036,147	27,043,288	20,707,155	11,223,734	1,302,772	1,327,726	2,180,381	1,476,020	434,472
Total Governmental Activities Net Position	$ 50,306,570	$ 57,681,763	$ 65,197,056	$62,033,161	$ 54,044,035	$ 53,587,247	$ 54,328,278	$ 58,645,809	$ 63,801,750	$ 67,735,330

Source: Government-wide Statement of Net Position

Table 2

SMITH COUNTY, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
General government	$ 9,095,728	$ 10,562,099	$ 12,277,826	$ 15,254,066	$ 15,296,017	$ 14,371,733	$ 13,728,952	$ 12,834,578	$ 13,288,738	$ 12,424,974
Justice system	15,233,280	13,321,926	15,533,927	17,280,920	18,779,771	17,868,740	18,462,956	18,438,771	18,633,229	19,096,917
Public safety	7,826,792	9,469,038	10,674,578	15,195,201	13,898,214	13,361,846	14,129,032	13,205,896	14,250,079	14,075,256
Health & human services	2,953,574	2,931,395	3,110,244	2,137,004	3,594,974	1,980,055	2,311,701	1,825,570	1,733,055	1,569,689
Conservation	-	25,112	15,328	-	-	-	-	-	-	-
Infrastructure	4,543,461	6,787,532	6,576,941	8,565,139	7,644,779	8,205,372	8,087,384	7,427,825	7,094,425	7,856,817
Corrections & rehabilitation	18,619,469	18,083,700	20,750,890	23,944,201	26,843,276	24,998,840	23,001,543	22,895,180	24,339,547	25,051,057
Community & economic development	-	-	-	-	-	-	65,628	705,190	437,030	115,116
Interest on long-term debt	998,811	609,442	615,197	591,880	459,575	564,727	1,091,290	1,062,624	948,025	974,079
Total Governmental Activities Expenses	$ 59,271,115	$ 61,790,244	$ 69,554,931	$ 82,968,411	$ 86,516,606	$ 81,351,313	$ 80,878,486	$ 78,395,634	$ 80,724,128	$ 81,163,905
Revenues:										
Net Program Revenues:										
Charges for Services:										
General government	$ 2,426,562	$ 2,667,458	$ 3,273,290	$ 3,398,804	$ 3,429,289	$ 4,137,746	$ 4,536,536	$ 5,131,826	$ 5,640,093	$ 5,096,512
Justice system	3,852,411	3,798,594	4,065,826	4,041,662	3,843,444	3,781,583	3,686,302	3,913,891	3,809,999	4,054,229
Public safety	842,136	822,200	854,056	835,080	1,029,899	984,690	1,007,656	1,024,531	1,043,872	1,127,719
Health & human services	5	10	-	-	-	-	-	-	-	-
Infrastructure	4,703,213	4,746,757	4,611,315	4,383,023	3,945,405	3,815,663	3,931,043	3,667,550	3,668,169	3,349,974
Corrections & rehabilitation	3,107,186	3,121,680	3,456,577	3,411,496	3,532,706	3,327,735	3,460,997	3,588,740	3,399,786	3,467,857
Community & economic development	154,995	154,443	147,171	144,833	156,010	157,458	154,630	143,060	142,161	-
Operating grants & contributions	5,051,011	5,441,925	6,757,471	8,057,403	8,060,048	6,327,076	5,661,016	4,333,248	5,589,457	5,048,437
Capital grants & contributions	1,442,703	903,028	71,609	17,573	582,100	328,008	134,023	709,537	346,022	537,923
Total Governmental Activities Program revenues	21,580,222	21,656,095	23,237,315	24,289,874	24,578,901	22,859,959	22,572,203	22,512,383	23,639,559	22,682,651
Net (Expense)/Revenue:	$ (37,690,893)	$ (40,134,149)	$ (46,317,616)	$ (58,678,537)	$ (61,937,705)	$ (58,491,354)	$ (58,306,283)	$ (55,883,251)	$ (57,084,569)	$ (58,481,254)
General Revenues:										
Property taxes	$ 26,427,379	$ 30,751,982	$ 35,633,927	$ 37,881,773	$ 38,448,339	$ 42,132,195	$ 43,022,048	$ 43,438,070	$ 44,562,723	$ 46,738,447
Sales & other taxes	14,275,527	15,255,632	16,675,084	15,974,356	13,966,432	15,284,372	15,367,369	16,098,612	17,368,276	17,989,224
Rentals & commissions	686,611	620,441	592,221	632,439	532,540	-	-	-	-	-
Reimbursements	78,417	38,336	167,900	439,483	272,652	-	-	-	-	-
Miscellaneous	176,327	143,508	106,345	153,909	353,141	79,016	87,088	105,134	217,938	563,264
State shared	-	144,718	-	-	-	-	-	-	-	-
Gain in sale of assets	7,565	3,274	(341,031)	203,866	218,239	69,833	200,366	12,412	64,921	382,297
Loss on donation of assets	-	-	-	-	-	-	-	-	-	-
Interest	1,264,887	1,551,451	998,463	281,304	157,236	162,820	370,443	546,554	176,107	305,073
Total Governmental Activities	42,916,713	48,509,342	53,832,909	55,567,130	53,948,579	57,728,236	59,047,314	60,200,782	62,389,965	65,978,305
Change in Net Position	5,225,820	8,375,193	7,515,293	(3,111,407)	(7,989,126)	(763,118)	741,031	4,317,531	5,305,396	7,497,051
Net Position - Beginning	45,077,750	50,306,570	57,681,763	65,197,056	62,033,161	54,044,035	53,587,247	54,328,278	58,645,809	63,801,750
Other increases (decreases) in fund balance	-	-	-	(52,488)	-	306,330	-	-	(149,455)	(3,563,471)
Net Position - Ending	$ 50,303,570	$ 58,681,763	$ 65,197,056	$ 62,033,161	$ 54,044,035	$ 53,587,247	$ 54,328,278	$ 58,645,809	$ 63,801,750	$ 67,735,330

