

**GRIMES COUNTY, TEXAS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2017**

Prepared by:

Grimes County Auditor's Office

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**GRIMES COUNTY, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2017**

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# **INTRODUCTORY SECTION**

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## GRIMES COUNTY AUDITOR

Mary L. Nichols

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Cell (979) 422-4820

E-mail: mary.nichols@co.grimes.tx.us

March 29, 2018

To the Honorable Board of District Judges,  
Honorable County Judge, Honorable Members of  
Commissioners' Court and Citizens of  
Grimes County, Texas:

The Grimes County Auditor's Office is pleased to present the Comprehensive Annual Financial Report (CAFR) of Grimes County, Texas (the "County"), for the fiscal year ended September 30, 2017. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included. The County Auditor's Office is legally required to present reports to the Commissioners' Court and District Judges. This CAFR satisfies the requirement found in the Local Government Code section 114.025.

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

The CAFR is presented in three sections: ***Introductory, Financial, and Statistical***. The introductory section includes this transmittal letter, the County's organizational chart, and a list of principal officials. The financial section includes the Management's Discussion and Analysis (MD&A), the basic financial statements including the notes, required supplementary information other than MD&A, combining and individual fund statements and schedules as well as the independent auditors' report on these financial statements and schedules. The statistical section, which is unaudited but reviewed by the independent auditors, includes selected financial and demographic information, generally presented on a multi-year basis.

The financial reporting entity (the County) includes all the funds of the primary government (i.e., Grimes County as legally defined), as well as any component units. Component units are legally separate entities for which the primary government is financially accountable. The County does not have any component units.

The County provides a full range of services contemplated by statute or charter. This includes police protection, legal and judicial services, construction and maintenance of roads and bridges, and waste management facilities.

## **GRIMES COUNTY BACKGROUND, ECONOMIC CONDITIONS, AND GROWTH**

The County is located in the State of Texas. In 2000, its population was 23,552. The 2015 census estimate placed the County's population at 27,172. The County is named for Jesse Grimes, a signer of the Texas Declaration of Independence and early settler in Anderson, Texas, which is located in the southeast part of Texas. The County is responsible for the maintenance of approximately 600+ miles of county roads and 113 bridges. Law enforcement is responsible for more than 790 square miles of the unincorporated area of the County. Despite the recession that has plagued the rest of the country; the County's growth has been slow and steady.

## **MAJOR INITIATIVES**

### **For the Year**

- Major capital asset events during the year include a 2017 track loader, 2016 tractor and excavator, a 2013 Volvo Motor grader and 4 new pick-ups for the Road and Bridge Department. The Sheriff's Office acquired 4 new Dodge Chargers, a van and a trailer. The county also completed the Courthouse security project which included cameras, metal detectors, and identification card system as well as a full time security officer.
- Grimes County had major flooding problems in 2015. The new Drainage Crew was developed to help create and maintain good drainage throughout the county. This has helped alleviate flooding problems and help preserve road surfaces. This additional crew was a valuable asset in the county's recovery from Hurricane Harvey in 2017.
- In 2016 courthouse security was enforced which included having an on-site courthouse security officer, a camera system, required identification cards and metal detectors. This project was completed and in place in 2017.
- Major bridge projects were completed with the help of the Texas Department of Transportation adding \$1.9 million to county infrastructure.

### **For the Future**

The County continues to work on a county-wide strategic plan that will address the county's greatest needs on a prioritized schedule. A major part of this list that was approached during fiscal year 2016 was building a new Justice Center and administrative offices. A committee was formed and guidelines for a request for proposals from architectural firms were established. In 2017 an architectural firm was selected and hired for this project. Below is a link to the County's strategic plan. Please visit for future updates.

[http://tools.cira.state.tx.us/users/0057/docs/Home/Grimes\\_County\\_Plan\\_2016.pdf](http://tools.cira.state.tx.us/users/0057/docs/Home/Grimes_County_Plan_2016.pdf)

## **FINANCIAL INFORMATION**

### **Long Term Financial Planning**

The County continues to reserve funds to reduce the amount potential future debt for the construction of a new annex or courtroom.

## **General Government Functions**

The Commissioners' Court is the governing body of the County. The Texas Constitution specifies that the Court consist of a County Judge, who is elected at large and serves as presiding officer, and four county commissioners elected by the voters of their precinct. The court exercises the powers provided by law to conduct the varied business of the County. The Local Government Code prescribes the duties and grants authority to the Commissioners' Court and other County Officers relating to financial management. In compliance with state statutes, the Commissioners' Court maintains budgetary control to ensure that provisions embodied within the annually appropriated budget are met for most County functions. According to the budget laws of the State of Texas, expenditures may not exceed the amount appropriated for each fund.

## **The Budget Process**

The County Judge serves as the budget officer and, along with the County Auditor, prepares an annual budget for presentation and approval by the Commissioners' Court. Departments submit budget requests for budget revisions and amendments to the County Judge, who shall review for conformity to statutes, appropriateness within the scope of budget objectives, making recommendations to the Commissioners' Court as required. The Commissioners' Court maintains sole authority for revising or amending the budget.

Notices and budget request forms are distributed to elected officials and department heads, who are responsible for preparing a departmental budget request and submitting the same to the County Judge, along with supporting documentation.

The County Auditor estimates historical revenues and beginning balances in conjunction with information obtained from various County Offices. The County Judge compiles and analyzes budget requests and estimated revenues, conducting budget review meetings with departments and the County Auditor.

A preliminary budget is submitted to Commissioners' Court and budget workshops are held with individual departments, as requested. A proposed budget is filed with the County Clerk for public inspections and a tax rate is proposed to support that budget, based upon the Tax Appraiser's publication of the "effective tax rate."

Notices of the proposed tax rate are published in the local newspaper and public hearings are held to receive comments on the proposed budget and on the proposed tax rate. Changes warranted by law and required in the interest of the taxpayer are made, the budget is adopted, and a tax rate is set. The approved budget is filed with the County Clerk and the County Auditor.

The County Auditor monitors expenditures of the various departments to prevent expenditures from exceeding budget appropriations and sends a weekly financial report to Commissioners' Court. The County Auditor also posts the weekly report on the County website. Expenditures are recorded based on service date, thus expenditures are clearly identified with each particular year.

## **Internal Control Structure**

The County's accounting records for general government operations are maintained and the financial statements are presented on a modified accrual basis. The financial operating controls are shared by the Commissioners' Court, which is the governing body, and the County Auditor who is appointed by the District Judges.

The County Auditor has the basic responsibility for maintaining the records of all financial transactions of the County and examining, auditing, and approving all disbursements from County funds prior to submission to Commissioners' Court for payment.

The Commissioners' Court sets the tax rate, 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. In developing the County's accounting systems, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of the financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived there from, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The County's internal accounting controls are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## **OTHER INFORMATION**

### **Independent Audit**

The County requires an annual audit of the general ledger, financial records, and transactions of all departments of the County by an independent certified public accountant. For this purpose, the accounting firm of Pattillo, Brown & Hill, LLP, was selected by Commissioners' Court as the County's auditor. Their opinion letter on the financial statements is included in the financial section of this report.

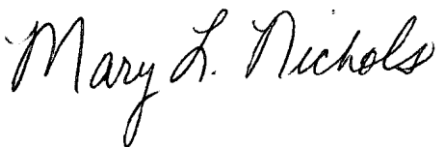
### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting if an entity submits their CAFR for review. Grimes County submitted the 2016 CAFR for review, and was awarded the Certificate of Achievement for Excellence in Financial Reporting for the eighth consecutive year.

### **Acknowledgements**

The preparation of this report was accomplished with the efficient and dedicated services of the entire staff of the County Auditor's Office. We would like to express our appreciation to all members of the departments who assisted and contributed to its preparation. We would also like to thank the County Judge, members of the Commissioners' Court, and the department heads for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink that reads "Mary L. Nichols". The signature is written in a cursive, flowing style.

Mary L. Nichols  
County Auditor



Government Finance Officers Association

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

Presented to

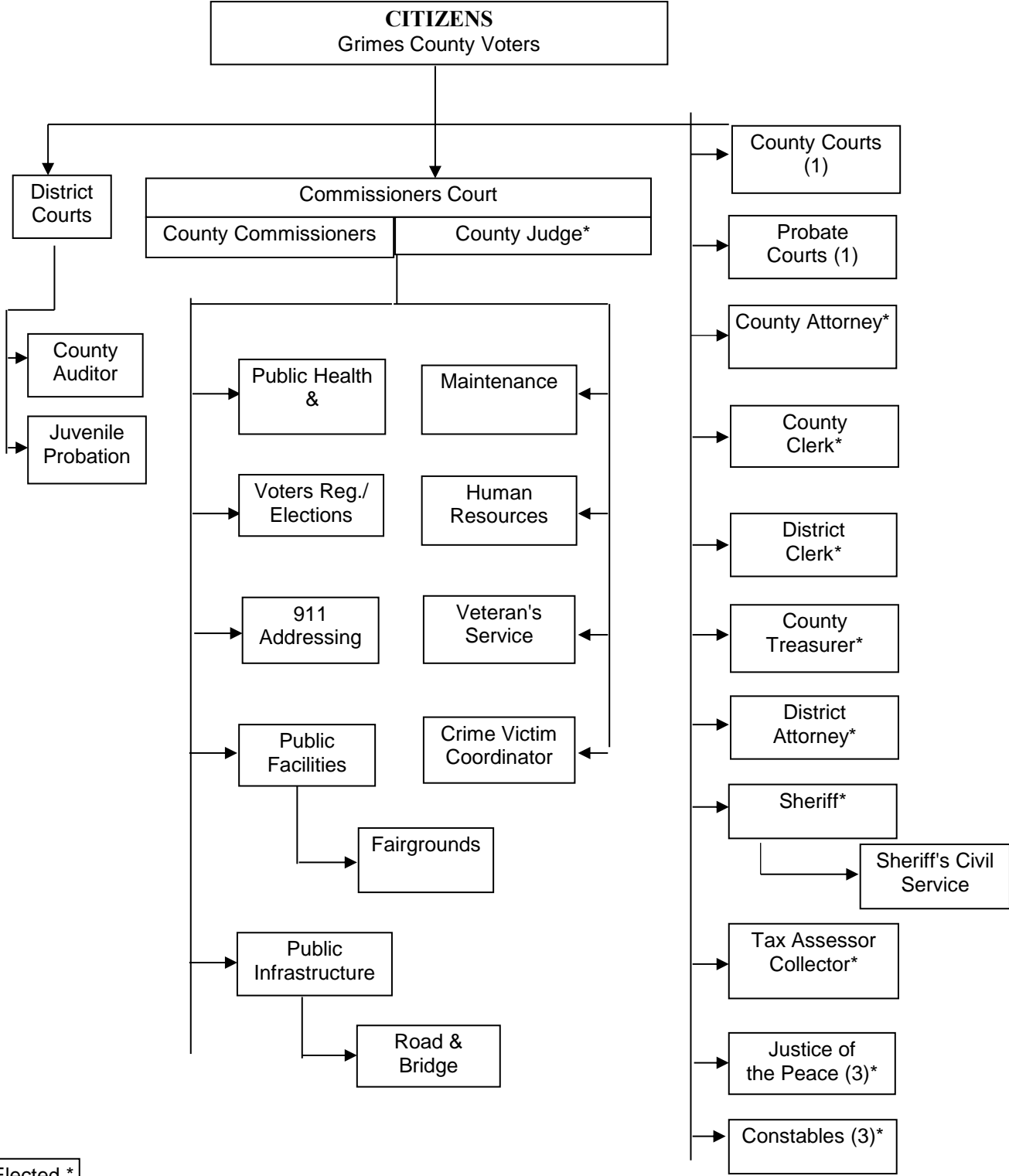
**Grimes County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2016**

Executive Director/CEO

# GRIMES COUNTY ORGANIZATIONAL CHART



Elected \*

# GRIMES COUNTY, TEXAS

## LIST OF ELECTED AND APPOINTED OFFICIALS

SEPTEMBER 30, 2017



### COMMISSIONERS COURT

Chad Mallet	Commissioner, Precinct #1
David Dobyanski	Commissioner, Precinct #2
Barbara Walker	Commissioner, Precinct #3
Gary Husfeld	Commissioner, Precinct #4

### JUDICIAL

Tuck Moody McLain	District Attorney
Diane Leflore	District Clerk

### COUNTY COURT

Ben Leman	County Judge
David Pasket	County Clerk

### JUSTICE COURTS

Christopher Acord	Justice of the Peace, Precinct #1
Lester Underwood	Justice of the Peace, Precinct #2
John LeFlore	Justice of the Peace, Precinct #3

### LAW ENFORCEMENT

Don Sowell	County Sheriff
Dale Schaper	Constable, Precinct #1
Blake Jarvis	Constable, Precinct #2
Wesley Male	Constable, Precinct #3

### FINANCIAL ADMINISTRATION

MaryAnn Waters	Tax Assessor-Collector
Janice A. Trant	County Treasurer
Mary L. Nichols	County Auditor**

\*\*Designated Appointed Official. All others are elected.

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# **FINANCIAL SECTION**

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PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge  
and Commissioners' Court of Grimes County  
Anderson, 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 Grimes County, Texas (the "County"), as of and for the year ended September 30, 2017, 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 the County, as of September 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules and OPEB schedule of funding progress on pages 4–10 and 39–46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are 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 29, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
March 29, 2018

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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## Management's Discussion and Analysis

As management of the Grimes County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in introductory section of this report.

### FINANCIAL HIGHLIGHTS

- As of September 30, 2017, the County governmental funds reported combined fund balances of \$23,625,424. This reflects an increase of \$2,483,122 from the previous fiscal year. \$16,125,357 or 68% of the combined fund balances at September 30, 2017 is available to meet the County's current and future needs (unassigned fund balances).
- The County's total net position increased \$3,433,925 from the previous fiscal year.
- The total government-wide assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources by \$59,441,029 (net position) at September 30, 2017. Of this amount, \$20,350,876 represents unrestricted net position. This is comparable to the total net position of \$56,007,104 at September 30, 2016.
- At the end of the fiscal year, the unrestricted fund balance (the total of the assigned and unassigned components of fund balance) for the County's General Fund was \$17,230,439 or 140% of the General Fund's total expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The statement of net position presents financial information on all of the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public facilities, judicial, public safety, health and welfare, public transportation, and legal.

The government-wide financial statements can be found following the MD&A.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *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 assessing a government's near-term financing requirements.

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

The County maintains 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Road and Bridge Fund, which are considered to be major funds. Data from the other 30 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found following the government-wide financial statements of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the County's own programs.

The County maintains one type of fiduciary funds, agency funds. The *Agency funds* report resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found following the governmental fund financial statements of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 – 38 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County’s compliance with the budget for the General and Road and Bridge Funds, pension schedules and progress in funding its obligation to provide OPEB benefits to its employees. Required supplementary information can be found following the notes to the financial statements of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgetary compliance, and pensions and OPEB. Combining and individual fund statements and schedules can be found following *required supplementary information* of this report.

## GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve 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 \$59,441,029, at the close of the most recent fiscal year.

### County’s Net Position

	Governmental Activities	
	2017	2016
Current and other assets	\$ 27,962,387	\$ 25,444,300
Capital assets	33,987,720	33,012,123
Total assets	<u>61,950,107</u>	<u>58,456,423</u>
Deferred outflows of resources	<u>1,836,156</u>	<u>2,220,417</u>
Long-term liabilities	2,123,093	1,983,248
Other liabilities	2,083,296	2,497,036
Total liabilities	<u>4,206,389</u>	<u>4,480,284</u>
Deferred inflows of resources	<u>138,845</u>	<u>189,452</u>
Net position:		
Net investment		
in capital assets	33,975,244	32,976,123
Restricted	5,114,909	4,961,066
Unrestricted	<u>20,350,876</u>	<u>18,069,915</u>
Total net position	<u>\$ 59,441,029</u>	<u>\$ 56,007,104</u>

By far, the largest portion of the County’s net position (57%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County’s investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County’s net position (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$20,350,876 is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors.

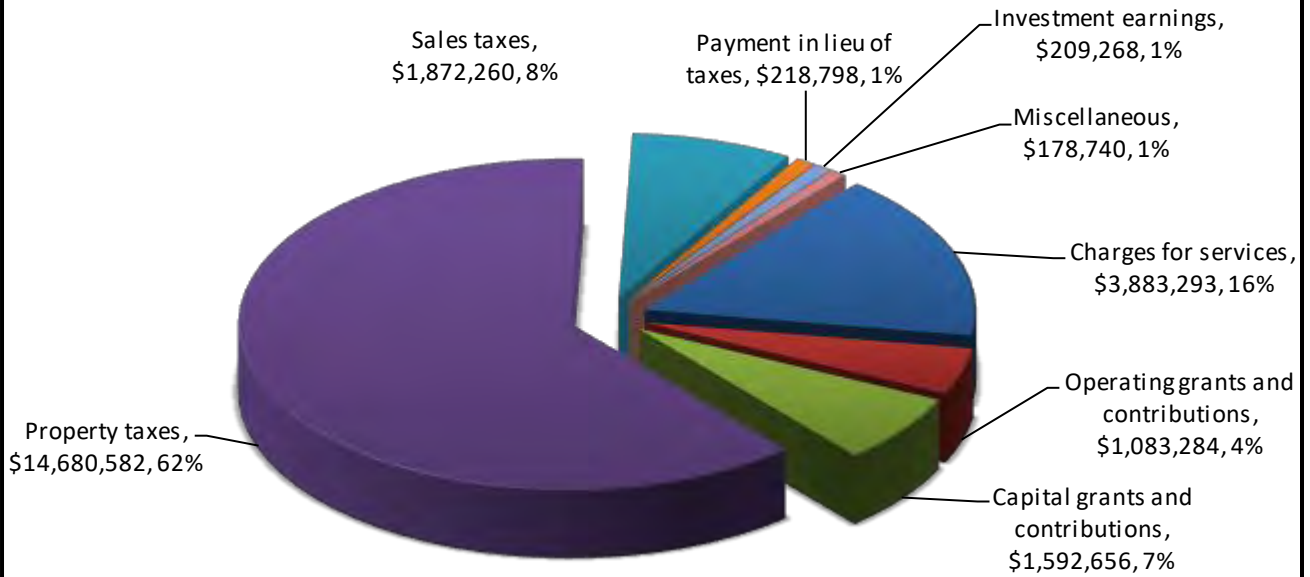
At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net position. The same situation held true for the prior fiscal year. However, the County’s overall net position increased \$3,433,925 from the prior fiscal year as result of current year activity. The reasons for the increase in net position that resulted from current year activity are discussed in the following sections for governmental activities.

