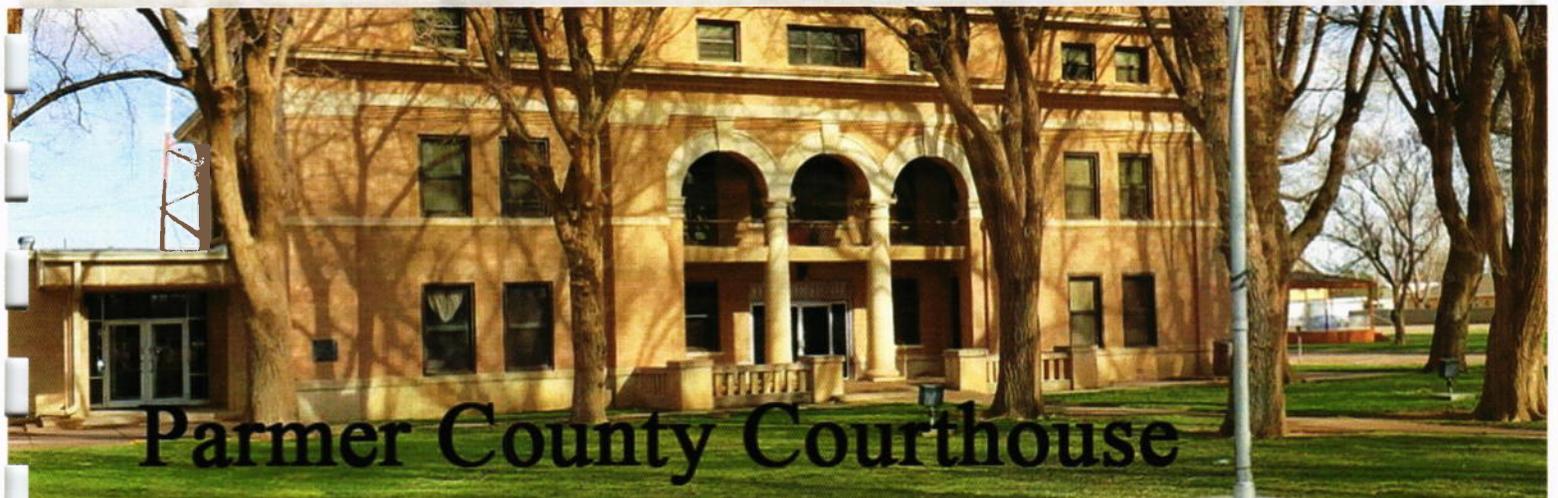


*STATE OF TEXAS  
PARMER COUNTY  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2015*



**Parmer County Courthouse**

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**INTRODUCTORY SECTION**

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**STATE OF TEXAS**  
 Parmer County  
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 December 31, 2015

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STATE OF TEXAS  
Parmer County  
Official Roster  
December 31, 2015

<u>Name</u>	<u>Elected Officials</u>	<u>Title</u>
Kirk Frye		Precinct 1 - Commissioner
Steve Cockerham		Precinct 2 – Commissioner
Kenny White		Precinct 3 – Commissioner
Lloyd Bradshaw		Precinct 4 – Commissioner
Trey Ellis		County Judge
Altha Herington		County Treasurer
Gerri Bowers		County Clerk
Bobbie Pierson		Tax Assessor/Collector
Randy Gerries		Sheriff
Jo Beth Gibson		JP Friona
Sandra Clayton		JP Bovina
Pam Haseloff		JP Farwell
Jeff Actkinson		County Attorney
Sandra Warren		District Clerk
	<u>Appointed Official</u>	
Larry Johnston		County Auditor

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**FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and  
Members of the Commissioners' Court  
Parmer County  
Farwell, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Parmer County, Texas (the "County"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County'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 Parmer County, as of December 31, 2015, 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 on pages 12 through 17 and Schedules I through IV on pages 50 through 54 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 County's financial statements that collectively comprise the County's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements, and Schedules V through XI are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and Schedule V through X 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 it.

*RPC CPAs + Consultants LLP*

RPC CPAs + Consultants, LLP  
Albuquerque, New Mexico  
May 19, 2016

**STATE OF TEXAS**  
Parmer County  
Management's Discussion and Analysis  
December 31, 2015

As management of Parmer County (the County), we offer readers of Parmer County financial statements this narrative overview and analysis of the financial activities of Parmer County for the calendar year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with the financial statements of Parmer County and additional information provided.

**Financial Highlights**

- The assets and deferred outflows of resources of Parmer County exceeded its liabilities at the close of the most recent calendar year by \$9,791,232 (net position). Of this amount, \$3,642,625 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors. The County's net position that is restricted for debt service, records management, and special revenue funds is \$2,694,990. The County's net investment in capital assets is \$3,453,617.
- Change in net position for the year ended December 31, 2015 was an increase of \$163,150 as a result of operations. The increase is primarily due to a increase in property tax revenue.
- At the end of the current calendar year, unassigned fund balance for the general fund was \$1,512,010 or 43 percent of total general fund expenditures.
- The County's total debt outstanding at December 31, 2015 is \$2,001,563.

**Overview of the Financial Statements**

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of Parmer County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Parmer County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Parmer County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent calendar 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 in this statement for some items that will only result in cash flows in future calendar periods (e.g., uncollected taxes).

Both of the government-wide financial statements display functions of Parmer County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Parmer County include general government, judicial and legal, financial administration, law enforcement, building maintenance, public service, conservation, and road and bridge.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

**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. Parmer 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 Parmer County can be divided into two categories: governmental funds and fiduciary funds.