Source: Statement of Activities

Table 3

SMITH COUNTY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Fund Balances										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 304,894	$ -	$ 175,462	$ 78,629	$ 86,345
Assigned As:										
Indigent Health Care	1,378,509	1,644,337	1,846,279	1,994,397	300,017	343,265	139,271	183,975	221,719	53,234
Juvenile Services	1,155,834	1,180,223	894,266	698,860	901,877	1,326,370	1,880,633	2,213,167	2,351,722	2,285,237
Workforce Development	-	-	-	-	-	317,840	336,226	343,172	322,965	247,978
Unassigned	7,154,040	8,945,804	12,399,266	11,177,121	9,490,351	12,395,091	17,052,444	21,642,832	23,639,616	27,232,940
Restricted As:										
Capital Projects	-	-	-	-	-	-	-	141,073	-	
Total General Fund	$ 9,688,383	$ 11,770,364	$ 15,139,811	$ 13,870,378	$ 10,692,245	$ 14,687,460	$ 19,408,574	$ 24,699,681	$ 26,614,651	$ 29,905,734
Road and Bridge Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 33,759	$ -	$ -	$ -	$ -
Committed	969,076	1,809,604	2,986,582	2,253,929	2,163,303	2,551,160	3,309,953	4,042,341	3,894,378	6,045,297
Total Road and Bridge Fund	$ 969,076	$ 1,809,604	$ 2,986,582	$ 2,253,929	$ 2,163,303	$ 2,584,919	$ 3,309,953	$ 4,042,341	$ 3,894,378	$ 6,045,297
Jail Expansion Fund										
Restricted	$ -	$ -	$ -	$ -	$ -	$ 34,292,057	$ 29,534,832	$ 17,519,362	$ 2,890,469	$ -
Total Jail Expansion Fund	$ -	$ -	$ -	$ -	$ -	$ 34,292,057	$ 29,534,832	$ 17,519,362	$ 2,890,469	$ -
All Other Governmental Funds										
Debt Service Fund										
Restricted	$ 774,808	$ 1,227,199	$ 1,599,898	$ 1,921,211	$ 1,111,647	$ 1,472,562	$ 1,505,354	$ 1,560,558	$ 1,587,380	$ 1,622,772
Capital Project Funds										
Committed	5,367,005	2,007,954	1,069,353	698,788	67,215	96,097	1,301,174	1,295,994	3,267,782	2,801,768
Special Revenue Funds:										
Nonspendable	-	-	-	-	-	8,987	-	-	-	-
Committed	-	-	-	-	-	1,689,716	1,031,527	-	77,224	79,181
Restricted	6,061,201	7,353,858	8,592,070	9,433,150	10,269,047	9,424,092	9,951,858	9,571,849	10,458,700	11,413,702
Total All Other Governmental Funds	$ 12,203,014	$ 10,589,011	$ 11,261,321	$ 12,053,149	$ 11,447,909	$ 12,691,454	$ 13,789,913	$ 12,428,401	$ 15,391,086	$ 15,917,423