### County’s Changes in Net Position

	Governmental Activities	
	2017	2016
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 3,883,293	\$ 3,132,906
Operating grants and contributions	1,083,284	944,011
Capital grants and contributions	1,592,656	-
General revenues:		
Property taxes	14,680,582	14,571,562
Sales taxes	1,872,260	1,283,325
Payment in lieu of taxes	218,798	303,397
Investment earnings	209,268	94,045
Miscellaneous	178,740	125,545
Total Revenues	23,718,881	20,454,791
<b>EXPENSES</b>		
General government	4,246,702	4,200,516
Public facilities	632,910	430,935
Judicial	1,859,734	1,876,663
Public safety	5,463,799	5,051,160
Health and welfare	351,334	373,535
Public transportation	6,961,017	7,279,323
Legal	769,454	743,575
Interest on long-term debt	6	2,354
Total Expenses	20,284,956	19,958,061
<b>CHANGE IN NET POSITION</b>	3,433,925	496,730
<b>NET POSITION, BEGINNING</b>	56,007,104	55,510,374
<b>NET POSITION, ENDING</b>	\$ 59,441,029	\$ 56,007,104

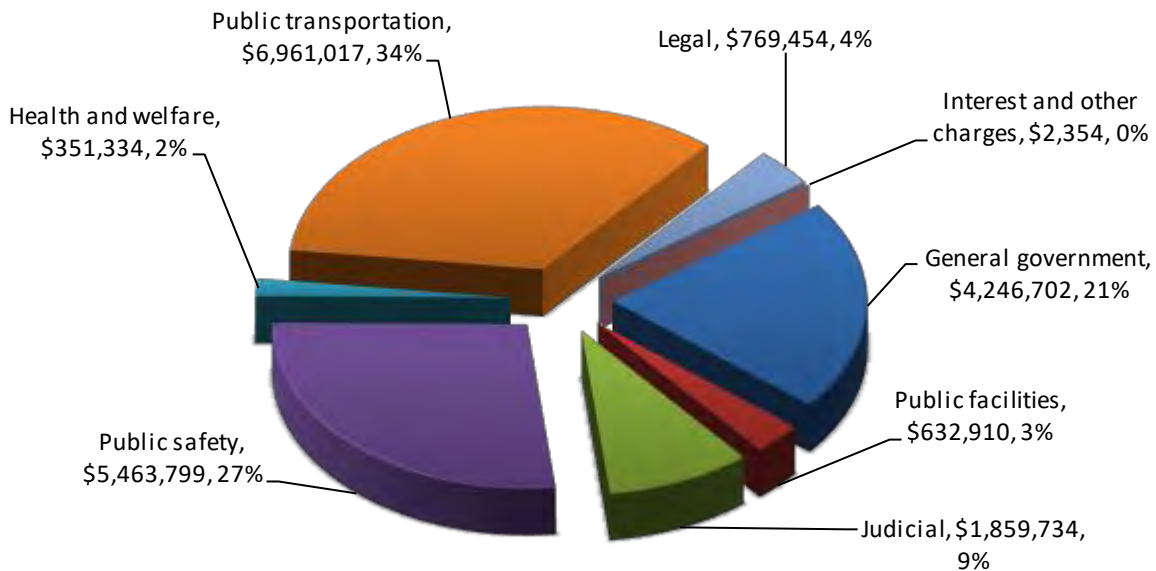
Graphic presentations of selected revenues and expenses provide a visual analysis of the County’s activities.

## Governmental Revenues



Total governmental revenues increased by \$3,264,090 in comparison to the prior year. Capital grants and contributions increased \$1,592,656. This increase is a result of construction performed by TxDOT on County owned bridges.

## Governmental Expenses



Total governmental expenses increased as compared to the prior year \$326,895, or 2%. This is primarily due to an increase in road projects by the Road and Bridge Department during the year.

## **FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County's Commissioners' Court.

The County's governmental funds reflect a combined fund balance of \$23,625,424. Of the total governmental fund balance \$4,802,479 is restricted for various purposes, \$2,546,684 is assigned, and \$16,125,357 is unassigned.

The General Fund is the chief operating fund of the County. At the current fiscal year, unassigned fund balance of the General Fund was \$16,127,332. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 131% of total General Fund expenditures. The fund balance of the County's General Fund reported an increase of \$2,099,471 due to revenue for property taxes and expending less than budgeted.

The Road and Bridge Fund reported an increase of \$176,250 due to the County receiving more in FEMA revenue in the Road and Bridge Fund, and expending less than budgeted.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual General Fund revenues exceeded the budget by \$1,655,244 during the year. Both current and delinquent property tax collections surpassed the amount anticipated by the County, while payment in lieu of taxes revenue was significantly less than budgeted.

General Fund expenditures were less than the final budget by \$1,103,049 as a result of a County-wide effort to keep expenditures at or below budget. The general administration, judicial, and public safety departments reported significantly less expenditures than budgeted.

During the 2017 year, the Commissioners' Court amended the budget for the following purposes:

- To appropriate monies from other governmental units received in year 2017.
- To re-appropriate monies within or between departments; and
- To reflect department year-end projections.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At the end of the year, the County's governmental activities had invested \$33,987,720 in a variety of capital assets, net of depreciation. This investment in capital assets includes land, buildings, machinery, equipment, roads and bridges. The total decrease in net capital assets for the current fiscal year was \$975,597. This change was primarily related to current year depreciation, which was offset by additions to capital assets.

Major capital asset events during the year include a 2017 track loader, 2016 tractor and excavator, a 2013 Volvo Motograder and 4 new pick-ups for the Road and Bridge Department. The Sheriff's Office acquired 4 new Dodge Chargers, a van and a trailer. The County also completed the Courthouse Security Project which included cameras, metal detectors and identification card system as well as a full time security officer.

Additional information on the County's capital assets can be found in the notes to the financial statements on page 27 of this report.

**Long-term Debt.** At the end of the year, the County reported total certificates of obligation of \$12,000.

Additional information on the County's long-term debt can be found in the notes to the financial statements on page 27 of this report.

## **ECONOMIC FACTORS**

The unemployment rate for Grimes County was 4.7% in 2017, a significant decrease from the 6.7% in 2016. The Commissioner's Court adopted the fiscal year 2018 budget in September 2017 and the available General Fund Balance was \$15,247,695, of which \$14,000 was restricted. The total Road and Bridge fund balance was \$2,336,483, of which \$480,086 was committed. Total unassigned fund balance for both General and Road and Bridge funds was \$15,592,989. The property tax rate for fiscal year 2018 is \$0.530261 per \$100 valuation, which remains the same since fiscal year 2012. The County continues to maintain an estimated collection rate of 98%.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to the County Auditor's Office, 114 West Buffington, P.O. Box 510, Anderson, Texas 77830.

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**BASIC  
FINANCIAL STATEMENTS**

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# GRIMES COUNTY, TEXAS

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 25,019,571
Receivables, net:	
Property taxes	1,992,144
Accounts	414,220
Due from other governments	384,597
Prepaid items	151,855
Capital assets:	
Non-depreciable	345,379
Depreciable, net of accumulated depreciation	<u>33,642,341</u>
Total assets	<u>61,950,107</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>1,836,156</u>
Total deferred outflows of resources	<u>1,836,156</u>
<b>LIABILITIES</b>	
Accounts payable	1,386,156
Accrued liabilities	412,867
Due to other governments	268,641
Unearned revenue	15,156
Noncurrent liabilities:	
Due within one year	58,766
Due in more than one year	<u>2,064,327</u>
Total liabilities	<u>4,206,389</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	<u>138,845</u>
Total deferred inflows of resources	<u>138,845</u>
<b>NET POSITION</b>	
Net investment in capital assets	33,975,244
Restricted for:	
Road and bridge	2,819,517
Judicial	713,437
Public safety	449,818
Records management	419,665
Social services	111,221
Historical preservation	27,303
Debt service	573,948
Unrestricted	<u>20,350,876</u>
Total net position	<u>\$ 59,441,029</u>

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

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# GRIMES COUNTY, TEXAS

## STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 4,246,702	\$ 1,860,230	\$ 167,641	\$ -	\$( 2,218,831)
Public facilities	632,910	66,990	-	-	( 565,920)
Judicial	1,859,734	567,163	104,574	-	( 1,187,997)
Public safety	5,463,799	78,043	603,030	-	( 4,782,726)
Health and welfare	351,334	-	-	-	( 351,334)
Public transportation	6,961,017	1,271,826	208,039	1,592,656	( 3,888,496)
Legal	769,454	39,041	-	-	( 730,413)
Interest and other charges	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 6)</u>
Total governmental activities	<u>\$ 20,284,956</u>	<u>\$ 3,883,293</u>	<u>\$ 1,083,284</u>	<u>\$ 1,592,656</u>	<u>( 13,725,723)</u>
General revenues:					
Taxes:					
Property taxes					14,680,582
Sales taxes					1,872,260
Payment in lieu of taxes					218,798
Investment earnings					209,268
Miscellaneous					<u>178,740</u>
Total general revenues					<u>17,159,648</u>
Change in net position					<u>3,433,925</u>
Net position, beginning					<u>56,007,104</u>
Net position, ending					<u>\$ 59,441,029</u>

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

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**GRIMES COUNTY, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2017**

	General	Road and Bridge	Nonmajor Governmental	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 17,832,851	\$ 3,405,455	\$ 3,781,265	\$ 25,019,571
Receivables, net of allowances for uncollectibles:				
Taxes	1,693,014	297,374	1,756	1,992,144
Accounts	413,538	-	682	414,220
Due from other governments	61,708	225,297	97,592	384,597
Due from other funds	49,203	-	-	49,203
Prepaid items	116,997	31,387	3,471	151,855
Total assets	<u>20,167,311</u>	<u>3,959,513</u>	<u>3,884,766</u>	<u>28,011,590</u>
<b>LIABILITIES</b>				
Accounts payable	526,918	832,165	27,073	1,386,156
Accrued liabilities	275,111	81,434	56,322	412,867
Due to other governments	268,641	-	-	268,641
Due to other funds	-	-	49,203	49,203
Unearned revenue	-	-	15,156	15,156
Total liabilities	<u>1,070,670</u>	<u>913,599</u>	<u>147,754</u>	<u>2,132,023</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	1,337,825	277,884	1,757	1,617,466
Unavailable revenue - court fines and fees	411,380	-	-	411,380
Unavailable revenue - grants	-	225,297	-	225,297
Total deferred inflows of resources	<u>1,749,205</u>	<u>503,181</u>	<u>1,757</u>	<u>2,254,143</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	116,997	31,387	2,520	150,904
Restricted for:				
Road and bridge	-	2,511,346	-	2,511,346
Judicial	-	-	713,437	713,437
Public safety	-	-	448,948	448,948
Records management	-	-	419,665	419,665
Social services	-	-	109,571	109,571
Historical preservation	-	-	27,303	27,303
Debt service	-	-	572,209	572,209
Assigned for:				
Capital murder trial	1,103,107	-	-	1,103,107
Capital projects	-	-	1,443,577	1,443,577
Unassigned	16,127,332	-	( 1,975)	16,125,357
Total fund balances	<u>17,347,436</u>	<u>2,542,733</u>	<u>3,735,255</u>	<u>23,625,424</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,167,311</u>	<u>\$ 3,959,513</u>	<u>\$ 3,884,766</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 33,987,720

The net pension liability and deferred outflows and inflows related to pensions are not an available resource or due and payable in the current period, therefore, are not reported in the funds. 336,814

Certain deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds. 2,254,143

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. ( 763,072)

Net position of governmental activities \$ 59,441,029

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

**GRIMES COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	General	Road and Bridge	Nonmajor Governmental	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ 10,356,481	\$ 3,955,163	\$ 1,158	\$ 14,312,802
Sales	1,872,260	-	-	1,872,260
Payment in lieu of taxes	218,798	-	-	218,798
Intergovernmental	219,433	207,039	629,496	1,055,968
Fees of office	1,288,957	-	309,254	1,598,211
Fines and forfeitures	265,773	85,001	-	350,774
Investment earnings	209,174	-	94	209,268
Charges for services	-	1,271,826	4,812	1,276,638
Hospital lease and rentals	598,114	-	-	598,114
Miscellaneous revenue	150,068	37,440	7,484	194,992
Total revenues	15,179,058	5,556,469	952,298	21,687,825
<b>EXPENDITURES</b>				
Current:				
General government	3,971,812	-	102,861	4,074,673
Public facilities	161,380	-	435,911	597,291
Judicial	1,649,466	-	50,755	1,700,221
Public safety	4,582,703	-	339,409	4,922,112
Health and welfare	326,848	-	-	326,848
Public transportation	381,723	5,317,362	9,440	5,708,525
Legal	725,298	-	7,801	733,099
Debt service:				
Principal	-	-	24,000	24,000
Interest and other charges	-	-	1,434	1,434
Capital outlay	529,595	554,810	32,095	1,116,500
Total expenditures	12,328,825	5,872,172	1,003,706	19,204,703
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,850,233</b>	<b>( 315,703)</b>	<b>( 51,408)</b>	<b>2,483,122</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	231,309	721,344	260,727	1,213,380
Transfers out	( 982,071)	( 229,391)	( 1,918)	( 1,213,380)
Total other financing sources and uses	( 750,762)	491,953	258,809	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,099,471</b>	<b>176,250</b>	<b>207,401</b>	<b>2,483,122</b>
<b>FUND BALANCES, BEGINNING</b>	<b>15,247,965</b>	<b>2,366,483</b>	<b>3,527,854</b>	<b>21,142,302</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 17,347,436</b>	<b>\$ 2,542,733</b>	<b>\$ 3,735,255</b>	<b>\$ 23,625,424</b>

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

## GRIMES COUNTY, TEXAS

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Net change in fund balances - total governmental funds: \$ 2,483,122

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlay	3,341,128
Depreciation	( 2,365,531)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.

Property taxes	367,780
Court fines	14,346
Grants	64,714

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.

Principal payment	24,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Interest	1,865
Pension cost	( 352,583)
Other postemployment benefits obligation cost	( 152,869)
Compensated absences	<u>7,953</u>

Change in net position of governmental activities \$ 3,433,925

**GRIMES COUNTY, TEXAS**

**STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**SEPTEMBER 30, 2017**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ <u>4,459,410</u>
Total assets	\$ <u><u>4,459,410</u></u>
<b>LIABILITIES</b>	
Due to others	\$ <u>4,459,410</u>
Total liabilities	\$ <u><u>4,459,410</u></u>

## GRIMES COUNTY, TEXAS

### NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

Grimes County, Texas (the "County") is an independent government entity created by an act of the Texas Legislature. The County is governed by a Commissioners' Court, composed of four County Commissioners and the County Judge, all of which are elected officials.

The County's financial statements include the accounts of all County operations. The County provides a vast array of services including financial administration, judicial, health and welfare, public facilities and transportation, general administration, public safety, elections and voters' administration, and legal.

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

##### B. Basis of Presentation - Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

The fund financial statements provide information about the government's funds, including its fiduciary. Separate statements for each fund category—governmental, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds

**General Fund** – This fund is the County's primary operating fund used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general administration, financial administration, public facilities, elections, judicial, public safety, health and welfare, public transportation, and legal.

**Road and Bridge Fund** – This fund is used to account for revenues of property taxes levied and vehicle registration fees for the Road and Bridge Fund. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in this fund.

Additionally, the County reports the following fund type:

**Agency Funds** – These funds are custodial in nature. These funds are used to account for assets that the County holds for others in an agency capacity. These resources include funds for individuals in accordance with court decrees by the County or District Clerk, District Attorney, Justices of the Peace, Sheriff's Office, Tax Office, and the Juvenile Probation Office within the County, and the State of Texas.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities.

### **C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

**Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans). All outstanding balances between funds are reported as "due to/from other funds." Receivables are reported net of an allowance for uncollectible amounts.

**Property Taxes**

Property taxes are levied on October 1, on property values assessed as of January. Property taxes attach an enforceable lien on property as of February 1. Taxes are due on October 1, and full payment can be made prior to February 1, to avoid penalty and charges.