Source: Governmental Funds Balance Sheet

Table 4

SMITH COUNTY, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Property taxes	$ 26,392,836	$ 30,673,980	$ 35,532,179	$ 37,881,772	$ 38,448,342	$ 41,014,854	$ 42,852,403	$ 43,491,921	$ 44,447,153	$ 46,696,153
Licenses and other taxes	14,280,687	15,258,333	16,678,405	15,579,801	14,999,514	15,289,486	15,373,326	16,112,734	17,375,869	17,989,224
Fees of office	11,191,108	12,716,102	13,563,299	13,600,572	13,116,896	13,297,716	13,485,803	13,894,901	14,567,863	14,843,542
Fines	1,936,923	1,870,588	2,064,635	1,830,601	1,680,268	1,579,776	1,578,666	1,494,520	1,492,331	1,222,979
Intergovernmental revenues	5,457,707	4,317,179	4,043,632	3,994,127	5,686,766	4,058,250	4,376,869	4,024,089	4,393,404	4,430,032
Other revenues and fees	5,203,132	5,106,537	5,450,312	6,386,699	5,504,479	4,389,536	3,694,866	3,837,093	3,652,503	2,908,504
Total Revenues	$ 64,462,393	$ 69,942,719	$ 77,332,462	$ 79,273,572	$ 79,436,265	$ 79,629,618	$ 81,361,933	$ 82,855,258	$ 85,929,123	$ 88,090,434
EXPENDITURES										
Current:										
General government	$ 8,244,300	$ 8,065,066	$ 9,713,382	$ 11,514,944	$ 11,247,975	$ 10,648,052	$ 11,263,202	$ 11,084,803	$ 11,377,443	$ 11,976,341
Justice system	14,005,201	13,187,193	15,100,425	15,986,133	16,995,214	15,981,625	16,533,591	17,151,120	17,022,271	18,162,995
Public safety	7,251,811	8,993,405	10,280,652	13,714,061	12,110,392	11,793,429	11,848,201	11,691,321	12,332,830	12,728,202
Corrections and rehabilitation	17,953,557	19,180,368	20,401,531	21,505,263	24,188,157	22,013,924	20,192,127	20,752,349	21,976,306	21,722,139
Health and human services	2,896,398	3,009,062	3,098,054	2,083,805	3,541,691	1,949,226	2,303,651	1,833,641	1,722,653	1,590,381
Conservation	-	25,112	15,308	3	-	-	-	-	-	-
Infrastructure & environmental	6,188,899	7,444,547	6,618,657	8,619,006	8,020,534	5,829,170	5,526,159	5,529,769	5,799,789	7,248,522
Community & Economic Development	-	-	-	-	-	-	65,628	705,190	437,030	115,116
Capital outlay	8,742,763	5,640,453	4,029,595	6,205,822	4,113,472	4,418,149	8,157,654	18,245,035	19,625,860	8,087,998
Debt Service:										
Principal retirement	5,590,729	2,173,769	2,266,315	2,707,355	2,730,716	2,859,119	4,164,856	4,275,406	4,631,457	4,874,229
Interest & fiscal charges	935,618	716,713	618,924	542,561	533,122	526,294	1,262,842	1,115,291	1,065,246	998,436
Total Expenditures	$ 71,809,276	$ 68,435,688	$ 72,142,843	$ 82,878,953	$ 83,481,273	$ 76,018,988	$ 81,317,911	$ 92,383,925	$ 95,990,885	$ 87,504,359
Excess (deficiency) of revenues over (under expenditures	$ (7,346,883)	$ 1,507,031	$ 5,189,619	$ (3,605,381)	$ (4,045,008)	$ 3,610,630	$ 44,022	$ (9,528,667)	$ (10,061,762)	$ 586,075
OTHER FINANCING SOURCES (USES)										
Transfers in	$ 2,226,793	$ 358,543	$ 359,752	$ 400,237	$ 456,311	$ 275,303	$ 1,288,691	$ 1,597,820	$ 4,979,937	$ 2,770,964
Transfers out	(2,626,793)	(758,543)	(759,752)	(400,237)	(456,311)	(275,303)	(1,288,691)	(1,597,820)	(4,979,937)	(2,770,964)
Premium on long-term debt	-	-	-	-	-	978,275	-	-	-	-
Payment to escrow agent for refunded bonds	-	-	-	-	-	(5,837,616)	-	-	-	-
Bond proceeds	-	-	-	-	-	39,955,000	-	-	-	-
Sale of Equipment	-	-	-	-	-	-	-	-	-	382,297
Capital lease proceeds	4,725,183	201,476	429,116	2,447,611	171,009	1,246,144	1,743,359	2,175,180	162,561	2,109,498
Total Other Financing Sources (Uses)	$ 4,325,183	$ (198,524)	$ 29,116	$ 2,447,611	$ 171,009	$ 36,341,803	$ 1,743,359	$ 2,175,180	$ 162,561	$ 2,491,795
Net change in fund balances	(3,021,700)	1,308,507	5,218,735	(1,157,770)	(3,873,999)	39,952,433	1,787,381	(7,353,487)	(9,899,201)	3,077,870
Fund balances - Beginning of year	25,882,173	22,860,473	24,168,980	29,387,715	28,177,457	24,303,458	64,255,891	66,043,272	58,689,785	48,790,584
Other increases (decreases) to fund balance	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	(52,488)	-	-	-	-	-	-
Fund Balances - End of year	$ 22,860,473	$ 24,168,980	$ 29,387,715	$ 28,177,457	$ 24,303,458	$ 64,255,891	$ 66,043,272	$ 58,689,785	$ 48,790,584	$ 51,868,454
Debt Service as a Percentage of Noncapital Expenditures	10.3%	4.6%	4.2%	4.2%	4.1%	4.7%	7.4%	7.3%	7.5%	7.4%

Source: Government-wide Statement of Revenues, Expenditures and Changes in Fund Balance

Table 5

SMITH COUNTY, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Property taxes	$ 26,427,379	$ 30,751,982	$ 35,633,927	$ 37,881,772	$ 38,448,339	$ 42,132,195	$ 43,022,048	$ 43,438,070	$ 44,562,723	$ 46,738,447
Sales tax	13,901,878	14,868,168	16,260,126	15,548,524	13,536,414	14,827,226	14,952,458	15,650,035	16,827,874	17,359,451
Other taxes	373,649	387,464	414,958	425,833	430,018	457,146	414,911	448,577	540,402	629,773
Total Tax Revenue	$ 40,702,906	$ 46,007,614	$ 52,309,011	$ 53,856,129	$ 52,414,771	$ 57,416,567	$ 58,389,417	$ 59,536,682	$ 61,930,999	$ 64,727,671

Source: Government-wide Statement of Activities

SMITH COUNTY, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	2015 Amount	2015 % of Total	2014 Amount	2014 % of Total	2013 Amount	2013 % of Total	2012 Amount	2012 % of Total	2011 Amount	2011 % of Total
Real, residential, single-family	$ 8,211,969,870	41.87%	$ 7,795,086,556	41.56%	$ 7,533,980,526	41.38%	$ 7,368,844,402	41.49%	$ 7,290,020,159	45.86%
Real, residential, multi-family	704,703,096	3.59%	626,057,924	3.34%	607,376,411	3.34%	585,563,445	3.30%	577,350,602	3.63%
Real, vacant lots/tracts	346,925,076	1.77%	339,528,899	1.81%	325,512,277	1.79%	316,418,359	1.78%	314,078,686	1.98%
Real, acreage (land only)	1,796,733,221	9.16%	1,682,731,970	8.97%	1,895,165,170	10.41%	1,895,257,020	10.67%	1,840,319,602	11.58%
Real, farm and ranch improvements	1,206,393,379	6.15%	1,116,705,827	5.95%	815,063,196	4.48%	787,102,513	4.43%	781,867,857	4.92%
Real, commercial	2,560,142,257	13.05%	2,431,625,948	12.96%	2,323,696,408	12.76%	2,254,448,661	12.69%	2,246,869,924	14.13%
Real, industrial	320,493,986	1.63%	310,696,749	1.66%	318,667,955	1.75%	315,657,235	1.78%	254,115,499	1.60%
Real, oil, gas and other mineral reserves	241,075,496	1.23%	359,472,416	1.92%	336,761,438	1.85%	342,643,958	1.93%	384,537,816	2.42%
Real and tangible personal, utilities	43,459,321	0.22%	40,028,545	0.21%	36,675,149	0.20%	34,292,498	0.19%	351,377,665	2.21%
Tangible personal, business commercial	380,209,713	1.94%	1,177,460,858	6.28%	1,147,221,057	6.30%	1,696,530,712	9.55%	1,650,488,060	10.38%
Utilities, tangible personal, other	1,168,009,773	5.95%	334,120,491	1.78%	330,019,179	1.81%	310,695,729	1.75%	80,099,951	0.50%
Tangible personal, business industrial	542,623,178	2.77%	570,933,514	3.04%	553,111,984	3.04%				
Tangible personal, other (mobile homes)	82,342,797	0.42%	82,458,876	0.44%	82,482,964	0.45%				
Real property, inventory	40,342,651	0.21%	44,206,154	0.24%	55,254,705	0.30%	82,299,398	0.46%	74,545,208	0.47%
Real Inventory		0.00%		0.00%		0.00%	62,373,976	0.35%	-	0.00%
Special inventory	73,850,595	0.38%	65,620,473	0.35%	59,541,837	0.33%	53,880,681	0.30%	51,024,344	0.32%
Tax Exempt Property, Real	1,895,373,943	9.66%	1,780,419,237	9.49%	1,787,895,521	9.82%	1,626,478,355	9.16%	-	0.00%
No SPTD Code	-	0.00%	11,200	0.00%						
Tax Exempt Property, Personal		0.00%		0.00%		0.00%	25,357,249	0.14%	-	0.00%
Tax Exempt Property, Mineral		0.00%		0.00%		0.00%	2,587,597	0.01%	-	0.00%
Total Appraised Value Before Exemptions	$ 19,614,648,352	100.00%	$ 18,757,165,637	100.00%	$ 18,208,425,777	100.00%	$ 17,760,431,788	100.00%	$ 15,896,695,373	100.00%
Less: total exemptions/reductions	4,448,277,107		4,213,115,602		4,091,181,762		3,974,179,812		2,267,135,381	
Add: Protested value not in dispute	1,396,274		3,868,778		12,117,194					
Taxable Assessed Value	$ 15,167,767,519		$ 14,547,918,813		$ 14,129,361,209		$ 13,786,251,976		$ 13,629,559,992	
Total Direct Tax Rate	0.330000		0.330000		0.323564		0.323564		0.32394	
Estimated Actual Assessed Value	$ 15,167,767,519		$ 14,547,918,813		$ 14,129,361,209		$ 13,786,950,359		$ 13,629,559,992	
Assessed Value as a Percentage of Actual Value	100.00%		100.00%		100.00%		100.00%		100.00%	