The Grimes County Appraisal District bills and collects taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, 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.

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value, and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

## Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures when purchased.

## Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Infrastructure	20 - 45 years
Buildings	20 - 30 years
Machinery and equipment	5 - 10 years

## 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 has the following items that qualify for reporting in this category:

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Changes in actuarial assumptions – The changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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 two types of items that qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

### **Compensated Employee Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation. Vacation that is expected to be liquidated with expendable, available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations. Accrued vacation is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirement.

### **Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. The long-term debt consists primarily of certificates of obligation, net OPEB obligation and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. However, claims and judgments and compensated absences paid from governmental funds are reported as liabilities in the fund financial statements only for the portion that is due and payable at year-end.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the General Fund. Lease payments representing both principal and interest are recorded as expenditures in the General Fund upon payment, with an appropriate reduction of principal recorded in the government-wide financial statements.

## **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **Fund Balance**

Fund balances of governmental funds are classified as follows:

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

**Restricted** – represents amounts that are constrained by external parties, constitutional provisions, or by enabling legislation.

**Committed** – represents amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority. Commissioners' Court is the highest level of decision-making authority for the County that can, by court resolution prior to the end of the fiscal year, commit fund balance. To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.

**Assigned** – amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners Court has by resolution authorized the County Auditor and County Judge to assign fund balance. The Commissioners Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Unassigned** – represents amounts that are available for any purpose. Positive amounts are reported only in the General Fund. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed, then assigned funds, and finally unassigned funds. 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.

### **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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on the GAAP basis of accounting for the General Fund, certain Special Revenue Funds, and the Debt Service Fund. Project-length budgets are adopted for Capital Projects Funds. All annual appropriations lapse at fiscal year-end. The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. The legal level of control is the department level in the General Fund and Road and Bridge Fund and fund level for all other funds. The following Special Revenue Funds did not have an adopted budget: Graffiti Eradication, Election Services Contract, District Attorney Special, Victims of Crime, and CDBG Disaster Funds.

At year-end, expenditures exceeded appropriations in the Public Transportation department (the legal level of budgetary control) of the general fund by \$817. This overage was funded with existing fund balance. Expenditure exceeded appropriations in public safety of the LEOSE education fund by \$35. This overage was funded with existing fund balance.

As of year-end, the Election Services Contract Fund and Victims of Crime Fund had a deficit fund balance of \$1,353 and \$622, respectively. The deficit fund balance is expected to be funded with local funds.

### III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

#### A. Deposits

*Interest Rate Risk.* In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

*Credit Risk.* State law and the County's investment policy limits investments to obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. Further, commercial paper must be rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies.

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2017, pledged securities that are in the County's name and FDIC insurance exceeded bank balances.

#### B. Receivables

Amounts are aggregated in taxes and accounts receivable (net of allowance for uncollectible accounts) line items for certain funds and aggregated columns. Below is the detail of receivables including the applicable allowances for uncollectible accounts.

	<u>General</u>	<u>Road and Bridge</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Taxes	\$ 2,288,940	\$ 425,111	\$ 2,511	\$ 2,716,562
Court fines	2,056,903	-	-	2,056,903
Other	2,158	-	682	2,840
Gross receivables	4,348,001	425,111	3,193	4,776,305
Allowance for uncollectible	( 2,241,449)	( 127,737)	( 755)	( 2,369,941)
Net receivables	<u>\$ 2,106,552</u>	<u>\$ 297,374</u>	<u>\$ 2,438</u>	<u>\$ 2,406,364</u>

### C. Capital Assets

Capital assets activity for the year ended September 30, 2017, was as follows:

	Balance Beginning	Increases	Decreases/ Reclassifications	Balance Ending
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 345,379	\$ -	\$ -	\$ 345,379
Total capital assets not being depreciated	<u>345,379</u>	<u>-</u>	<u>-</u>	<u>345,379</u>
Capital assets being depreciated:				
Buildings and improvements	11,968,560	-	-	11,968,560
Machinery and equipment	8,044,875	985,883	( 314,588)	8,716,170
Infrastructure	<u>37,501,751</u>	<u>2,355,245</u>	<u>-</u>	<u>39,856,996</u>
Total capital assets being depreciated	<u>57,515,186</u>	<u>3,341,128</u>	<u>( 314,588)</u>	<u>60,541,726</u>
Less: accumulated depreciation for:				
Buildings and improvements	( 8,226,481)	( 300,614)	-	( 8,527,095)
Machinery and equipment	( 5,175,652)	( 762,198)	314,588	( 5,623,262)
Infrastructure	<u>( 11,446,309)</u>	<u>( 1,302,719)</u>	<u>-</u>	<u>( 12,749,028)</u>
Total accumulated depreciation	<u>( 24,848,442)</u>	<u>( 2,365,531)</u>	<u>314,588</u>	<u>( 26,899,385)</u>
Total capital assets being depreciated, net	<u>32,666,744</u>	<u>975,597</u>	<u>-</u>	<u>33,642,341</u>
Governmental activities, capital assets, net	<u>\$ 33,012,123</u>	<u>\$ 975,597</u>	<u>\$ -</u>	<u>\$ 33,987,720</u>

Depreciation was charged to governmental activities of the County as follows:

General government	\$ 84,270
Public facilities	25,524
Judicial	100,875
Public safety	366,826
Health and welfare	16,542
Public transportation	1,766,909
Legal	<u>4,585</u>
Total depreciation expense - governmental activities	<u>\$ 2,365,531</u>

**D. Long-term Debt**

The County issues certificates of obligations and capital lease obligations to provide funds for the acquisition or construction of major capital facilities. These issues are direct obligations and pledge the full faith and credit of the County.

Changes in the County's long-term liabilities for the year ended September 30, 2017, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Certificates of obligation	\$ 36,000	\$ -	\$ 24,000	\$ 12,000	\$ 12,000
Compensated absences	195,016	223,806	231,759	187,063	46,766
Net pension obligation	1,341,568	561,301	542,372	1,360,497	-
Net OPEB obligation	<u>410,664</u>	<u>178,460</u>	<u>25,591</u>	<u>563,533</u>	<u>-</u>
Total governmental activities	<u>\$ 1,983,248</u>	<u>\$ 963,567</u>	<u>\$ 823,722</u>	<u>\$ 2,123,093</u>	<u>\$ 58,766</u>

Compensated absences, net pension liability and OPEB obligation are generally liquidated by the General Fund.

Certificates of obligation outstanding at September 30, 2017, are as follows:

	<u>Percentage Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>
Certificates of Obligation:			
2001 Certificates of Obligation	4.00%	\$ 150,000	\$ 6,000
2002 Certificates of Obligation	4.00%	150,000	<u>6,000</u>
Total Certificates of Obligation			<u>\$ 12,000</u>

The debt service requirements for the County are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities Certificates of Obligation</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ <u>12,000</u>	\$ <u>480</u>
Total	<u>\$ 12,000</u>	<u>\$ 480</u>

**E. Interfund Receivables and Payables**

The composition of interfund balances as of September 30, 2017, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
General	Nonmajor Governmental	\$ 49,203

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

**F. Interfund Transfers**

The composition of interfund transfers for the year ended September 30, 2017, is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amounts</u>
General	Road & Bridge	\$ 229,391
General	Nonmajor governmental	1,918
Road & Bridge	General	721,344
Nonmajor Governmental	General	<u>260,727</u>
		<u>\$ 1,213,380</u>

Transfers were primarily utilized to move unrestricted General Fund revenues to finance various programs that must be accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs and governmental expenditures.

**IV. OTHER INFORMATION**

**A. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates, along with other entities, in the Texas Association of Counties Workers' Compensation Self-Insurance Fund. The Texas Association of Counties created this pool to insure the County for workers' compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the Texas Association of Counties Insurance Trust Fund. This pool purchases commercial insurance at group rates for participants in the pool. The County has no additional risk or responsibility to either of the pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

The County reports liabilities when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payout and other economic and social factors. The liability for claims and judgments is reported in the government-wide financial statements because it is not expected to be liquidated with expendable, available financial resources. However, none are reported at September 30, 2017.

## **B. Contingent Liabilities**

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

The County periodically is a defendant in various lawsuits. As of September 30, 2017, after consultation with the County's attorney, the County is not aware of any pending or threatened litigation which would have a material effect on the financial statements.

## **C. Tax Abatement**

The County enters into economic development agreements designed to promote development and redevelopment within the County, stimulate commercial activity, enhance the property tax base and economic vitality of the County. This program reduces the assessed property values as authorized under Chapter 381 of the Texas Local Government Code.

The County has entered into various agreements that reduce property taxes. Agreements for a reduction of taxable values call for a reduction of 20% to 100% for 5 to 10 years. Each developer requires a monetary commitment and a minimum employment requirement. For fiscal year 2017, the County rebated \$283,171 in property taxes.

## **D. Defined Benefit Pension Plan**

**Plan Description.** The County participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCERS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCERS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

**Benefits Provided.** TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 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 are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. By law, employee accounts earn 7% interest. 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.

***Employees covered by benefit terms***

At the December 31, 2016, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	86
Inactive employees entitled to but not yet receiving benefits	109
Active employees	<u>175</u>
	<u>370</u>

**Contributions.** The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 7.59% and 7.58% in calendar years 2016 and 2017, respectively. The County's contributions to TCDRS for the year ended September 30, 2017, were \$529,735, and were equal to the required contributions.

**Net Pension Liability.** The County's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The Total Pension Liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions:

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

The County has no automatic cost-of-living adjustments ("COLA") and one is not considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the County may elect an ad-hoc COLA for its retirees.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	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 setback, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table projected to 2014 and scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and two-year set-forward for females.

The actuarial assumptions that determined the total pension liability as of December 31, 2016, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except for mortality assumptions. Mortality assumptions were updated for the 2015 valuation to reflect projected improvements.

The long-term expected rate of return on pension plan investments is 8.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2017 information for a 7 to 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. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation <sup>(1)</sup></b>	<b>Geometric Real Rate of Return (Expected minus Inflation) <sup>(2)</sup></b>
US Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	4.70%
International Equities - Emerging	MSCI EM Standard (net)	7.00%	5.70%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

<sup>(1)</sup> Target asset allocation adopted at the April 2017 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2017 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

## **Discount Rate**

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

### Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2015	\$ 20,874,340	\$ 19,532,772	\$ 1,341,568
Changes for the year:			
Service cost	838,137	-	838,137
Interest on total pension liability <sup>(1)</sup>	1,694,120	-	1,694,120
Effect of economic/demographic gains or losses	( 16,724)	-	( 16,724)
Refund of contributions	( 73,769)	( 73,769)	-
Benefit payments	( 681,297)	( 681,297)	-
Administrative expenses	-	( 15,723)	15,723
Member contributions	-	467,562	( 467,562)
Net investment income	-	1,438,694	( 1,438,694)
Employer contributions	-	542,372	( 542,372)
Other <sup>(2)</sup>	-	63,699	( 63,699)
Balance at 12/31/2016	<u>\$ 22,634,807</u>	<u>\$ 21,274,310</u>	<u>\$ 1,360,497</u>

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

<sup>(2)</sup> Relates to allocation of system-wide items.

### Sensitivity Analysis

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

	1% Decrease	Current Discount Rate	1% Increase
	7.1%	8.1%	9.1%
Total pension liability	\$ 25,508,146	\$ 22,634,807	\$ 20,242,404
Fiduciary net position	<u>21,274,310</u>	<u>21,274,310</u>	<u>21,274,310</u>
Net pension liability/(asset)	<u>\$ 4,233,836</u>	<u>\$ 1,360,497</u>	<u>\$ ( 1,031,906)</u>

### ***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. The report may be obtained on the Internet at [www.tcdrs.org](http://www.tcdrs.org).

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

For the year ended September 30, 2017, the County recognized pension expense of \$882,319. At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 26,253	\$ 138,845
Changes in actuarial assumptions	120,017	-
Difference between projected and actual investment earnings	1,301,109	-
Contributions subsequent to the measurement date	<u>388,777</u>	-
Total	<u>\$ 1,836,156</u>	<u>\$ 138,845</u>

\$388,777 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended September 30,	
2018	\$ 459,780
2019	433,527
2020	384,130
2021	31,097

## **E. Post Employment Group Term Life Insurance 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](http://www.tcdrs.org). TCDRS' CAFR may also be obtained by writing to the Texas County and District Retirement System, P. O. Box 2034, Austin, Texas 78768-2034.

### **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 September 30, 2017, 2016, and 2015 were \$31,899, \$33,581, and \$31,655, respectively, which equaled the contractually required contributions each year.

## **F. Post-Employment Health Care Plan**

### **Plan Description and Funding Policy**

The County administers a single-employer defined benefit other post-employment benefits (OPEB) plan, known as the Grimes County Retiree Health Care Plan (the "Plan"). The Plan will pay a portion of the premium for continuation of the medical insurance coverage of certain retirees.

In order to be eligible for this benefit, the retiree must be a current recipient of retirement benefits from the TCDRS and be age 60 or older with eight years of service or age plus years of service equals 75 or more with a minimum of eight years of service or any age with 20 years of service; and satisfy the applicable plan requirements for the extension of retiree coverage under the medical insurance benefit plan offered by the County at the time of retirement. Employees that do not qualify for a TCDRS pension have the option of selecting COBRA coverage. This coverage does not extend beyond the age of 64.

Beginning with retirement and ending upon the death of the retiree or cessation of payment for their portion of the medical premium, the County shall pay 30 percent pay of the retiree medical coverage premiums for retirees. To cover their spouses, eligible retirees must pay 100 percent of the cost for their eligible spouse. Eligible retirees shall pay 100 percent of the premiums for dental, vision, and life insurance.

**Annual OPEB Cost**

The County's annual OPEB cost (expense) 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 costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost of the year, the amount actually contributed to the Plan, and the County's net OPEB obligation.

Annual required contribution (ARC)	\$ 186,035
Interest on net OPEB obligation (NPO)	14,373
Adjustment to the ARC	<u>( 21,948)</u>
Annual OPEB cost (AOC)	178,460
Contributions made	<u>( 25,591)</u>
Increase in net OPEB obligation	152,869
Net OPEB obligation, beginning of year	<u>410,664</u>
Net OPEB obligation, end of year	<u>\$ 563,533</u>

The County's annual OPEB cost, amount contributed to the plan, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2015, 2016 and 2017, are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution Made</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 54,192	\$ 13,018	24.02%	\$ 329,422
2016	54,146	13,450	24.84%	410,664
2017	178,460	25,591	14.34%	563,533

## Funded Status and Funding Progress

The funding status of the post-employment health care plan as of October 1, 2016, the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio a/b	Covered Payroll	UAAL as a Percentage of Covered Payroll
2016	\$ -	\$ 1,249,675	\$ 1,249,675	0.0%	\$ 6,565,458	19.03%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan 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 multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## 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 to 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. Significant methods and assumptions were as follows:

Actuarial Cost Method	Projected unit credit
Amortization Method	Level dollar
Remaining Amortization Period	30 years - open
Asset Valuation Method	Not applicable
Investment Rate of Return	3.50%, net of expenses
Inflation Rate	2.00%
Health Care Cost Trend Rate (Initial/Ulimate)	5.0% to age 65 and 3.50% at age 65 and after

## **G. New Accounting Principles**

A significant new accounting standard not yet implemented by the County includes the following.

Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” – This statement changes the focus of accounting of postemployment benefits other than pensions from whether an entity is responsible for funding the benefits over time to a point-in-time liability that is reflected on the employer’s financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the County in fiscal year 2018.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**GRIMES COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 9,311,362	\$ 9,311,362	\$ 10,356,481	\$ 1,045,119
Sales	1,370,677	1,370,677	1,872,260	501,583
Payment in lieu of taxes	303,397	303,397	218,798	( 84,599)
Intergovernmental	181,934	195,535	219,433	23,898
Fees of office	1,240,647	1,258,525	1,288,957	30,432
Fines and forfeitures	227,521	227,521	265,773	38,252
Investment earnings	100,846	100,846	209,174	108,328
Hospital lease and rentals	598,011	598,011	598,114	103
Miscellaneous revenue	91,488	157,940	150,068	( 7,872)
Total revenues	<u>13,425,883</u>	<u>13,523,814</u>	<u>15,179,058</u>	<u>1,655,244</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
County judge	162,025	163,024	154,986	8,038
County clerk	432,262	432,262	368,469	63,793
County coordinator	118,242	113,384	103,612	9,772
Human resources department	108,934	109,709	96,874	12,835
Tax assessor and collector	314,659	312,207	284,955	27,252
County auditor	368,696	369,381	346,487	22,894
County treasurer	176,438	178,891	173,842	5,049
Tax appraisal district	419,340	419,340	411,645	7,695
Voters registration	240,601	236,201	191,719	44,482
Nondepartmental	<u>1,968,155</u>	<u>1,987,471</u>	<u>1,839,223</u>	<u>148,248</u>
Total general government	<u>4,309,352</u>	<u>4,321,870</u>	<u>3,971,812</u>	<u>350,058</u>
Public facilities:				
Historical courthouse	10,114	10,114	9,451	663
Building maintenance	<u>178,279</u>	<u>185,582</u>	<u>151,929</u>	<u>33,653</u>
Total public facilities	<u>188,393</u>	<u>195,696</u>	<u>161,380</u>	<u>34,316</u>
Judicial:				
District court	255,669	255,670	203,096	52,574
County court	92,118	92,622	84,722	7,900
Judicial	322,586	326,066	243,762	82,304
Justice of the peace, precinct 1	167,486	166,986	160,374	6,612
Justice of the peace, precinct 2	172,907	172,907	169,504	3,403
Justice of the peace, precinct 3	214,658	214,658	208,071	6,587
Constable, precinct 1	76,180	81,604	80,736	868
Constable, precinct 2	75,730	75,179	71,637	3,542
Constable, precinct 3	89,683	89,073	80,966	8,107
District clerk	<u>380,613</u>	<u>379,562</u>	<u>346,598</u>	<u>32,964</u>
Total judicial	<u>1,847,630</u>	<u>1,854,327</u>	<u>1,649,466</u>	<u>204,861</u>

**GRIMES COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Public safety:				
Adult probation	\$ 86,476	\$ 79,174	\$ 71,130	\$ 8,044
Fire protection	522,866	522,866	464,695	58,171
Juvenile board	5,062	5,063	5,057	6
Juvenile	134,768	134,768	134,768	-
County sheriff	2,063,341	2,091,959	1,994,440	97,519
Jail	1,823,350	1,817,766	1,734,515	83,251
Department of public safety	4,000	4,000	2,960	1,040
Emergency management	83,959	85,034	80,575	4,459
Crime victims assistance	97,100	98,895	94,563	4,332
Total public safety	<u>4,820,922</u>	<u>4,839,525</u>	<u>4,582,703</u>	<u>256,822</u>
Health and welfare:				
Veterans service officer	19,408	18,858	17,756	1,102
Agriculture extension service	99,202	99,202	91,304	7,898
Indigent health care	98,500	98,500	31,698	66,802
Garbage	187,855	193,259	186,090	7,169
Total health and welfare	<u>404,965</u>	<u>409,819</u>	<u>326,848</u>	<u>82,971</u>
Public transportation:				
Commissioner- precinct 1	83,008	83,008	76,273	6,735
Commissioner- precinct 2	123,993	124,493	136,030	( 11,537)
Commissioner- precinct 3	98,513	99,212	97,018	2,194
Commissioner- precinct 4	74,193	74,193	72,402	1,791
Total public transportation	<u>379,707</u>	<u>380,906</u>	<u>381,723</u>	<u>( 817)</u>
Legal:				
District attorney	500,415	503,199	478,776	24,423
County attorney	208,017	208,137	203,214	4,923
Indigent coordinator	105,750	105,750	43,308	62,442
Total legal	<u>814,182</u>	<u>817,086</u>	<u>725,298</u>	<u>91,788</u>
Capital outlay	<u>535,216</u>	<u>612,645</u>	<u>529,595</u>	<u>83,050</u>
Total capital outlay	<u>535,216</u>	<u>612,645</u>	<u>529,595</u>	<u>83,050</u>
Total expenditures	<u>13,300,367</u>	<u>13,431,874</u>	<u>12,328,825</u>	<u>1,103,049</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>125,516</u>	<u>91,940</u>	<u>2,850,233</u>	<u>2,758,293</u>

**GRIMES COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 231,309	\$ 231,309
Transfers out	( 260,727)	( 260,727)	( 982,071)	( 721,344)
Total other financing sources (uses)	( 260,727)	( 260,727)	( 750,762)	( 490,035)
<b>NET CHANGE IN FUND BALANCES</b>	( 135,211)	( 168,787)	2,099,471	2,268,258
<b>FUND BALANCES, BEGINNING</b>	15,247,965	15,247,965	15,247,965	-
<b>FUND BALANCES, ENDING</b>	\$ 15,112,754	\$ 15,079,178	\$ 17,347,436	\$ 2,268,258

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**ROAD AND BRIDGE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 4,470,684	\$ 4,470,684	\$ 3,955,163	\$( 515,521)
Intergovernmental	-	162,381	207,039	44,658
Fines and forfeitures	70,622	70,622	85,001	14,379
Charges for services	751,644	1,236,663	1,271,826	35,163
Miscellaneous revenue	5,000	117,652	37,440	( 80,212)
Total revenues	<u>5,297,950</u>	<u>6,058,002</u>	<u>5,556,469</u>	<u>( 501,533)</u>
<b>EXPENDITURES</b>				
Current:				
Public transportation				
Road and bridge	4,862,950	5,691,936	5,317,362	374,574
Capital outlay	<u>435,000</u>	<u>556,870</u>	<u>554,810</u>	<u>2,060</u>
Total expenditures	<u>5,297,950</u>	<u>6,248,806</u>	<u>5,872,172</u>	<u>376,634</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>( 190,804)</u>	<u>( 315,703)</u>	<u>( 124,899)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	721,344	721,344
Transfers out	<u>-</u>	<u>-</u>	<u>( 229,391)</u>	<u>( 229,391)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>491,953</u>	<u>491,953</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>( 190,804)</u>	<u>176,250</u>	<u>367,054</u>
<b>FUND BALANCE, BEGINNING</b>	<u>2,366,483</u>	<u>2,366,483</u>	<u>2,366,483</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,366,483</u>	<u>\$ 2,175,679</u>	<u>\$ 2,542,733</u>	<u>\$ 367,054</u>

## GRIMES COUNTY, TEXAS

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

<b>Plan Year Ended December 31</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Total Pension Liability</b>			
Service Cost	\$ 770,103	\$ 783,120	\$ 838,137
Interest total pension liability	1,439,207	1,576,781	1,694,121
Effect of plan changes	-	( 111,124)	-
Effect of assumption changes or inputs	-	240,033	-
Effect of economic/demographic (gains) or losses	105,010	( 252,602)	( 16,724)
Benefit payments/refunds of contributions	( 625,520)	( 747,775)	( 755,066)
Net change in total pension liability	1,688,800	1,488,433	1,760,468
Total pension liability - beginning	<u>17,697,106</u>	<u>19,385,906</u>	<u>20,874,339</u>
Total pension liability - ending (a)	<u>\$ 19,385,906</u>	<u>\$ 20,874,339</u>	<u>\$ 22,634,807</u>
<b>Plan Fiduciary Net Position</b>			
Employer contributions	\$ 483,463	\$ 494,222	\$ 542,372
Member contributions	441,460	418,313	467,562
Investment income net of investment expenses	1,218,178	( 184,150)	1,438,694
Benefit payments refunds of contributions	( 625,520)	( 747,775)	( 755,066)
Administrative expenses	( 14,424)	( 14,051)	( 15,723)
Other	<u>51,215</u>	<u>72,278</u>	<u>63,700</u>
Net change in plan fiduciary net position	1,554,372	38,837	1,741,539
Plan fiduciary net position - beginning	<u>17,939,562</u>	<u>19,493,934</u>	<u>19,532,771</u>
Plan fiduciary net position - ending (b)	<u>\$ 19,493,934</u>	<u>\$ 19,532,771</u>	<u>\$ 21,274,310</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$( 108,028)</u>	<u>\$ 1,341,568</u>	<u>\$ 1,360,497</u>
Fiduciary net position as a percentage of total pension liability	100.56%	93.57%	93.99%
Pensionable covered payroll	\$ 5,924,777	\$ 5,975,906	\$ 6,679,451
Net pension liability (asset) as a percentage of covered payroll	-1.82%	22.45%	20.37%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

<b><u>Fiscal Year Ended September 30</u></b>	<b><u>Actuarially Determined Contribution</u></b>	<b><u>Actual Employer Contribution</u></b>	<b><u>Contribution Deficiency (Excess)</u></b>	<b><u>Pensionable Covered Payroll</u></b>	<b><u>Actual Contribution as a % of Covered Payroll</u></b>
2014	\$ 473,189	\$ 473,189	\$ -	\$ 5,910,702	8.0%
2015	490,310	490,310	-	5,946,907	8.2%
2016	516,579	516,579	-	6,336,081	8.2%
2017	529,735	529,735	-	6,565,458	8.1%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

## GRIMES COUNTY, TEXAS

### NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

#### FOR THE YEAR ENDED SEPTEMBER 30, 2017

<b>Valuation Date</b>	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Entry age
<b>Amortization Method</b>	Level percentage of payroll, closed
<b>Remaining Amortization Period</b>	16.5 years (based on contribution rate calculated in 12/31/2016 valuation)
<b>Asset Valuation Method</b>	5-year smoothed market
<b>Inflation</b>	3.0%
<b>Salary Increases</b>	Varies by age and service. 4.9% average over career including inflation.
<b>Investment Rate of Return</b>	8.0%, net of investment expenses, including inflation
<b>Retirement Age</b>	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
<b>Mortality</b>	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
<b>Changes in Plan Provisions Reflected in the Schedule</b>	2015: No changes in plan provisions 2016: No changes in plan provisions

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF FUNDING PROGRESS  
FOR POST EMPLOYMENT HEALTHCARE BENEFITS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
10/1/2012	\$ -	\$ 325,660	\$ 325,660	- %	\$ 5,181,450	6.29%
10/1/2014	-	411,204	411,204	- %	5,975,906	6.88%
10/1/2016	-	1,249,675	1,249,675	- %	6,565,458	19.03%

**COMBINING  
STATEMENTS AND SCHEDULES**

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

**Game Warden Fund** – To account for the County’s supplement for the Game Warden of Texas Parks & Wildlife.

**Records Management 72 & 73 Legislature Funds** – To account for monies resulting from fees the county, district and justice courts. Funds are to be used for management and preservation.

**Judges Educational Fund** – Management of funding received from the state as a percentage of the fees collected by the county offices.

**Graffiti Eradication Fund** – Management of graffiti eradication fee charges for court cases.

**Appellate Judge System Fund** – Fees are assessed for court cases filed in a county court, county court at law, probate court and district courts.

**County Court Technology** – To account for the receipt and expenditure of County Court Technology fees that are limited to the use of financing technological improvements

**Law Library Fund** – To account for the cost of operating and maintaining a law library for public use Financing is provided through fees charged as part of court costs for civil cases processed through the District and County Courts.

**District Court and JP Technology Funds** – To account for monies collected as fees from anyone convicted of a misdemeanor to be used for technology improvements in the District and Justice of the Peace Courts of the County.

**911 Addressing Fund** – To account for taxes collected from a separate tax levy and user fees generated from telephone customers that are restricted to the operation of a call center to handle the communications between citizens and public safety providers.

**Inmate Indigent Fund** - To account for the county’s costs for providing medical care to indigent county residents

**Fairgrounds Fund** – To account for the operation and maintenance of County recreational facilities.

**Court Reporter Fund-** To account for monies resulting from the court reporter service fee assessed in each civil case filed with the County or District Clerk to maintain a court reporter.

**Courthouse Security Fund** – Monies resulting from fees charged as part of court costs for the purpose of providing security services for buildings house a District, County or Justice Court.

**LEOSE Education Fund** - To account for monies received from the State Comptroller's pro-rata distribution of funds designated for law enforcement officers' education. The monies in this fund are to be used for the continuing education for officers of the Sheriff's Department.

**Alternative Dispute Resolution Fund** – To account for fees charged on each District, County and Justice Court Civil Case filed and expenditures of the Alternative Dispute Resolution Center. These disputes do not require formal court action.

**LEOSE Education Grant Constables Fund** – To account for monies received from the State Comptroller's pro-rata distribution of funds designated for law enforcement officers' education. The monies in this fund are to be used for the continuing education of County Constables.

**Records Management Vital Statistics Fund** – To account for monies collected as fees by the County Clerk for the preservation of vital statistics records maintained by the County Clerk

**Election Services Contract Fund** – To account for the reimbursement of election services provided by the County to other jurisdictions and the related expenditures

**BVAA Senior Meals Fund** – To account for grant monies disbursed and reimbursed relating to planning, development and implementation of a system serving the local senior citizens of Grimes County.

**District Attorney Special Fund** – To account for the operating, forfeiture and collections monies collected and disbursed by the District Attorney's Office.

**Grant COPS School Fund** – To account for grant monies disbursed and reimbursed for school resource officers to carry out law enforcement duties at public schools located within the county.

**Victims of Crime Fund** – To account for grant monies disbursed and reimbursed for County staff to assist victims of crime with the process, and in receiving compensation for expenses incurred in the recovering from criminal activities.

**County Historical Commission** – To account for revenues and expenses for Historical Markers within the County.

**CDBG Disaster** – To account for grant monies disbursed and reimbursed for construction of Water Improvement System.

## **CAPITAL PROJECTS FUNDS**

**Capital Projects Fund** – To account for the acquisition and construction of major capital facilities.

## **DEBT SERVICE FUND**

***Debt Service Fund*** - is used to account for the collection of property tax revenue restricted for debt service payments.

**GRIMES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2017**

	Special Revenue Funds			
	Game Warden	Records Management 72 Legislature	Records Management 73 Legislature	Judges Educational
<b>ASSETS</b>				
Cash and investments	\$ 7,577	\$ 154,671	\$ 26,094	\$ 5,247
Receivables, net:				
Taxes	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>7,577</u>	<u>154,671</u>	<u>26,094</u>	<u>5,247</u>
<b>LIABILITIES</b>				
Accounts payable	35	-	-	-
Accrued liabilities	-	234	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>35</u>	<u>234</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Judicial	-	-	-	5,247
Public safety-police	7,542	-	-	-
Records management	-	154,437	26,094	-
Social services	-	-	-	-
Historical preservation	-	-	-	-
Debt service	-	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>7,542</u>	<u>154,437</u>	<u>26,094</u>	<u>5,247</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,577</u>	<u>\$ 154,671</u>	<u>\$ 26,094</u>	<u>\$ 5,247</u>

Special Revenue Funds

Graffiti Eradication	Appellate Judge System	County Court Technology	Law Library	District Court Technology	JP Technology	911 Addressing	Inmate Indigent
\$ 50	\$ 55,111	\$ 1,888	\$ 78,773	\$ 12,780	\$ 29,060	\$ 73,347	\$ 309,461
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	14,181
-	-	-	-	-	-	870	-
<u>50</u>	<u>55,111</u>	<u>1,888</u>	<u>78,773</u>	<u>12,780</u>	<u>29,060</u>	<u>74,217</u>	<u>323,642</u>
-	-	-	264	-	6,430	775	-
-	-	-	-	-	-	2,600	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	<u>264</u>	<u>-</u>	<u>6,430</u>	<u>3,375</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	870	-
-	55,111	1,888	78,509	12,780	22,630	-	-
50	-	-	-	-	-	69,972	323,642
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>50</u>	<u>55,111</u>	<u>1,888</u>	<u>78,509</u>	<u>12,780</u>	<u>22,630</u>	<u>70,842</u>	<u>323,642</u>
<u>\$ 50</u>	<u>\$ 55,111</u>	<u>\$ 1,888</u>	<u>\$ 78,773</u>	<u>\$ 12,780</u>	<u>\$ 29,060</u>	<u>\$ 74,217</u>	<u>\$ 323,642</u>

**GRIMES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2017**

	Special Revenue Funds			
	Fairgrounds	Court Reporter	Courthouse Security	LEOSE Education
<b>ASSETS</b>				
Cash and investments	\$ 120,633	\$ 60,846	\$ 238,555	\$ 15,954
Receivables, net:				
Taxes	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	<u>1,650</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>122,283</u>	<u>60,846</u>	<u>238,555</u>	<u>15,954</u>
<b>LIABILITIES</b>				
Accounts payable	12,899	-	-	-
Accrued liabilities	1,693	-	8,229	-
Due to other funds	-	-	-	-
Unearned revenue	<u>15,156</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>29,748</u>	<u>-</u>	<u>8,229</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	1,650	-	-	-
Restricted for:				
Judicial	-	60,846	230,326	-
Public safety-police	-	-	-	15,954
Records management	-	-	-	-
Social services	90,885	-	-	-
Historical preservation	-	-	-	-
Debt service	-	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>92,535</u>	<u>60,846</u>	<u>230,326</u>	<u>15,954</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 122,283</u>	<u>\$ 60,846</u>	<u>\$ 238,555</u>	<u>\$ 15,954</u>

Special Revenue Funds

Alternative Dispute Resolution	LEOSE Education Grant Constable 1	LEOSE Education Grant Constable 2	LEOSE Education Grant Constable 3	Records Management Vital Statistics	Election Services Contract	BVAA Senior Meals
\$ 76,246	\$ 5,929	\$ 7,962	\$ 7,647	\$ 239,134	\$ 902	\$ 15,545
-	-	-	-	-	-	-
682	-	-	-	-	-	-
-	-	-	-	-	-	4,971
-	-	-	-	-	-	-
<u>76,928</u>	<u>5,929</u>	<u>7,962</u>	<u>7,647</u>	<u>239,134</u>	<u>902</u>	<u>20,516</u>
-	-	-	-	-	974	807
-	-	-	-	-	1,281	1,023
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,255	1,830
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
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**GRIMES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2017**

	Special Revenue Funds			
	District Attorney Special	Grant COPS School	Victims of Crime	County Historical Commission
<b>ASSETS</b>				
Cash and investments	\$ 169,172	\$ 26,591	\$ -	\$ 27,303
Receivables, net:				
Taxes	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	60,336	-
Prepaid items	-	951	-	-
Total assets	<u>169,172</u>	<u>27,542</u>	<u>60,336</u>	<u>27,303</u>
<b>LIABILITIES</b>				
Accounts payable	-	452	1,412	-
Accrued liabilities	-	16,840	24,422	-
Due to other funds	-	-	35,124	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>17,292</u>	<u>60,958</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Judicial	169,172	-	-	-
Public safety-police	-	10,250	-	-
Records management	-	-	-	-
Social services	-	-	-	-
Historical preservation	-	-	-	27,303
Debt service	-	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Unassigned	-	-	( 622)	-
Total fund balances	<u>169,172</u>	<u>10,250</u>	<u>( 622)</u>	<u>27,303</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 169,172</u>	<u>\$ 27,542</u>	<u>\$ 60,336</u>	<u>\$ 27,303</u>