SMITH COUNTY, TEXAS
TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	2010 Amount	2010 % of Total	2009 Amount	2009 % of Total	2008 Amount	2008 % of Total	2007 Amount	2007 % of Total	2006 Amount	2006 % of Total
Real, residential, single-family	$ 7,164,015,965	45.81%	$ 7,118,238,266	45.33%	$ 7,028,101,220	45.55%	$ 6,626,306,190	45.77%	$ 6,164,959,540	46.35%
Real, residential, multi-family	564,340,930	3.61%	577,504,002	3.68%	503,377,370	3.26%	457,396,960	3.16%	383,868,410	2.89%
Real, vacant lots/tracts	305,741,812	1.96%	331,048,016	2.11%	385,879,080	2.50%	319,393,970	2.21%	255,925,060	1.92%
Real, acreage (land only)	1,698,804,910	10.86%	1,580,353,300	10.06%	1,417,723,830	9.19%	1,360,792,920	9.40%	1,221,144,470	9.18%
Real, farm and ranch improvements	789,419,478	5.05%	725,751,341	4.62%	649,237,880	4.21%	606,903,560	4.19%	563,044,980	4.23%
Real, commercial	2,222,316,521	14.21%	2,233,883,705	14.23%	2,105,727,110	13.65%	1,939,794,210	13.40%	1,774,127,010	13.34%
Real, industrial	241,268,859	1.54%	241,970,158	1.54%	311,390,810	2.02%	229,860,120	1.59%	175,543,500	1.32%
Real, oil, gas and other mineral reserves	441,822,220	2.83%	498,828,810	3.18%	625,567,720	4.05%	597,447,430	4.13%	546,050,730	4.11%
Real and tangible personal, utilities	357,593,692	2.29%	357,686,381	2.28%	360,444,575	2.34%	353,260,441	2.44%	347,009,386	2.61%
Tangible personal, business commercial	1,638,601,148	10.48%	1,817,801,727	11.58%	1,833,286,394	11.88%	1,787,042,959	12.34%	1,686,011,418	12.68%
Utilities, tangible personal, other	80,480,293	0.51%	83,691,772	0.53%	77,838,340	0.50%	80,400,580	0.56%	80,570,090	0.61%
Tangible personal, business industrial										
Tangible personal, other (mobile homes)										
Real property, inventory	90,426,046	0.58%	81,499,272	0.52%	69,280,430	0.45%	117,745,039	0.81%	47,085,210	0.35%
Real Inventory	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Special inventory	42,955,198	0.27%	53,232,569	0.34%	60,260,314	0.39%	-	0.00%	55,520,325	0.42%
Tax Exempt Property, Real	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
No SPTD Code										
Tax Exempt Property, Personal	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Tax Exempt Property, Mineral	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	$ 15,637,787,072	100.00%	$ 15,701,489,319	100.00%	$ 15,428,115,073	100.00%	$ 14,477,072,979	100.00%	$ 13,300,860,129	100.00%
Less: total exemptions/reductions	2,120,377,484		2,130,576,196		2,005,305,336		1,934,992,052		1,794,609,415	
Add: Protested value not in dispute										
Taxable Assessed Value	$ 13,517,409,588		$ 13,570,913,123		$ 13,422,809,737		$ 12,542,080,927		$ 11,506,250,714	
Total Direct Tax Rate	0.31394		0.28894		0.28894		0.28894		0.26828	
Estimated Actual Assessed Value	$ 13,517,409,588		$ 13,570,913,123		$ 13,422,809,737		$ 12,542,080,927		$ 11,506,250,714	
Assessed Value as a Percentage of Actual Value	100.00%		100.00%		100.00%		100.00%		100.00%	

SMITH COUNTY, TEXAS
PROPERTY TAX RATES*
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	Smith County			Overlapping Rates					
Fiscal Year Ended	Operating	Debt Service	Total	City of Tyler Total	Tyler ISD Total	Tyler Junior College Total	Chapel Hill ISD Total	Whitehouse ISD Total	Total Direct and Overlapping Rates
2006	0.224050	0.030420	0.25447	0.23838	1.54020	0.12720	1.59000	1.52800	5.27825
2007	0.242520	0.025760	0.26828	0.22366	1.48800	0.12720	1.24000	1.20000	4.54714
2008	0.265190	0.023750	0.28894	0.19900	1.21500	0.12717	1.24000	1.19800	4.26811
2009	0.266450	0.022490	0.28894	0.20400	1.21000	0.12717	1.26500	1.19300	4.28811
2010	0.275890	0.013050	0.28894	0.20400	1.37500	0.13695	1.27000	1.19300	4.46789
2011	0.291171	0.022769	0.31394	0.20887	1.37500	0.18218	1.26000	1.19300	4.53298
2012	0.287601	0.035963	0.32356	0.20771	1.37500	0.19993	1.24500	1.19300	4.54420
2013	0.288352	0.035212	0.32356	0.22000	1.37500	0.19993	1.25300	1.19300	4.56449
2014	0.295676	0.034324	0.33000	0.22000	1.37500	0.19993	1.24500	1.19300	4.56293
2015	0.296628	0.033372	0.33000	0.22000	1.37500	0.19993	1.24000	1.19300	4.55793

Source: Smith County Tax Assessor/Collector

* Rates are per $100 valuation.