Special Revenue Funds			Total Nonmajor Governmental Funds
CDBG Disaster	Capital Projects	Debt Service	
\$ -	\$ 1,443,577	\$ 572,210	\$ 3,781,265
-	-	1,756	1,756
-	-	-	682
17,104	-	-	97,592
-	-	-	3,471
<u>17,104</u>	<u>1,443,577</u>	<u>573,966</u>	<u>3,884,766</u>
3,025	-	-	27,073
-	-	-	56,322
14,079	-	-	49,203
-	-	-	15,156
<u>17,104</u>	<u>-</u>	<u>-</u>	<u>147,754</u>
-	-	1,757	1,757
-	-	1,757	1,757
-	-	-	2,520
-	-	-	713,437
-	-	-	448,948
-	-	-	419,665
-	-	-	109,571
-	-	-	27,303
-	-	572,209	572,209
-	1,443,577	-	1,443,577
-	-	-	(1,975)
-	<u>1,443,577</u>	<u>572,209</u>	<u>3,735,255</u>
<u>\$ 17,104</u>	<u>\$ 1,443,577</u>	<u>\$ 573,966</u>	<u>\$ 3,884,766</u>

**GRIMES COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Special Revenue Funds			
	Game Warden	Records Management 72 Legislature	Records Management 73 Legislature	Judges Educational
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fees of office	-	39,106	9,197	406
Investment earnings	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	800	-	-	-
Total revenues	800	39,106	9,197	406
<b>EXPENDITURES</b>				
Current:				
General government	-	-	3,973	-
Public facilities	-	-	-	-
Judicial	-	-	-	1,995
Public safety	35	-	-	-
Public transportation	-	-	-	-
Legal	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	3,095	-	-	-
Total expenditures	3,130	-	3,973	1,995
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 2,330)	39,106	5,224	( 1,589)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,100	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	4,100	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	1,770	39,106	5,224	( 1,589)
<b>FUND BALANCES, BEGINNING</b>	5,772	115,331	20,870	6,836
<b>FUND BALANCES, ENDING</b>	\$ 7,542	\$ 154,437	\$ 26,094	\$ 5,247

Special Revenue Funds

Graffiti Eradication	Appellate Judge System	County Court Technology	Law Library	District Court Technology	JP Technology	911 Addressing	Inmate Indigent
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	22,500	35,703
-	1,992	408	13,912	3,911	8,708	530	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	25	-
<u>-</u>	<u>1,992</u>	<u>408</u>	<u>13,912</u>	<u>3,911</u>	<u>8,708</u>	<u>23,055</u>	<u>35,703</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,533	-	-	-	21,737	-	-
-	-	-	-	-	-	88,942	-
-	-	-	7,801	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,013	-
<u>-</u>	<u>3,533</u>	<u>-</u>	<u>7,801</u>	<u>-</u>	<u>21,737</u>	<u>90,955</u>	<u>-</u>
-	( 1,541)	408	6,111	3,911	( 13,029)	( 67,900)	35,703
-	-	-	-	-	-	65,962	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	65,962	-
<u>-</u>	<u>( 1,541)</u>	<u>408</u>	<u>6,111</u>	<u>3,911</u>	<u>( 13,029)</u>	<u>( 1,938)</u>	<u>35,703</u>
<u>50</u>	<u>56,652</u>	<u>1,480</u>	<u>72,398</u>	<u>8,869</u>	<u>35,659</u>	<u>72,780</u>	<u>287,939</u>
<u>\$ 50</u>	<u>\$ 55,111</u>	<u>\$ 1,888</u>	<u>\$ 78,509</u>	<u>\$ 12,780</u>	<u>\$ 22,630</u>	<u>\$ 70,842</u>	<u>\$ 323,642</u>

**GRIMES COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Special Revenue Funds			
	Fairgrounds	Court Reporter	Courthouse Security	LEOSE Education
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	3,507
Fees of office	66,990	4,734	18,764	-
Investment earnings	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	5,009	-	45	100
Total revenues	71,999	4,734	18,809	3,607
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public facilities	209,536	-	-	-
Judicial	-	4,807	18,683	-
Public safety	-	-	-	700
Public transportation	-	-	-	-
Legal	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	14,267	-	12,470	-
Total expenditures	223,803	4,807	31,153	700
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 151,804)	( 73)	( 12,344)	2,907
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	176,835	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	176,835	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	25,031	( 73)	( 12,344)	2,907
<b>FUND BALANCES, BEGINNING</b>	67,504	60,919	242,670	13,047
<b>FUND BALANCES, ENDING</b>	\$ 92,535	\$ 60,846	\$ 230,326	\$ 15,954

Special Revenue Funds

Alternative Dispute Resolution	LEOSE Education Grant Constable 1	LEOSE Education Grant Constable 2	LEOSE Education Grant Constable 3	Records Management Vital Statistics	Election Services Contract	BVAA Senior Meals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	683	683	683	-	30,155	53,993
4,857	-	-	-	35,772	-	-
-	-	-	-	-	-	-
-	-	-	-	-	4,812	-
-	-	-	-	-	-	751
<u>4,857</u>	<u>683</u>	<u>683</u>	<u>683</u>	<u>35,772</u>	<u>34,967</u>	<u>54,744</u>
-	-	-	-	-	13,702	54,952
-	-	-	-	-	-	-
-	-	-	653	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>653</u>	<u>-</u>	<u>13,702</u>	<u>54,952</u>
<u>4,857</u>	<u>683</u>	<u>683</u>	<u>30</u>	<u>35,772</u>	<u>21,265</u>	<u>( 208)</u>
-	-	-	-	-	-	2,889
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,889</u>
<u>4,857</u>	<u>683</u>	<u>683</u>	<u>30</u>	<u>35,772</u>	<u>21,265</u>	<u>2,681</u>
<u>72,071</u>	<u>5,246</u>	<u>7,279</u>	<u>7,617</u>	<u>203,362</u>	<u>( 22,618)</u>	<u>16,005</u>
<u>\$ 76,928</u>	<u>\$ 5,929</u>	<u>\$ 7,962</u>	<u>\$ 7,647</u>	<u>\$ 239,134</u>	<u>\$ ( 1,353)</u>	<u>\$ 18,686</u>

**GRIMES COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Special Revenue Funds			
	District Attorney Special	Grant COPS School	Victims of Crime	County Historical Commission
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	96,224	121,808	-
Fees of office	74,967	-	-	-
Investment earnings	-	-	-	94
Charges for services	-	-	-	-
Miscellaneous	-	-	19	735
Total revenues	74,967	96,224	121,827	829
<b>EXPENDITURES</b>				
Current:				
General government	29,805	-	-	429
Public facilities	-	-	-	-
Judicial	-	-	-	-
Public safety	-	99,138	122,199	-
Public transportation	-	-	-	-
Legal	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	250	-
Total expenditures	29,805	99,138	122,449	429
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	45,162	( 2,914)	( 622)	400
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	10,941	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	10,941	-	-
<b>NET CHANGE IN FUND BALANCES</b>	45,162	8,027	( 622)	400
<b>FUND BALANCES, BEGINNING</b>	124,010	2,223	-	26,903
<b>FUND BALANCES, ENDING</b>	\$ 169,172	\$ 10,250	\$( 622)	\$ 27,303

Special Revenue Funds		Total Nonmajor Governmental Funds	
CDBG Disaster	Capital Projects	Debt Service	
\$ -	\$ -	\$ 1,158	\$ 1,158
226,375	-	-	629,496
-	-	25,000	309,254
-	-	-	94
-	-	-	4,812
-	-	-	7,484
<u>226,375</u>	<u>-</u>	<u>26,158</u>	<u>952,298</u>
-	-	-	102,861
226,375	-	-	435,911
-	-	-	50,755
-	-	-	339,409
-	-	-	9,440
-	-	-	7,801
-	-	24,000	24,000
-	-	1,434	1,434
-	-	-	32,095
<u>226,375</u>	<u>-</u>	<u>25,434</u>	<u>1,003,706</u>
-	-	724	( 51,408)
-	-	-	260,727
-	-	( 1,918)	( 1,918)
-	-	( 1,918)	258,809
-	-	( 1,194)	207,401
-	1,443,577	573,403	3,527,854
<u>\$ -</u>	<u>\$ 1,443,577</u>	<u>\$ 572,209</u>	<u>\$ 3,735,255</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**GAME WARDEN FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous revenue	\$ -	\$ -	\$ 800	\$ 800
Total revenues	<u>-</u>	<u>-</u>	<u>800</u>	<u>800</u>
<b>EXPENDITURES</b>				
Current:				
Public safety				
Game warden	1,600	800	35	765
Capital outlay	<u>2,500</u>	<u>3,300</u>	<u>3,095</u>	<u>205</u>
Total expenditures	<u>4,100</u>	<u>4,100</u>	<u>3,130</u>	<u>970</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 4,100)</u>	<u>( 4,100)</u>	<u>( 2,330)</u>	<u>1,770</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>-</u>
Total other financing sources (uses)	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>1,770</u>	<u>1,770</u>
<b>FUND BALANCE, BEGINNING</b>	<u>5,772</u>	<u>5,772</u>	<u>5,772</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 5,772</u>	<u>\$ 5,772</u>	<u>\$ 7,542</u>	<u>\$ 1,770</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**RECORDS MANAGEMENT 72ND LEGISLATURE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 36,734	\$ 36,734	\$ 39,106	\$ 2,372
Total revenues	<u>36,734</u>	<u>36,734</u>	<u>39,106</u>	<u>2,372</u>
<b>EXPENDITURES</b>				
Current:				
General government				
County clerk records management	<u>71,363</u>	<u>71,363</u>	<u>-</u>	<u>71,363</u>
Total expenditures	<u>71,363</u>	<u>71,363</u>	<u>-</u>	<u>71,363</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 34,629)</u>	<u>( 34,629)</u>	<u>39,106</u>	<u>73,735</u>
<b>FUND BALANCE, BEGINNING</b>	<u>115,331</u>	<u>115,331</u>	<u>115,331</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 80,702</u>	<u>\$ 80,702</u>	<u>\$ 154,437</u>	<u>\$ 73,735</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**RECORDS MANAGEMENT 73RD LEGISLATURE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 9,732	\$ 9,732	\$ 9,197	\$( 535)
Total revenues	<u>9,732</u>	<u>9,732</u>	<u>9,197</u>	<u>( 535)</u>
<b>EXPENDITURES</b>				
Current:				
General government				
County clerk records management	<u>4,000</u>	<u>4,000</u>	<u>3,973</u>	<u>27</u>
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>3,973</u>	<u>27</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>5,732</u>	<u>5,732</u>	<u>5,224</u>	<u>( 508)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>20,870</u>	<u>20,870</u>	<u>20,870</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 26,602</u>	<u>\$ 26,602</u>	<u>\$ 26,094</u>	<u>\$( 508)</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**JUDGES EDUCATIONAL FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 466	\$ 466	\$ 406	\$( 60)
Total revenues	<u>466</u>	<u>466</u>	<u>406</u>	<u>( 60)</u>
<b>EXPENDITURES</b>				
Current:				
Judicial	<u>2,000</u>	<u>2,000</u>	<u>1,995</u>	<u>5</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,995</u>	<u>5</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 1,534)</u>	<u>( 1,534)</u>	<u>( 1,589)</u>	<u>( 55)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>6,836</u>	<u>6,836</u>	<u>6,836</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 5,302</u>	<u>\$ 5,302</u>	<u>\$ 5,247</u>	<u>\$( 55)</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**APELLATE JUDGE SYSTEM FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 1,933	\$ 1,933	\$ 1,992	\$ 59
Total revenues	<u>1,933</u>	<u>1,933</u>	<u>1,992</u>	<u>59</u>
<b>EXPENDITURES</b>				
Current:				
Judicial				
Appellate judge system	<u>7,000</u>	<u>7,000</u>	<u>3,533</u>	<u>3,467</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>3,533</u>	<u>3,467</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 5,067)</u>	<u>( 5,067)</u>	<u>( 1,541)</u>	<u>3,526</u>
<b>FUND BALANCE, BEGINNING</b>	<u>56,652</u>	<u>56,652</u>	<u>56,652</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 51,585</u>	<u>\$ 51,585</u>	<u>\$ 55,111</u>	<u>\$ 3,526</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**COUNTY COURT TECHNOLOGY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 272	\$ 272	\$ 408	\$ 136
Total revenues	<u>272</u>	<u>272</u>	<u>408</u>	<u>136</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>272</u>	<u>272</u>	<u>408</u>	<u>136</u>
<b>FUND BALANCE, BEGINNING</b>	<u>1,480</u>	<u>1,480</u>	<u>1,480</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,752</u>	<u>\$ 1,752</u>	<u>\$ 1,888</u>	<u>\$ 136</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**LAW LIBRARY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 13,301	\$ 13,301	\$ 13,912	\$ 611
Total revenues	<u>13,301</u>	<u>13,301</u>	<u>13,912</u>	<u>611</u>
<b>EXPENDITURES</b>				
Current:				
Judicial				
Law library	<u>7,801</u>	<u>7,801</u>	<u>7,801</u>	<u>-</u>
Total expenditures	<u>7,801</u>	<u>7,801</u>	<u>7,801</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>5,500</u>	<u>5,500</u>	<u>6,111</u>	<u>611</u>
<b>FUND BALANCE, BEGINNING</b>	<u>72,398</u>	<u>72,398</u>	<u>72,398</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 77,898</u>	<u>\$ 77,898</u>	<u>\$ 78,509</u>	<u>\$ 611</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**DISTRICT COURT TECHNOLOGY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 3,968	\$ 3,968	\$ 3,911	\$( 57)
Total revenues	<u>3,968</u>	<u>3,968</u>	<u>3,911</u>	<u>( 57)</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>3,968</u>	<u>3,968</u>	<u>3,911</u>	<u>( 57)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>8,869</u>	<u>8,869</u>	<u>8,869</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 12,837</u>	<u>\$ 12,837</u>	<u>\$ 12,780</u>	<u>\$( 57)</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**JP TECHNOLOGY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 7,193	\$ 7,193	\$ 8,708	\$ 1,515
Total revenues	<u>7,193</u>	<u>7,193</u>	<u>8,708</u>	<u>1,515</u>
<b>EXPENDITURES</b>				
Current:				
Judicial				
JP technology	<u>21,500</u>	<u>24,571</u>	<u>21,737</u>	<u>2,834</u>
Total expenditures	<u>21,500</u>	<u>24,571</u>	<u>21,737</u>	<u>2,834</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 14,307)</u>	<u>( 17,378)</u>	<u>( 13,029)</u>	<u>4,349</u>
<b>FUND BALANCE, BEGINNING</b>	<u>35,659</u>	<u>35,659</u>	<u>35,659</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ 21,352</u></u>	<u><u>\$ 18,281</u></u>	<u><u>\$ 22,630</u></u>	<u><u>\$ 4,349</u></u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**911 ADDRESSING FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 22,500	\$ ( 7,500)
Fees of office	250	250	530	280
Miscellaneous revenue	-	-	25	25
Total revenues	30,250	30,250	23,055	( 7,195)
<b>EXPENDITURES</b>				
Current:				
Public safety				
911 addressing	94,712	93,712	88,942	4,770
Capital outlay	1,500	2,500	2,013	487
Total expenditures	96,212	96,212	90,955	5,257
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 65,962)	( 65,962)	( 67,900)	( 1,938)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	65,962	65,962	65,962	-
Total other financing sources (uses)	65,962	65,962	65,962	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	( 1,938)	( 1,938)
<b>FUND BALANCE, BEGINNING</b>	72,780	72,780	72,780	-
<b>FUND BALANCE, ENDING</b>	\$ 72,780	\$ 72,780	\$ 70,842	\$( 1,938)