Table 8

SMITH COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
September 30, 2015

Name of Taxpayer	Nature of Property	Rank	2015 Tax Year Taxable Assessed Valuation	% of Net Taxable Assessed Valuation	Rank	2006 Tax Year Taxable Assessed Valuation	% of Net Taxable Assessed Valuation
Delek Refining	Refinery	1	$ 238,116,654	1.57%	7	$ 78,370,502	0.68%
Brookshire Grocery	Grocery Wholesaler/Retailer	2	152,129,714	1.00%	2	133,895,331	1.16%
Oncor Electric Delivery Co.	Utility	3	149,168,224	0.98%	3	125,685,510	1.09%
Dayton Hudson/Target	Retail	4	94,123,898	0.62%			0.00%
Trane-American Standard	Manufacturer	5	91,804,621	0.61%	4	106,217,851	0.92%
Genecov Investment Group	Financial	6	84,306,887	0.56%	10	50,110,430	0.44%
Walmart/Sam's East	Wholesaler/Retailer	7	83,292,157	0.55%	6	85,449,951	0.74%
Transcanada Keystone Pipeline	Oil & Gas Production	8	47,548,079	0.31%			
Tyler Broadway/Centennial	Retail	9	47,124,015	0.31%			0.00%
Simon Property Group	Property Mangement	10	43,575,000	0.29%			0.00%
Southwest Energy Production	Utility				1	201,765,110	1.75%
Kelly Springfield	Tire Manufacturer				9	55,377,159	0.48%
Ramsom Industries	Pipe Manufacturer						0.00%
Southwestern Bell	Telephone Utility				8	61,685,976	0.54%
Tyler Pipe	Manufacturer				5	103,268,504	0.90%
Eastman Chemical Supply	Industrial						0.00%
			$ 1,031,189,249	6.80%		$ 1,001,826,324	8.71%

Table 9

SMITH COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS

Tax Year	Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	2006	26,039,833	25,444,193	97.71%	428,831	$ 25,873,024	99.36%
2006	2007	30,447,161	29,735,345	97.66%	519,609	$ 30,254,954	99.37%
2007	2008	35,222,010	34,457,450	97.83%	626,075	$ 35,083,525	99.61%
2008	2009	37,617,488	36,754,222	97.71%	599,533	$ 37,353,755	99.30%
2009	2010	38,050,173	37,210,326	97.79%	717,424	$ 37,927,750	99.68%
2010	2011	40,950,877	40,066,257	97.84%	704,922	$ 40,771,179	99.56%
2011	2012	42,578,284	41,723,457	97.99%	767,272	$ 42,490,729	99.79%
2012	2013	43,151,979	42,335,407	98.11%	692,312	$ 43,027,719	99.71%
2013	2014	44,238,709	43,372,946	98.04%	683,496	$ 44,056,442	99.59%
2014	2015	46,296,016	45,450,962	98.17%	758,619	$ 46,209,581	99.81%
2015	2016*	47,279,645	37,205,860	78.69%	277,596	$ 37,483,456	79.28%

* Collections as of 1/31/2016

Source: Smith County Tax Assessor/Collector

Table 10

SMITH COUNTY, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended 9/30	Estimated Population[1]	G.O. Tax Debt Outstanding at End of Year	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2006	190,000	16,100,000	4,588,649	20,688,649	0.31%	108.89
2007	190,000	14,210,000	3,143,323	17,353,323	0.25%	91.33
2008	194,635	12,210,000	2,867,239	15,077,239	0.21%	77.46
2009	198,705	10,110,000	4,297,258	14,407,258	0.19%	72.51
2010	201,277	8,010,000	3,425,941	11,435,941	0.15%	56.82
2011	212,765	39,955,000	3,489,944	43,444,944	0.53%	204.19
2012	214,941	36,825,000	4,248,709	41,073,709	0.48%	191.09
2013	216,670	33,585,000	5,386,926	38,971,926	0.44%	179.87
2014	218,842	30,280,000	3,627,671	33,907,671	0.37%	154.94
2015[2]	220,000	26,905,000	4,824,776	31,729,776	0.34%	144.23

(1) Source: Texas Association of Counties - County Information Project
(2) Estimated

Table 11

SMITH COUNTY, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended 9/30	Certificates of Obligation	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Population
2006	16,110,000		774,808	15,335,192	0.13%	80.71	190,000
2007	14,210,000		1,227,199	12,982,801	0.10%	68.33	190,000
2008	12,210,000		1,599,897	10,610,103	0.08%	54.51	194,635
2009	10,110,000		1,921,210	8,188,790	0.06%	41.21	198,705
2010	8,010,000		1,111,647	6,898,353	0.05%	34.27	201,277
2011		39,955,000	1,472,561	38,482,439	0.28%	183.50	209,714
2012		36,825,000	1,505,353	35,319,647	0.26%	165.52	213,381
2013		33,585,000	1,560,558	32,024,442	0.23%	149.08	214,821
2014		30,280,000	1,586,699	28,693,301	0.20%	132.79	216,080
2015		26,905,000	1,622,772	25,282,228	0.17%	114.92	220,000

Table 12

SMITH COUNTY, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
As of September 30, 2015