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**INMATE INDIGENT FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 30,194	\$ 30,194	\$ 35,703	\$ 5,509
Total revenues	<u>30,194</u>	<u>30,194</u>	<u>35,703</u>	<u>5,509</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>30,194</u>	<u>30,194</u>	<u>35,703</u>	<u>5,509</u>
<b>FUND BALANCE, BEGINNING</b>	<u>287,939</u>	<u>287,939</u>	<u>287,939</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 318,133</u>	<u>\$ 318,133</u>	<u>\$ 323,642</u>	<u>\$ 5,509</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**FAIRGROUNDS FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 35,678	\$ 46,378	\$ 66,990	\$ 20,612
Miscellaneous revenue	<u>-</u>	<u>2,005</u>	<u>5,009</u>	<u>3,004</u>
Total revenues	<u>35,678</u>	<u>48,383</u>	<u>71,999</u>	<u>23,616</u>
<b>EXPENDITURES</b>				
Current:				
Public facilities				
Fairgrounds	197,513	210,951	209,536	1,415
Capital outlay	<u>15,000</u>	<u>14,267</u>	<u>14,267</u>	<u>-</u>
Total expenditures	<u>212,513</u>	<u>225,218</u>	<u>223,803</u>	<u>1,415</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 176,835)</u>	<u>( 176,835)</u>	<u>( 151,804)</u>	<u>25,031</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>176,835</u>	<u>176,835</u>	<u>176,835</u>	<u>-</u>
Total other financing sources (uses)	<u>176,835</u>	<u>176,835</u>	<u>176,835</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>25,031</u>	<u>25,031</u>
<b>FUND BALANCE, BEGINNING</b>	<u>67,504</u>	<u>67,504</u>	<u>67,504</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 67,504</u>	<u>\$ 67,504</u>	<u>\$ 92,535</u>	<u>\$ 25,031</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**COURT REPORTER FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 4,885	\$ 4,885	\$ 4,734	\$( 151)
Total revenues	<u>4,885</u>	<u>4,885</u>	<u>4,734</u>	<u>( 151)</u>
<b>EXPENDITURES</b>				
Current:				
Judicial	11,629	11,629	4,807	6,822
Total expenditures	<u>11,629</u>	<u>11,629</u>	<u>4,807</u>	<u>6,822</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 6,744)	( 6,744)	( 73)	6,671
<b>FUND BALANCE, BEGINNING</b>	<u>60,919</u>	<u>60,919</u>	<u>60,919</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 54,175</u>	<u>\$ 54,175</u>	<u>\$ 60,846</u>	<u>\$ 6,671</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**COURTHOUSE SECURITY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 22,702	\$ 22,702	\$ 18,764	\$( 3,938)
Total revenues	<u>22,702</u>	<u>22,702</u>	<u>18,809</u>	<u>( 3,893)</u>
<b>EXPENDITURES</b>				
Current:				
Judicial				
County court	22,702	23,710	18,683	5,027
Capital outlay	<u>-</u>	<u>13,138</u>	<u>12,470</u>	<u>668</u>
Total expenditures	<u>22,702</u>	<u>36,848</u>	<u>31,153</u>	<u>5,695</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>( 14,146)</u>	<u>( 12,344)</u>	<u>1,802</u>
<b>FUND BALANCE, BEGINNING</b>	<u>242,670</u>	<u>242,670</u>	<u>242,670</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 242,670</u>	<u>\$ 228,524</u>	<u>\$ 230,326</u>	<u>\$ 1,802</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**LEOSE EDUCATION FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 3,507	\$ 3,507
Total revenues	<u>-</u>	<u>-</u>	<u>3,607</u>	<u>3,607</u>
<b>EXPENDITURES</b>				
Current:				
Public safety				
LEOSE	665	665	700	( 35)
Total expenditures	<u>665</u>	<u>665</u>	<u>700</u>	<u>( 35)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 665)</u>	<u>( 665)</u>	<u>2,907</u>	<u>3,572</u>
<b>FUND BALANCE, BEGINNING</b>	<u>13,047</u>	<u>13,047</u>	<u>13,047</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 12,382</u>	<u>\$ 12,382</u>	<u>\$ 15,954</u>	<u>\$ 3,572</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**ALTERNATIVE DISPUTE RESOLUTION FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>REVENUES</b>				
Fees of office	\$ 5,124	\$ 5,124	\$ 4,857	\$( 267)
Total revenues	<u>5,124</u>	<u>5,124</u>	<u>4,857</u>	<u>( 267)</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>5,124</u>	<u>5,124</u>	<u>4,857</u>	<u>( 267)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>72,071</u>	<u>72,071</u>	<u>72,071</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 77,195</u>	<u>\$ 77,195</u>	<u>\$ 76,928</u>	<u>\$( 267)</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**LEOSE EDUCATION GRANT CONSTABLE 1 FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 665	\$ 665	\$ 683	\$ 18
Total revenues	<u>665</u>	<u>665</u>	<u>683</u>	<u>18</u>
<b>EXPENDITURES</b>				
Current:				
Public safety				
LEOSE	<u>665</u>	<u>665</u>	<u>-</u>	<u>665</u>
Total expenditures	<u>665</u>	<u>665</u>	<u>-</u>	<u>665</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>683</u>	<u>683</u>
<b>FUND BALANCE, BEGINNING</b>	<u>5,246</u>	<u>5,246</u>	<u>5,246</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 5,246</u>	<u>\$ 5,246</u>	<u>\$ 5,929</u>	<u>\$ 683</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**LEOSE EDUCATION GRANT CONSTABLE 2 FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 665	\$ 665	\$ 683	\$ 18
Total revenues	<u>665</u>	<u>665</u>	<u>683</u>	<u>18</u>
<b>EXPENDITURES</b>				
Current:				
Public safety				
LEOSE	<u>665</u>	<u>665</u>	<u>-</u>	<u>665</u>
Total expenditures	<u>665</u>	<u>665</u>	<u>-</u>	<u>665</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>683</u>	<u>683</u>
<b>FUND BALANCE, BEGINNING</b>	<u>7,279</u>	<u>7,279</u>	<u>7,279</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ 7,279</u></u>	<u><u>\$ 7,279</u></u>	<u><u>\$ 7,962</u></u>	<u><u>\$ 683</u></u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**LEOSE EDUCATION GRANT CONSTABLE 3 FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 665	\$ 665	\$ 683	\$ 18
Total revenues	<u>665</u>	<u>665</u>	<u>683</u>	<u>18</u>
<b>EXPENDITURES</b>				
Current:				
Public safety				
LEOSE	<u>665</u>	<u>665</u>	<u>653</u>	<u>12</u>
Total expenditures	<u>665</u>	<u>665</u>	<u>653</u>	<u>12</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
<b>FUND BALANCE, BEGINNING</b>	<u>7,617</u>	<u>7,617</u>	<u>7,617</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 7,617</u>	<u>\$ 7,617</u>	<u>\$ 7,647</u>	<u>\$ 30</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**RECORDS MANAGEMENT VITAL STATISTICS FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 39,177	\$ 39,177	\$ 35,772	\$( 3,405)
Total revenues	<u>39,177</u>	<u>39,177</u>	<u>35,772</u>	<u>( 3,405)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>128,438</u>	<u>128,438</u>	<u>-</u>	<u>128,438</u>
Total expenditures	<u>128,438</u>	<u>128,438</u>	<u>-</u>	<u>128,438</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 89,261)</u>	<u>( 89,261)</u>	<u>35,772</u>	<u>125,033</u>
<b>FUND BALANCE, BEGINNING</b>	<u>203,362</u>	<u>203,362</u>	<u>203,362</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 114,101</u>	<u>\$ 114,101</u>	<u>\$ 239,134</u>	<u>\$ 125,033</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**BVAA SENIOR MEALS FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 72,160	\$ 72,160	\$ 53,993	( 18,167)
Miscellaneous revenue	<u>1,000</u>	<u>1,000</u>	<u>751</u>	<u>( 249)</u>
Total revenues	<u>73,160</u>	<u>73,160</u>	<u>54,744</u>	<u>( 18,416)</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>76,049</u>	<u>76,049</u>	<u>54,952</u>	<u>21,097</u>
Total expenditures	<u>76,049</u>	<u>76,049</u>	<u>54,952</u>	<u>21,097</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 2,889)</u>	<u>( 2,889)</u>	<u>( 208)</u>	<u>2,681</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>2,889</u>	<u>2,889</u>	<u>2,889</u>	<u>-</u>
Total other financing sources (uses)	<u>2,889</u>	<u>2,889</u>	<u>2,889</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>2,681</u>	<u>2,681</u>
<b>FUND BALANCE, BEGINNING</b>	<u>16,005</u>	<u>16,005</u>	<u>16,005</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 16,005</u>	<u>\$ 16,005</u>	<u>\$ 18,686</u>	<u>\$ 2,681</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**GRANT COPS SCHOOL FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 96,224	\$ 96,224	\$ 96,224	\$ -
Total revenues	<u>96,224</u>	<u>96,224</u>	<u>96,224</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>107,165</u>	<u>107,165</u>	<u>99,138</u>	<u>8,027</u>
Total expenditures	<u>107,165</u>	<u>107,165</u>	<u>99,138</u>	<u>8,027</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 10,941)</u>	<u>( 10,941)</u>	<u>( 2,914)</u>	<u>8,027</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>10,941</u>	<u>10,941</u>	<u>10,941</u>	<u>-</u>
Total other financing sources (uses)	<u>10,941</u>	<u>10,941</u>	<u>10,941</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>8,027</u>	<u>8,027</u>
<b>FUND BALANCE, BEGINNING</b>	<u>2,223</u>	<u>2,223</u>	<u>2,223</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,223</u>	<u>\$ 2,223</u>	<u>\$ 10,250</u>	<u>\$ 8,027</u>

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**COUNTY HISTORICAL COMMISSION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	94	94
Miscellaneous	-	-	735	735
Total revenues	-	-	829	829
<b>EXPENDITURES</b>				
Current:				
General government	6,000	6,000	429	5,571
Total expenditures	6,000	6,000	429	5,571
<b>NET CHANGE IN FUND BALANCE</b>	(6,000)	(6,000)	400	6,400
<b>FUND BALANCE, BEGINNING</b>	26,903	26,903	26,903	-
<b>FUND BALANCE, ENDING</b>	\$ 20,903	\$ 20,903	\$ 27,303	\$ 6,400

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**DEBT SERVICE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 1,158	\$ 1,158
Fees of office	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>26,158</u>	<u>1,158</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	24,000	24,000	24,000	-
Interest and other charges	<u>1,440</u>	<u>1,440</u>	<u>1,434</u>	<u>6</u>
Total expenditures	<u>25,440</u>	<u>25,440</u>	<u>25,434</u>	<u>6</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 440)</u>	<u>( 440)</u>	<u>724</u>	<u>1,164</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>( 1,918)</u>	<u>( 1,918)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>( 1,918)</u>	<u>( 1,918)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 440)</u>	<u>( 440)</u>	<u>( 1,194)</u>	<u>( 754)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>573,403</u>	<u>573,403</u>	<u>573,403</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 572,963</u>	<u>\$ 572,963</u>	<u>\$ 572,209</u>	<u>\$ ( 754)</u>

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## **AGENCY FUNDS**

*Agency Funds* are used to account for assets held by the County as an agent for individual private organizations and other governments. The following are the County's Fiduciary Funds:

*County Clerk Fund* – This fund is used to account for monies held on behalf of individuals in accordance with court ordered decrees by the County Court.

*District Clerk Fund* – This fund is used to account for monies held on behalf of individuals in accordance with court ordered decrees by the District Court.

*District Attorney Fund* – This fund is used to account for monies held on behalf of individuals collected by the District Attorney's Office.

*Justice of the Peace #1, #2 and #3 Funds* – This fund is used to account for monies held on behalf of the State collected by the Justice of the Peace

*Sheriff Fund* – This fund is used to account for monies held on behalf of individuals collected by the Sheriff's Office.

*Tax Office Fund* – This fund is used to record tax collections which are deposited intact pending audit and distribution to the state and other taxing authorities.

*Juvenile Probation Fund* – This fund is used to account for monies held on behalf of individuals collected by the Juvenile Probation Office.

**GRIMES COUNTY, TEXAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND  
LIABILITIES - AGENCY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>COUNTY CLERK</u></b>				
Assets:				
Cash and investments	\$ <u>139,927</u>	\$ <u>566,683</u>	\$ <u>441,080</u>	\$ <u>265,530</u>
Liabilities:				
Due to others	\$ <u>139,927</u>	\$ <u>566,683</u>	\$ <u>441,080</u>	\$ <u>265,530</u>
<b><u>DISTRICT CLERK</u></b>				
Assets:				
Cash and investments	\$ <u>2,991,896</u>	\$ <u>2,540,660</u>	\$ <u>2,171,520</u>	\$ <u>3,361,036</u>
Liabilities:				
Due to others	\$ <u>2,991,896</u>	\$ <u>2,540,660</u>	\$ <u>2,171,520</u>	\$ <u>3,361,036</u>
<b><u>DISTRICT ATTORNEY</u></b>				
Assets:				
Cash and investments	\$ <u>112,672</u>	\$ <u>30,203</u>	\$ <u>90,049</u>	\$ <u>52,826</u>
Liabilities:				
Due to others	\$ <u>112,672</u>	\$ <u>30,203</u>	\$ <u>90,049</u>	\$ <u>52,826</u>
<b><u>JUSTICE OF THE PEACE # 1</u></b>				
Assets:				
Cash and investments	\$ <u>-</u>	\$ <u>133,289</u>	\$ <u>133,289</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>-</u>	\$ <u>133,289</u>	\$ <u>133,289</u>	\$ <u>-</u>
<b><u>JUSTICE OF THE PEACE # 2</u></b>				
Assets:				
Cash and investments	\$ <u>-</u>	\$ <u>115,012</u>	\$ <u>115,012</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>-</u>	\$ <u>115,012</u>	\$ <u>115,012</u>	\$ <u>-</u>

**GRIMES COUNTY, TEXAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND  
LIABILITIES - ALL AGENCY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>JUSTICE OF THE PEACE # 3</u></b>				
Assets:				
Cash and investments	\$ -	\$ 336,135	\$ 336,135	\$ -
Liabilities:				
Due to others	\$ -	\$ 336,135	\$ 336,135	\$ -
<b><u>SHERIFF</u></b>				
Assets:				
Cash and investments	\$ 59,389	\$ 125,002	\$ 99,766	\$ 84,625
Liabilities:				
Due to others	\$ 59,389	\$ 125,002	\$ 99,766	\$ 84,625
<b><u>TAX OFFICE</u></b>				
Assets:				
Cash and investments	\$ 303,781	\$ 7,569,981	\$ 7,582,132	\$ 291,630
Liabilities:				
Due to others	\$ 303,781	\$ 7,569,981	\$ 7,582,132	\$ 291,630
<b><u>JUVENILE PROBATION</u></b>				
Assets:				
Cash and investments	\$ 227,114	\$ 531,214	\$ 354,565	\$ 403,763
Liabilities:				
Due to others	\$ 227,114	\$ 531,214	\$ 354,565	\$ 403,763
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
Assets:				
Cash and investments	\$ 3,834,779	\$ 11,948,179	\$ 11,323,548	\$ 4,459,410
Liabilities:				
Due to others	\$ 3,834,779	\$ 11,948,179	\$ 11,323,548	\$ 4,459,410

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**GRIMES COUNTY, TEXAS**

**STATISTICAL SECTION  
(UNAUDITED)**

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

	<b><u>Page Number</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	85
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.	96
<b>Debt Capacity</b> 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.	102
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	108
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	110

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

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**TABLE 1**

**GRIMES COUNTY, TEXAS**

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

*(Accrual Basis of Accounting)*

*(Unaudited)*

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
Net investment in capital assets	\$ 33,975,244	\$ 32,976,123	\$ 34,181,583	\$ 35,078,846	\$ 32,070,514	\$ 32,142,783	\$ 18,203,910	\$ 16,470,701	\$ 17,376,608	\$ 16,542,353
Restricted	5,114,909	4,961,066	4,638,333	4,268,454	3,924,909	3,764,320	3,698,839	389,674	382,570	335,656
Unrestricted	<u>20,350,876</u>	<u>18,069,915</u>	<u>16,690,458</u>	<u>13,804,552</u>	<u>10,858,930</u>	<u>8,482,926</u>	<u>5,383,585</u>	<u>6,850,522</u>	<u>5,838,036</u>	<u>4,504,378</u>
Total governmental activities net position	<u>\$ 59,441,029</u>	<u>\$ 56,007,104</u>	<u>\$ 55,510,374</u>	<u>\$ 53,151,852</u>	<u>\$ 46,854,353</u>	<u>\$ 44,390,029</u>	<u>\$ 27,286,334</u>	<u>\$ 23,710,897</u>	<u>\$ 23,597,214</u>	<u>\$ 21,382,387</u>

Source: Grimes County financial records.