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
DIRECT DEBT			
Smith County	$ 26,905,000	100.00%	$ 26,905,000
Total Direct Debt	$ 26,905,000		$ 26,905,000
OVERLAPPING DEBT			
Arp ISD	$ 18,961,652	100.00%	$ 18,961,652
Arp, City of	745,000	100.00%	745,000
Bullard ISD	72,271,324	69.83%	50,467,066
Bullard, City of	5,297,000	85.77%	4,543,237
Chapel Hill ISD	20,321,000	100.00%	20,321,000
East Texas MUD of Smith County	5,600,000	100.00%	5,600,000
Gladewater ISD	34,030,000	12.41%	4,223,123
Lindale ISD	54,384,271	99.08%	53,883,936
Lindale, City of	18,870,000	100.00%	18,870,000
Overton, City of	1,830,000	6.43%	117,669
Troup ISD	6,750,000	44.07%	2,974,725
Troup, City of	-	93.28%	-
Tyler ISD	296,535,000	100.00%	296,535,000
Tyler Junior College	39,554,000	93.40%	36,943,436
Van ISD	36,515,000	6.77%	2,472,066
Whitehouse ISD	28,577,707	100.00%	28,577,707
Whitehouse, City of	18,351,000	100.00%	18,351,000
Winona ISD	27,004,376	100.00%	27,004,376
Winona, City of	332,000	100.00%	332,000
Total Overlapping Debt	$ 685,929,330		$ 590,922,992
TOTAL DIRECT & OVERLAPPING DEBT	$ 712,834,330		$ 617,827,992

(1) Source: Municipal Advisory Council of Texas

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Amounts were determined using the portion of each entity's taxable value that is located within the county and dividing it by the entity's total value.

Table 13

SMITH COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	$ 2,869,690	$ 3,152,225	$ 3,364,183	$ 3,436,691	$ 3,468,938	$ 3,528,771	$ 3,089,012	$ 3,115,064	$ 3,241,431	$ 3,394,216
Total Net Debt Applicable to Limit	16,885	15,437	13,810	12,031	9,122	41,428	38,330	35,146	31,867	28,528
Legal Debt Margin	$ 2,852,805	$ 3,136,788	$ 3,350,373	$ 3,424,660	$ 3,459,816	$ 3,487,343	$ 3,050,682	$ 3,079,919	$ 3,209,564	$ 3,365,688
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.59%	0.49%	0.41%	0.35%	0.26%	1.17%	1.24%	1.13%	0.98%	0.84%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value of Real Property	$ 13,576,864
Debt Limit (25% of Total Real Property Value)	3,394,216
Debt Applicable to Limit	
General Obligation Bonds	$ 26,905
Less: Amount Set Aside for Repayment of General Obligation Debt	1,623
Total Net Debt Application to Limit	$ 28,528
Legal Debt Margin	$ 3,365,688

Table 14

SMITH COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population[1]	Estimated Personal Income[1] (thousands of dollars)	Per Capita Personal Income[1]	Median Age[2]	Education Level in Years of Formal Schooling[2]	School Enrollment[2]	Unemployment Rate[1]
2006	190,000	6,679,704	35,156	34.1	13.6	34,894	4.7%
2007	190,000	6,958,025	36,621	34.1	13.6	35,386	4.2%
2008	194,635	7,247,943	37,239	34.1	13.6	35,361	5.0%
2009	198,705	7,549,941	37,996	34.1	13.6	35,436	7.6%
2010	209,714	7,864,522	37,501	34.1	13.6	35,690	7.9%
2011	212,765	8,192,210	38,504	35.5	13.6	35,946	7.8%
2012	214,941	8,533,552	39,702	35.5	13.6	35,749	7.0%
2013	216,670	8,889,117	41,026	35.5	13.6	35,682	6.5%
2014	218,842	9,199,272	42,036	35.5	13.6	35,609	5.2%
2015	220,000	9,464,715	43,021	36.3	13.6	40,667	5.9%

Data sources:

[1]Texas Association of Counties - County Information Project

[2]TEDC Community Profile

Table 15

SMITH COUNTY, TEXAS
PRINICIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

	2015			2005		
Employer	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment (2)
Trinity Mother Francis *	4,300	1	4.2%	3,384	1	3.9%
East Texas Medical Center *	3,194	2	3.1%	3,214	2	3.7%
Brookshire Grocery Company *	2,565	3	2.5%	2,576	3	3.0%
Tyler Independent School District	2,115	4	2.1%	2,228	4	2.6%
UT Texas - Tyler	1,765	5	1.7%	-	-	0.0%
Walmart	1,600	6	1.6%	2,000	5	2.3%
The Trane Company	1,538	7	1.5%	-	-	0.0%
Suddenlink Communications*	1,500	8	1.5%			
UT Health Northeast	1,130	9	1.1%	1,247	6	1.4%
City of Tyler	853	10	0.8%	-	-	0.0%
Kelly Springfield	-	-	-	1,206	7	1.4%
Tyler Pipe	-	-	-	1,100	8	1.3%
Carrier Corporation	-	-	-	1,000	9	1.1%
Target Distribution Center				929	10	1.1%
Total	20,560		20.0%	18,884		21.6%

Source: Tyler Economic Development Council
* Headquarters located in Tyler.
(1) total county employment of 102,825
(2) total county employment of 87,265

Table 16

SMITH COUNTY, TEXAS
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
General Government	90	91	93	99	101	97	96	97	102	104
Judicial	134	134	144	145	145	140	141	141	140	141
Law Enforcement	119	125	126	165	166	162	165	163	164	166
Corrections	259	259	278	295	293	293	291	304	312	327
Roads & Transportation	64	87	93	93	93	76	76	77	77	77
Other	6	6	6	6	6	4	4	3	3	4
Totals	672	702	740	803	804	772	773	785	798	819