**GRIMES COUNTY, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 4,246,702	\$ 4,200,516	\$ 3,609,554	\$ 3,451,625	\$ 3,228,511	\$ 3,327,203	\$ 3,127,897	\$ 3,197,707	\$ 3,142,389	\$ 2,570,939
Public facilities	632,910	430,935	352,518	461,421	379,772	1,456,172	551,405	289,662	606,943	232,558
Judicial	1,859,734	1,876,663	1,782,094	1,811,648	1,627,661	1,370,719	1,495,084	1,557,295	1,376,403	1,326,859
Public safety	5,463,799	5,051,160	4,656,382	4,157,883	7,123,496	4,059,718	3,942,264	4,839,522	2,869,848	3,079,406
Health and welfare	351,334	373,535	318,419	395,173	384,554	306,963	454,384	432,555	343,214	425,391
Public transportation	6,961,017	7,279,323	6,818,556	6,219,930	5,490,484	7,088,533	4,185,047	4,716,530	3,446,022	4,349,166
Legal	769,454	743,575	679,194	734,112	663,515	630,992	625,864	574,777	562,999	377,703
Interest and other charges	6	2,354	2,390	8,099	5,229	13,570	18,241	19,756	24,677	7,840
Total expenses	<u>20,284,956</u>	<u>19,958,061</u>	<u>18,219,107</u>	<u>17,239,891</u>	<u>18,903,222</u>	<u>18,253,870</u>	<u>14,400,186</u>	<u>15,627,804</u>	<u>12,372,495</u>	<u>12,369,862</u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,860,230	\$ 1,789,197	\$ 1,786,759	\$ 1,851,328	\$ 1,389,896	\$ 2,132,900	\$ 1,645,479	\$ 1,493,664	\$ 2,030,098	\$ 2,186,966
Public facilities	66,990	36,805	52,430	50,355	38,860	35,940	3,820	16,242	22,075	23,781
Judicial	567,163	480,172	444,373	571,022	574,435	910,226	99,996	99,996	135,909	146,410
Public safety	78,043	76,963	80,721	72,598	60,741	-	-	-	-	-
Public transportation	1,271,826	717,129	854,695	746,442	702,058	-	-	-	-	-
Legal	39,041	32,640	32,851	43,311	23,263	-	-	-	-	-
Operating grants and contributions	1,083,284	944,011	597,656	421,718	3,361,817	1,630,740	540,554	452,778	414,090	256,825
Capital grants and contributions	1,592,656	-	6,450	-	-	1,459,486	-	-	-	-
Total governmental activities program revenues	<u>6,559,233</u>	<u>4,076,917</u>	<u>3,855,935</u>	<u>3,756,774</u>	<u>6,151,070</u>	<u>6,169,292</u>	<u>2,289,849</u>	<u>2,062,680</u>	<u>2,602,172</u>	<u>2,613,982</u>
<b>NET (EXPENSE) REVENUES</b>										
Governmental activities	<u>\$( 13,725,723)</u>	<u>\$( 15,881,144)</u>	<u>\$( 14,363,172)</u>	<u>\$( 13,483,117)</u>	<u>\$( 12,752,152)</u>	<u>\$( 12,084,578)</u>	<u>\$( 12,110,337)</u>	<u>\$( 13,565,124)</u>	<u>\$( 9,770,323)</u>	<u>\$( 9,755,880)</u>
Total primary government net expense	<u>( 13,725,723)</u>	<u>( 15,881,144)</u>	<u>( 14,363,172)</u>	<u>( 13,483,117)</u>	<u>( 12,752,152)</u>	<u>( 12,084,578)</u>	<u>( 12,110,337)</u>	<u>( 13,565,124)</u>	<u>( 9,770,323)</u>	<u>( 9,755,880)</u>

**TABLE 2**

**GRIMES COUNTY, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes	\$ 16,771,640	\$ 16,158,284	\$ 15,927,508	\$ 15,689,325	\$ 14,396,372	\$ 13,260,741	\$ 12,630,980	\$ 12,390,073	\$ 11,131,819	\$ 9,442,932
Investment earnings	209,268	94,045	48,719	41,658	90,456	255,942	171,569	168,046	55,050	145,386
Miscellaneous	178,740	125,545	133,852	151,153	275,987	161,931	1,185,134	1,120,688	708,660	903,049
Gain (loss) from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 5,477)</u>	<u>-</u>	<u>64,903</u>	<u>2,060</u>
Total governmental activities	<u>17,159,648</u>	<u>16,377,874</u>	<u>16,110,079</u>	<u>15,882,136</u>	<u>14,762,815</u>	<u>13,678,614</u>	<u>13,982,206</u>	<u>13,678,807</u>	<u>11,960,432</u>	<u>10,493,427</u>
Total primary government	<u>17,159,648</u>	<u>16,377,874</u>	<u>16,110,079</u>	<u>15,882,136</u>	<u>14,762,815</u>	<u>13,678,614</u>	<u>13,982,206</u>	<u>13,678,807</u>	<u>11,960,432</u>	<u>10,493,427</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	<u>3,433,925</u>	<u>496,730</u>	<u>1,746,907</u>	<u>2,399,019</u>	<u>2,010,663</u>	<u>1,594,036</u>	<u>1,871,869</u>	<u>113,683</u>	<u>2,190,109</u>	<u>737,547</u>
Total primary government	<u>\$ 3,433,925</u>	<u>\$ 496,730</u>	<u>\$ 1,746,907</u>	<u>\$ 2,399,019</u>	<u>\$ 2,010,663</u>	<u>\$ 1,594,036</u>	<u>\$ 1,871,869</u>	<u>\$ 113,683</u>	<u>\$ 2,190,109</u>	<u>\$ 737,547</u>

Source: Grimes County financial records.

**GRIMES COUNTY, TEXAS**

**FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**  
(Modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year			
	2017	2016	2015	2014
General fund				
Nondisposable	\$ 116,997	\$ 88,820	\$ 88,820	\$ -
Restricted	-	-	-	-
Assigned	1,103,107	1,106,587	1,088,427	-
Unassigned	<u>16,127,332</u>	<u>14,052,558</u>	<u>12,592,603</u>	<u>9,402,697</u>
Total general fund	<u>\$ 17,347,436</u>	<u>\$ 15,247,965</u>	<u>\$ 13,769,850</u>	<u>\$ 9,402,697</u>
All other governmental funds				
Reserved for:				
Debt service	\$ -	\$ -	\$ -	\$ -
Special revenue funds	-	-	-	-
Road and bridge	-	-	-	-
Nondisposable	33,907	22,939	2,358	-
Restricted	4,802,479	4,450,439	4,127,706	3,918,081
Assigned:				
Capital projects funds	1,443,577	1,443,577	1,256,869	1,256,869
Unassigned	<u>( 1,975)</u>	<u>( 22,618)</u>	<u>-</u>	<u>( 25,716)</u>
Total all other governmental funds	<u>\$ 6,277,988</u>	<u>\$ 5,894,337</u>	<u>\$ 5,386,933</u>	<u>\$ 5,149,234</u>

Source: Grimes County financial records.

Note: Grimes County implemented GASB 54 statement in FY 2011.

TABLE 3

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
479,483	479,483	-	-	-	-
<u>8,923,214</u>	<u>6,625,960</u>	<u>4,202,271</u>	<u>3,237,816</u>	<u>2,769,531</u>	<u>1,913,103</u>
<u>\$ 9,402,697</u>	<u>\$ 7,105,443</u>	<u>\$ 4,202,271</u>	<u>\$ 3,237,816</u>	<u>\$ 2,769,531</u>	<u>\$ 1,913,103</u>
\$ -	\$ -	\$ -	\$ 389,674	\$ 378,675	\$ 335,016
-	-	-	723,622	858,253	619,602
-	-	-	1,962,036	1,196,686	685,980
-	-	-	-	-	-
3,601,011	3,438,065	3,698,839	-	-	-
882,109	836,460	402,375	-	149,686	147,549
<u>-</u>	<u>( 57,671)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 4,483,120</u>	<u>\$ 4,216,854</u>	<u>\$ 4,101,214</u>	<u>\$ 3,075,332</u>	<u>\$ 2,583,300</u>	<u>\$ 1,788,147</u>

**GRIMES COUNTY, TEXAS**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**  
*(Modified accrual basis of accounting)*  
*(Unaudited)*

	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>				
Property and other taxes	\$ 16,403,860	\$ 16,334,397	\$ 15,685,293	\$ 15,565,406
Intergovernmental	1,055,968	924,893	606,120	465,882
Fees of office	1,598,211	1,478,129	1,485,039	1,532,976
Fines and forfeitures	350,774	301,207	294,652	330,229
Investment earnings	209,268	94,045	48,719	41,658
Charges for services	1,276,638	719,383	760,873	750,366
Hospital lease and rentals	598,114	598,011	598,131	598,485
Miscellaneous revenue	<u>194,992</u>	<u>215,842</u>	<u>168,927</u>	<u>151,907</u>
Total revenues	<u>21,687,825</u>	<u>20,665,907</u>	<u>19,647,754</u>	<u>19,436,909</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,074,673	4,139,143	3,570,510	3,409,201
Public facilities	597,291	399,662	324,058	428,039
Judicial	1,700,221	1,766,593	1,710,559	1,723,917
Public safety	4,922,112	4,704,984	4,377,989	4,463,751
Health and welfare	326,848	302,282	315,384	303,870
Public transportation	5,708,525	5,533,657	5,468,842	5,106,539
Legal	733,099	729,694	686,234	726,371
Debt service:				
Principal	24,000	23,000	26,788	25,520
Interest and fiscal charges	1,434	2,360	3,513	4,629
Capital outlay	<u>1,116,500</u>	<u>1,099,594</u>	<u>1,112,021</u>	<u>117,441</u>
Total expenditures	<u>19,204,703</u>	<u>18,700,969</u>	<u>17,595,898</u>	<u>16,309,278</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,483,122</u>	<u>1,964,938</u>	<u>2,051,856</u>	<u>3,127,631</u>

TABLE 4

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 14,396,070	\$ 13,305,293	\$ 12,614,294	\$ 12,312,328	\$ 11,017,748	\$ 9,934,875
3,367,708	3,036,131	540,554	452,778	414,090	256,825
1,460,030	1,537,168	-	-	-	-
340,389	367,699	563,548	524,244	603,850	626,432
90,456	255,942	171,569	168,046	55,050	145,386
708,186	741,222	1,148,251	985,662	1,785,537	1,939,143
225,195	101,059	99,996	99,996	99,996	99,996
285,759	247,877	1,185,134	1,120,688	708,660	395,195
<u>20,873,793</u>	<u>19,592,391</u>	<u>16,323,346</u>	<u>15,663,742</u>	<u>14,684,931</u>	<u>13,397,852</u>
3,204,162	3,179,536	3,114,475	3,065,599	3,055,023	2,567,773
341,577	1,325,958	551,405	289,662	279,778	282,558
1,537,776	1,365,477	1,495,084	1,550,416	1,376,403	1,326,859
7,042,021	3,827,205	3,666,224	3,951,931	3,223,134	3,258,665
291,688	306,963	454,384	432,555	343,214	425,391
4,600,893	5,793,745	4,221,411	4,276,721	3,762,702	3,748,533
654,763	619,027	625,864	573,747	562,999	501,186
24,720	135,526	165,612	201,312	437,592	17,000
5,229	13,570	6,400	29,263	24,677	8,480
607,444	27,538	32,150	475,530	801,690	151,734
<u>18,310,273</u>	<u>16,594,545</u>	<u>14,333,009</u>	<u>14,846,736</u>	<u>13,867,212</u>	<u>12,288,179</u>
<u>2,563,520</u>	<u>2,997,846</u>	<u>1,990,337</u>	<u>817,006</u>	<u>817,719</u>	<u>1,109,673</u>

**GRIMES COUNTY, TEXAS**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**  
*(Modified accrual basis of accounting)*  
*(Unaudited)*

	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,213,380	\$ 456,320	\$ 783,690	\$ -
Transfers out	( 1,213,380)	( 456,320)	( 783,690)	-
Issuance of capital leases	-	-	-	-
Sale of capital assets	<u>-</u>	<u>-</u>	<u>112,060</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>112,060</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 2,483,122</u>	<u>\$ 1,964,938</u>	<u>\$ 2,163,916</u>	<u>\$ 3,127,631</u>
<b>DEBT SERVICES (PRINCIPAL AND INTEREST) AS PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<u>0.16%</u>	<u>0.14%</u>	<u>0.19%</u>	<u>- %</u>

Source: Grimes County financial records.

TABLE 4

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 1,001,420	\$ 775,641	\$ 907,143	\$ 813,203	\$ 232,688	\$ 206,457
( 1,001,420)	( 775,641)	( 907,143)	( 813,203)	( 232,688)	( 206,457)
-	20,966	-	128,980	574,175	151,734
-	-	-	14,639	230,661	2,060
-	20,966	-	143,619	804,836	153,794
<u>\$ 2,563,520</u>	<u>\$ 3,018,812</u>	<u>\$ 1,990,337</u>	<u>\$ 960,625</u>	<u>\$ 1,622,555</u>	<u>\$ 1,263,467</u>
<u>0.18%</u>	<u>0.92%</u>	<u>3.48%</u>	<u>1.69%</u>	<u>3.33%</u>	<u>0.21%</u>

**GRIMES COUNTY, TEXAS**

**TAX REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES  
LAST TEN YEARS  
(accrual basis of accounting)**

Source	Fiscal Year			
	2008	2009	2010	2011
Property taxes	\$ 8,207,241	\$ 9,625,451	\$ 10,914,406	\$ 11,209,725
Sales taxes	1,235,691	996,740	907,477	990,111
Other taxes	-	509,628	490,445	431,144
Total	<u>\$ 9,442,932</u>	<u>\$ 11,131,819</u>	<u>\$ 12,312,328</u>	<u>\$ 12,630,980</u>

**TABLE 5**

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 11,477,577	\$ 12,543,420	\$ 13,475,015	\$ 13,963,433	\$ 14,571,562	\$ 14,680,582
1,423,512	1,692,878	1,865,200	1,592,681	1,283,325	1,872,260
<u>404,204</u>	<u>195,011</u>	<u>349,110</u>	<u>371,394</u>	<u>303,397</u>	<u>218,798</u>
<u>\$ 13,305,293</u>	<u>\$ 14,431,309</u>	<u>\$ 15,689,325</u>	<u>\$ 15,927,508</u>	<u>\$ 16,158,284</u>	<u>\$ 16,771,640</u>

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## GRIMES COUNTY, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Agriculture Property	Other	Less: Tax-Exempt Real Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate
2008	\$ 56,246,454	\$ 942,254,646	\$ 169,595,869	\$ 131,808,624	\$ 57,140,703	\$ 1,242,764,890	0.54290
2009	62,858,032	1,053,013,452	189,531,282	147,302,277	63,857,397	1,388,847,646	0.54282
2010	73,292,681	1,227,817,298	220,994,125	171,754,960	74,457,944	1,619,401,120	0.54282
2011	84,964,601	1,423,348,224	256,187,623	199,107,080	86,315,434	1,877,292,094	0.54282
2012	95,637,687	1,602,146,429	288,369,409	224,118,520	97,158,209	2,113,113,836	0.53026
2013	91,174,808	1,527,387,045	274,914,438	213,659,166	92,623,242	2,014,512,215	0.53026
2014	98,195,257	1,644,995,654	296,082,815	230,110,895	92,623,242	2,176,761,379	0.53026
2015	110,006,561	1,842,857,390	331,694,835	257,790,715	111,755,530	2,430,593,971	0.53026
2016	113,341,422	1,898,723,822	341,750,202	265,605,669	115,143,411	2,504,277,704	0.53026
2017	110,339,224	1,848,430,253	332,697,892	258,570,282	112,093,482	2,437,944,169	0.53026

Source: Grimes County Certified Appraisal Roll

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.

## GRIMES COUNTY, TEXAS

### PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

#### LAST TEN YEARS

	Fiscal Year			
	2008	2009	2010	2011
<b>Grimes County - Direct Rates:</b>				
General	0.350300	0.352341	0.352341	0.365330
Road and bridge	0.190377	0.188893	0.188893	0.163420
Debt service	0.002140	0.001586	0.001586	0.001510
Total direct rates	0.542817	0.542820	0.542820	0.530260
<b>Overlapping Governments Rates:</b>				
<b>Cities:</b>				
City of Anderson	0.205500	0.205500	0.198800	0.198800
City of Bédias	0.248200	0.248200	0.243800	0.242780
City of Navasota	0.413800	0.410000	0.485920	0.483100
City of Iola	N/A	N/A	N/A	0.150000
<b>School Districts:</b>				
Anderson-Shiro CISD	1.095900	1.340000	1.407300	1.425000
Iola ISD	1.040000	1.040000	1.434400	1.443400
Madisonville CISD	1.220000	1.220000	1.220000	1.220000
Navasota ISD	1.265900	1.267740	1.236212	1.239500
Richards ISD	1.040000	1.040000	1.040000	1.040000
<b>Other Districts:</b>				
Grimes County ESD #1	0.025100	0.023136	0.024038	0.025173
Grimes County MUD #1	2.000000	2.000000	2.000000	2.000000
Total Direct and Overlapping Rates	9.097217	9.337396	9.833290	9.998013

Tax rates per \$100 of assessed valuation

Source: Grimes County Appraisal District

TABLE 7

Fiscal Year					
2012	2013	2014	2015	2016	2017
0.379083	0.380329	0.380373	0.354586	0.344883	0.380464
0.149978	0.148797	0.148813	0.174637	0.184366	0.149797
0.001200	0.001135	0.001075	0.001038	0.001012	-
<u>0.530261</u>	<u>0.530261</u>	<u>0.530261</u>	<u>0.530261</u>	<u>0.530261</u>	<u>0.530261</u>
0.207900	0.207900	1.484400	0.200400	0.209000	0.219000
0.242780	0.242780	1.295600	0.242780	0.242780	0.223567
0.483500	0.487400	1.219200	0.540000	0.550000	0.554200
0.153390	0.154801	1.191400	0.147330	0.144235	0.133175
1.400000	1.380000	1.040000	1.470000	1.450000	1.380000
1.473900	1.290500	0.500000	1.295400	1.321100	1.265550
1.220000	1.220000	0.202900	1.218800	1.216300	1.218700
1.228900	1.211000	0.242780	1.179940	1.163430	1.183990
1.040000	1.040000	0.021229	1.040000	1.040000	1.040000
0.025311	0.219300	2.000000	2.000000	0.022758	0.026007
<u>2.000000</u>	<u>2.000000</u>	<u>0.148222</u>	<u>0.147330</u>	<u>2.000000</u>	<u>-</u>
<u>10.005942</u>	<u>9.983942</u>	<u>9.875992</u>	<u>10.012241</u>	<u>9.889864</u>	<u>7.774450</u>

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## GRIMES COUNTY, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

## CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
National Oilwell Varco LP	\$ 156,986,758	1	6.44%	\$ -		- %
Tenaska Frontier Partners LTD	149,964,495	2	6.15%	30,530,705	7	1.87%
Helmerich & Payne Intl Drilling Co	60,333,118	3	2.47%	44,576,400	2	2.72%
Seaway Crude Pipeline LTD	56,419,215	4	2.31%	-		- %
BNSF Railway Co	47,556,668	5	1.95%	24,471,854	9	1.50%
Entergy Texas Inc	44,898,530	6	1.84%	-		- %
Ellwood Texas Forge Navasota	44,355,104	7	1.82%	-		- %
ETC Texas Pipeline LTD	40,107,675	8	1.65%	39,698,930	3	2.43%
Trinity Industries INC	29,087,516	9	1.19%	-		- %
Union Pacific RR CO	27,977,232	10	1.15%	-		- %
Grant Prideco, Inc.			- %	138,691,516	1	8.48%
Chesapeake Operating, Inc.	-		- %	38,761,740	4	2.37%
Marathon Oil Company	-		- %	31,217,520	6	1.91%
Southern Bay Operating	-		- %	38,663,721	5	2.36%
Nabors Drilling Technologies	-		- %	29,319,770	8	1.79%
Navasota Forging Operations LLC	-		- %	22,696,874	10	1.39%
	657,686,311		26.98%	438,629,030		26.81%
Subtotal						
Other taxpayers	<u>1,780,257,858</u>		<u>73.02%</u>	<u>1,197,358,761</u>		<u>73.19%</u>
Total	<u>\$ 2,430,593,971</u>		<u>100.00%</u>	<u>\$ 1,635,987,791</u>		<u>100.00%</u>

Source: Grimes County Tax Appraisal District

**GRIMES COUNTY, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

	Fiscal Year			
	2008	2009	2010	2011
Tax levy	\$ 8,110,631	\$ 9,453,661	\$ 10,823,673	\$ 11,071,230
Current taxes collected	7,822,788	9,101,851	10,457,208	10,722,794
Percent of current tax collections	96.45%	96.28%	96.61%	96.85%
Delinquent tax collections	<u>174,983</u>	<u>153,548</u>	<u>249,722</u>	<u>271,754</u>
Total tax collections	<u>\$ 7,997,771</u>	<u>\$ 9,255,399</u>	<u>\$ 10,706,930</u>	<u>\$ 10,994,548</u>
Total collections as a percentage of levy	98.61%	97.90%	98.92%	99.31%

Source: Grimes County Appraisal District

**TABLE 9**

		Fiscal Year									
		2012	2013	2014	2015	2016	2017				
\$	11,241,888	\$	12,322,435	\$	13,237,166	\$	13,808,014	\$	14,389,624	\$	13,939,037
	10,927,288		12,018,138		12,871,323		13,301,915		13,912,428		13,527,540
	97.20%		97.53%		97.24%		96.33%		96.68%		97.05%
	<u>273,725</u>		<u>265,713</u>		<u>254,261</u>		<u>255,877</u>		<u>246,908</u>		<u>294,300</u>
\$	<u>11,201,013</u>	\$	<u>12,283,851</u>	\$	<u>13,125,584</u>	\$	<u>13,557,792</u>	\$	<u>14,159,336</u>	\$	<u>13,821,840</u>
	99.64%		99.69%		99.16%		98.19%		98.40%		99.16%

**GRIMES COUNTY, TEXAS**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**LAST TEN YEARS**

	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Primary government:				
Governmental activities:				
Certificates of obligation	\$ 195,000	\$ 182,000	\$ 164,000	\$ 156,880
Capital leases	<u>311,205</u>	<u>344,626</u>	<u>246,569</u>	<u>109,588</u>
Total primary government	<u>\$ 506,205</u>	<u>\$ 526,626</u>	<u>\$ 410,569</u>	<u>\$ 266,468</u>
Personal income	27,578	27,450	29,163	31,418
Debt as a percentage of personal income	5.45%	5.21%	7.10%	11.79%
Population	25,895	25,895	26,466	26,466
Debt per capita	20	20	16	11

Source: Grimes County Tax Appraisal District

**TABLE 10**

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 122,000	\$ 102,000	\$ 81,000	\$ 59,000	\$ 36,000	\$ 12,000
<u>14,028</u>	<u>9,309</u>	<u>4,788</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 136,028</u>	<u>\$ 111,309</u>	<u>\$ 85,788</u>	<u>\$ 59,000</u>	<u>\$ 36,000</u>	<u>\$ 12,000</u>
31,418	33,350	34,808	34,996	34,996	34,996
23.10%	29.96%	40.57%	59.32%	97.21%	291.63%
26,783	33,350	34,808	27,172	27,512	27,512
5	3	2	2	1	0

# GRIMES COUNTY, TEXAS

## LEGAL DEBT MARGIN INFORMATION

### LAST TEN FISCAL YEARS

	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessed value	\$ 1,388,847,645	\$ 8,097,056	\$ 1,877,292,094	\$ 2,113,836
Debt limit	69,442,382	80,970,056	93,864,605	105,655,692
Total net debt applicable to limit	<u>195,000</u>	<u>182,000</u>	<u>164,000</u>	<u>156,880</u>
Legal debt margin	<u>\$ 69,247,382</u>	<u>\$ 80,788,056</u>	<u>\$ 93,700,605</u>	<u>\$ 105,498,812</u>
Total net debt applicable to the limit as a percentage of debt limit	00.28%	00.22%	00.17%	00.15%

**TABLE 11**

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 2,014,512,215	\$ 2,169,629,401	\$ 2,332,656,595	\$ 2,430,593,971	\$ 2,504,277,704	\$ 2,437,944,169
100,725,611	108,481,470	116,632,830	121,529,699	125,213,885	121,897,208
<u>122,000</u>	<u>102,000</u>	<u>81,000</u>	<u>59,000</u>	<u>36,000</u>	<u>12,000</u>
<u>\$ 100,603,611</u>	<u>\$ 108,379,470</u>	<u>\$ 116,551,830</u>	<u>121,470,699</u>	<u>125,177,885</u>	<u>121,885,208</u>
00.12%	00.09%	00.07%	00.05%	00.03%	00.01%
Legal debt margin calculation by fiscal year					
Assessed value					2,437,944,169
Debt limit (10% of assessed value)					121,897,208
Debt applicable to limit:					
General obligation bonds					12,000
Less: amount set aside for repayment of general obligation debt					-
Total net debt applicable to limit					<u>12,000</u>
Legal debt margin					<u>\$ 121,885,208</u>

**GRIMES COUNTY, TEXAS**

**RATIO OF GENERAL BONDED DEBT OUTSTANDING**

**LAST TEN YEARS**

	Fiscal Year			
	2008	2009	2010	2011
Net Taxable Assessed Value				
All property	\$ 1,388,847,645	\$ 1,619,401,120	\$ 1,877,292,094	\$ 2,113,113,836
Net Bonded Debt				
Gross bonded debt	195,000	182,000	164,000	156,880
Less debt service funds	<u>335,656</u>	<u>378,675</u>	<u>389,674</u>	<u>427,303</u>
Excess restricted net bonded debt	<u>\$( 140,656)</u>	<u>\$( 196,675)</u>	<u>\$( 225,674)</u>	<u>\$( 270,423)</u>
Ratio of Net Bonded Debt to Assessed Value	( 0.0101%)	( 0.0121%)	( 0.0120%)	( 0.0128%)
Population	25,586	25,586	26,466	26,466
Net Bonded Debt Per Capita	( 5)	( 8)	( 9)	( 10)

Source: Grimes County Tax Appraisal District

**TABLE 12**

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 2,014,512,215	\$ 2,169,629,401	\$ 2,332,656,595	\$ 2,430,593,971	\$ 2,504,277,704	\$ 2,437,944,169
122,000	102,000	81,000	59,000	36,000	12,000
<u>452,815</u>	<u>490,378</u>	<u>520,261</u>	<u>545,261</u>	<u>575,403</u>	<u>572,969</u>
\$( <u>330,815</u> )	\$( <u>388,378</u> )	\$( <u>439,261</u> )	\$( <u>486,261</u> )	\$( <u>539,403</u> )	\$( <u>560,969</u> )
( 0.0164%)	( 0.0179%)	( 0.0188%)	( 0.0200%)	( 0.0215%)	( 0.0230%)
26,783	26,783	26,859	27,172	27,671	27,671
( 12)	( 15)	( 16)	( 18)	( 19)	( 20)

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**GRIMES COUNTY, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2008	25,895	\$ 714,132,310	\$ 27,578	38.10	4,162	5.20%
2009	25,895	710,817,750	27,450	38.10	4,211	8.05%
2010	26,466	771,827,958	29,163	38.10	4,230	8.95%
2011	26,446	830,880,428	31,418	38.10	4,230	7.80%
2012	26,783	841,468,294	31,418	38.10	4,312	6.40%
2013	26,783	898,572,000	33,350	40.60	4,354	5.90%
2014	26,859	934,908,072	34,808	39.20	4,069	4.80%
2015	27,172	950,904,000	34,996	40.70	4,514	5.40%
2016	27,671	1,017,531,000	36,772	40.70	4,457	5.40%
2017	27,671	987,222,000	35,677	40.90	4,525	6.70%

Data sources:

<http://www.txcip.org/tac/census/profile.php?FIPS=48185>

<http://mansfield.tea.state.tx.us/TEA.AskTED.Web/Forms/DownloadFile.aspx>

## GRIMES COUNTY, TEXAS

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND EIGHT YEARS AGO

Employer	2017			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
TDCJ	646	1	20.22%	671	1	22.21%
Texas Renaissance Festival	525	2	16.43%	-	n/a	- %
Grant Prideco	401	3	12.55%	800	2	26.48%
Navasota ISD	477	4	14.93%	405	3	13.41%
Elwood Texas Forge Navasota	289	5	9.05%	310	4	10.26%
Grimes County	172	6	5.38%	238	5	7.88%
Texas Pipe Works	127	7	3.97%	110	8	3.64%
Mid South Synergy	127	8	3.97%	100	10	3.31%
Ergo Genesis	117	9	3.66%	117	7	3.87%
City of Navasota	110	10	3.44%	-	n/a	- %
Wal-Mart	104	11	3.26%	103	9	3.41%
TMPA	100	12	3.13%	167	6	5.53%
Total	<u>3,195</u>		<u>100.00%</u>	<u>3,021</u>		<u>100.00%</u>

Note: Information prior to 2009 was not available.

Source: Navasota Chamber of Commerce

**GRIMES COUNTY, TEXAS**

**FULLTIME EQUIVALENT EMPLOYEES BY FUNCTION**

**LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
General administration	35	36	35	30	30	36	31	31	31	31
Financial administration	7	7	7	7	7	8	8	8	8	8
Elections and voters administration	2	2	2	2	2	2	2	2	2	2
Judicial	6	5	5	18	18	20	25	25	25	25
Public safety	53	55	53	44	44	47	48	50	51	51
Health and welfare	3	3	3	3	3	3	3	3	3	3
Legal	8	8	8	8	8	8	8	8	8	8
General Fund Total	<u>114</u>	<u>116</u>	<u>113</u>	<u>112</u>	<u>112</u>	<u>124</u>	<u>125</u>	<u>127</u>	<u>128</u>	<u>128</u>
Special Revenue Funds:										
Public transportation fund - 20	26	26	26	26	26	27	27	27	37	37
Records management fund - 21	-	-	-	1	1	-	-	-	-	-
Public services - fund 34	2	2	2	2	2	1	1	1	1	1
Public facilities - fund 36	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Special Revenue Fund Total	<u>30</u>	<u>30</u>	<u>29</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>40</u>	<u>40</u>
Total	<u>144</u>	<u>146</u>	<u>142</u>	<u>142</u>	<u>142</u>	<u>154</u>	<u>155</u>	<u>157</u>	<u>168</u>	<u>168</u>

## GRIMES COUNTY, TEXAS

### OPERATING INDICATORS BY FUNCTION/PROGRAM

#### LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2008	2009	2010	2011
<b><u>County Court*</u></b>				
Civil cases:				
Pending beginning of year	159	18	7	11
Docket adjust	( 1)	-	-	-
Added	24	18	3	38
Disposed	164	29	5	38
Pending end of year	18	7	5	11
Criminal cases:				
Pending beginning of year	3,537	1,216	1,097	1,182
Docket adjust	-	-	-	-
Added	397	458	90	555
Disposed	2,718	577	159	625
Pending end of year	1,216	1,097	1,028	1,112
Juvenile cases:				
Pending beginning of year	122	19	8	12
Docket adjust	-	1	-	-
Added	126	37	5	31
Disposed	229	49	9	31
Pending end of year	19	8	4	11
<b><u>District Clerk</u></b>				
Civil cases:				
Pending beginning of year	2,024	1,427	1,445	575
Docket adjust	( 559)	( 113)	( 391)	-
Added	630	514	482	258
Disposed	668	320	797	299
Pending end of year	1,427	1,508	739	499
Criminal cases:				
Pending beginning of year	148	328	167	185
Docket adjust	144	( 117)	( 26)	-
Added	264	160	212	191
Disposed	228	204	153	209
Placed on Inactive Status				
Pending end of year	328	167	200	168

TABLE 16

Fiscal Year						
2012	2013	2014	2015	2016	2017	
11	16	24	15	19	15	
-	-	-	-	-	-	
9	41	33	16	26	38	
12	41	35	12	37	32	
-	16	16	19	15	21	
1,095	1,166	1,346	1,249	1,215	1,348	
-	-	-	-	-	-	
252	569	271	411	350	296	
202	414	362	312	275	309	
-	1,321	1,240	1,348	1,305	1,335	
11	11	10	16	13	19	
-	-	-	-	-	-	
10	33	18	33	42	32	
12	34	14	36	19	36	
-	10	17	13	36	15	
501	526	675	650	1,040	1,206	
-	-	-	-	( 1)	-	
272	329	287	294	580	643	
251	173	257	161	416	465	
525	675	649	742	1,205	1,148	
168	178	271	217	225	261	
-	-	-	-	-	35	
187	266	183	217	195	186	
164	218	243	282	135	246	
			1	17	95	
178	227	212	206	210	170	

## GRIMES COUNTY, TEXAS

### OPERATING INDICATORS BY FUNCTION/PROGRAM

#### LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2008	2009	2010	2011
<b><u>Justice of the Peace Courts</u></b>				
Cases filed:				
Traffic	4,765	4,773	3,453	3,781
Non-traffic	1,685	1,458	1,147	1,207
Small claims suits	83	93	123	89
Forcible entry and detainer	54	66	76	40
Other civil suits	85	34	8	14
Cases disposed:				
Traffic	4,452	4,215	3,459	2,977
Non-traffic	943	865	665	776
Small claims suits	1	3	2	2
Forcible entry and detainer	1	2	4	3
Other civil suits	1	-	2	3
Cases appealed:				
Traffic	-	-	1	-
Non-traffic	-	-	-	-
Miscellaneous				
Permitted septic systems	211	171	159	153
*Criminal Cases:				
Pending Beginning of Year				
Reactivated	-	-	-	-
Added	-	-	-	-
Disposed	-	-	-	-
Placed on Inactive	-	-	-	-
Pending End of Year	-	-	-	-
Civil Cases:				
Pending Beginning of Year	-	-	-	-
Reactivated	-	-	-	-
Added	-	-	-	-
Disposed	-	-	-	-
Placed on Inactive	-	-	-	-
Pending End of Year	-	-	-	-

Source: Texas Courts Online (Office of Court Administration)

\* The Justice of the Peace Courts implemented a new software system in 2014; as a result the County has different operating indicator information available

TABLE 16

Fiscal Year					
2012	2013	2014	2015	2016	2017
3,796	3,197	-	-	-	-
1,564	1,744	-	-	-	-
113	117	-	-	-	-
56	41	-	-	-	-
59	92	-	-	-	-
3,372	3,200	-	-	-	-
971	352	-	-	-	-
360	121	-	-	-	-
190	51	-	-	-	-
55	128	-	-	-	-
-	2	-	-	-	-
1	2	-	-	-	-
123	149	172	172	220	248
-	-	16,198	16,942	17,276	15,756
-	-	1	-	(423)	1
-	-	3,096	2,345	2,531	3,054
-	-	3,757	2,220	13	2,687
-	-	25	-	107	-
-	-	16,972	17,322	17,099	16,073
-	-	1,894	516	577	572
-	-	160	1	-	2
-	-	213	1,450	149	232
-	-	646	1,115	243	228
-	-	1,185	2	-	-
-	-	516	1,477	571	585

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General administration	6	6	7	7	6	6	7	12	12	20
Judicial	9	9	9	9	9	11	12	12	12	16
Financial administration	1	1	1	2	1	1	1	2	1	2
Legal	5	6	6	6	6	6	6	5	6	5
Elections	8	8	8	8	8	9	8	9	9	9
Public facilities	10	12	13	13	13	15	16	16	16	19
Public safety	52	59	61	64	64	70	82	83	83	95
Public transportation	123	122	130	134	133	138	92	143	143	156
Health and welfare	5	6	6	5	7	8	8	8	8	9
Environmental protection	3	2	2	2	2	2	2	3	2	3

Source: County inventory reports

# **COMPLIANCE SECTION**

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PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**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**

To the Honorable County Judge  
and Commissioners' Court of Grimes County  
Anderson, 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 the Grimes County, Texas (the "County"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise of the County's basic financial statements, and have issued our report thereon dated March 29, 2018.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas  
March 29, 2018