Full Time Equivalent at the Beginning of Fiscal Year

Table 17

SMITH COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function:										
General Government:										
County Clerk:										
Number of Criminal Cases Filed	4,412	5,530	6,215	5,431	5,985	4,376	4,397	4,629	4,177	3,455
Number of Civil Cases Filed	1,581	1,724	1,245	1,129	1,394	1,384	1,324	1,150	914	1,240
Human Resources:										
Applications Accepted			965	1,344	2,305	3,213	2,032	1,862	1,762	1,621
Purchasing:										
Purchase Orders Issued		5,267	6,423	7,474	4,962	4,572	4,656	4,204	6,203	6,368
Annual Contracts Awarded/RFB		31	34	28	27	25	34	34	10	11
Information Technology:										
Help Desk Calls Processed			3,146	3,889	4,025	3,847	3,844	3,844	3,880	4,379
Number of Computers Supported			525	686	688	668	820	935	935	988
Elections Administration:										
Voter applications processed	25,057	27,000	8,514	9,650	4,309	4,785	4,785	15,355	19,590	21,865
Elections Held	5	10	9	11	12	12	11	6	10	6
County Auditor:										
Accounts Payable Checks Processed			26,699	25,519	24,604	25,416	23,872	22,386	13,629	13,767
Grants Administered			24	18	29	21	23	21	21	19
Tax Assessor/Collector										
Motor Vehicle Registrations	194,393	199,709	206,280	202,082	204,915	205,297	206,626	210,950	213,297	216,905
Titles	61,279	59,379	59,552	60,058	50,479	50,994	54,553	56,670	56,205	58,914
Judicial:										
District Courts:										
Criminal Cases Disposed	3,330	3,466	2,821	2,638	2,885	2,606	1,792	2,389	2,397	*
Civil Cases Disposed	3,659	3,484	3,515	3,508	3,506	1,393	874	1,214	1,145	*
County Courts										
Criminal Cases Disposed	6,315	6,492	8,070	7,688	7,190	5,895	5,142	5,992	5,282	*
Civil Cases Disposed	3,733	3,169	3,090	3,327	3,345	3,322	2,813	2,991	2,642	*
Juvenile Cases Disposed	554	543	553	490	469	295	274	331	357	*
Justices of the Peace										
Cases Filed	32,949	27,857	23,476	23,479	18,932	18,885	17,606	18,132	19,324	*
Law Enforcement:										
Sheriff - Calls for Service	30,886	29,987	31,246	16,589	45,998	30,601	31,159	32,004	30,675	30,720
Sheriff - Active CID cases	4,255	5,651	5,366	5,008	4,978	5,879		4,517	2,673	3,523
Corrections:										
Prisoners Booked	13,739	13,195	13,297	13,599	12,112	7,793	11,335	11,271	10,892	9,269
Roads & Transportation:										
Field Work Orders Completed			4,631	4,912	4,122	4,078	3,554	3,930	4,433	5,422
Shop Work Orders Completed				3,743	3,221	2,960	2,519	3,179	3,156	2,918

Table 18

SMITH COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
General Government										
Buildings	4	4	4	4	4	4	4	7	7	6
Plazas	1	1	1	1	1	2	2	2	2	2
Vehicles	10	10	10	10	15	18	13	12	12	13
Infrastructure										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	48	48	48	48	48	48	41	41	45	47
Dump Trucks	43	43	43	43	43	43	33	32	32	31
Justice System										
Buildings	4	4	4	4	4	4	4	4	4	5
Vehicles	5	5	10	9	10	11	9	8	8	9
Public Safety										
Buildings	4	4	4	4	4	5	5	5	5	6
Vehicles	88	101	112	139	151	159	163	164	161	174
Corrections & Rehabilitation										
Jails	2	2	2	2	2	2	2	2	2	2
Juvenile Detention Centers	1	1	1	1	1	1	1	1	1	1
Adult Probation Center	0	0	0	0	0	0	0	1	1	1
Vehicles - Jail	1	1	1	1	2	1	2	4	5	11
Vehicles - Juvenile Probation	5	5	5	5	5	5	6	6	8	8
Vehicles - Adult Probation	8	8	8	8	8	8	17	15	15	9

THE COUNTY OF SMITH

TEXAS

GOVERNMENTAL COMPLIANCE SECTION

Gollob Morgan Peddy
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Commissioners' Court of Smith County
Tyler, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Smith County, Texas as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Smith County, Texas' basic financial statements, and have issued our report thereon dated March 16, 2016.

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

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

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

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

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on

Gollob Morgan Peddy PC
1001 ESE Loop 323, Suite 300, Tyler, TX 75701
Tel 903-534-0088 Fax 903-581-3915 www.gmpcpa.com
Members American Institute of Certified Public Accountants and Private Companies Practice Section

compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
March 16, 2016

Gollob Morgan Peddy PC
1001 ESE Loop 323, Suite 300, Tyler, TX 75701
Tel 903-534-0088 Fax 903-581-3915 www.gmpcpa.com
Members American Institute of Certified Public Accountants and Private Companies Practice Section

THE COUNTY OF SMITH

TEXAS