

POTTER COUNTY, TEXAS

Comprehensive Annual Financial Report

For the Year Ended
September 30, 2012

Prepared by: Office of County Auditor
Kerry Hood
County Auditor

POTTER COUNTY, TEXAS
Comprehensive Annual Financial Report
Year Ended September 30, 2012

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INTRODUCTORY SECTION

County of Potter
State of Texas
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Amarillo, Texas 79101-3412



Kerry Hood
County Auditor
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Fax: 806-349-4808

March 21, 2013

Honorable District Judges of Potter County
Honorable Members of the Potter County Commissioners' Court

The Comprehensive Annual Financial Report of Potter County, Texas (the County) for the year ended September 30, 2012 is submitted herewith. This report is submitted in accordance with Section 114.025 of the Local Government Code.

This report consists of management's representations concerning the finances of Potter County, Texas. Management assumes full responsibility for both the accuracy of the data and the completeness and fairness of this report, including all disclosures. To provide a reasonable basis of making these representations, Potter County management has established a comprehensive internal control framework designed both to protect governmental assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. The internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the reliability of financial reporting, the effectiveness and efficiency of operations, and compliance with existing law and regulations. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

These financial statements and supplemental financial information have been audited by Davis Kinard & Co, PC, a firm of licensed certified public accountants engaged by the Potter County Commissioners' Court. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2012, are free of material misstatement. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2012 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Generally accepted accounting principles 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 compliment MD&A and should be read in conjunction with it. Potter County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Potter County, created in 1876 from Bexar District, was organized in 1887 and named for a Republic of Texas leader, Robert Potter. The County's population continues to grow and is currently estimated to be 122,958. This is up 1.24% over the 2010 census of 121,448 and 15.41% over the 1990 census of 97,874. The County consists of approximately 591,577 acres of mostly level plain, broken by the Canadian River and its tributaries.

Potter County, operating as specified under the Constitution and statutes, is governed by a Commissioners' Court, which consists of the County Judge and four Commissioners, one from each of the four geographical precincts and elected for staggered four year terms. Commissioners' Court duties include setting the County Ad Valorem tax rate, approval of the budget, calling certain elections, approval and awarding contracts, issuance of bonds, and appointing or participating in the appointment of certain county officials and boards.

The County, as a political subdivision of the State of Texas provides only those services allowed, or implied, by the State Constitution or statutes. These services include, but are not limited to, judicial, law enforcement, detention facilities, juvenile services, health and human services, county roads and recording functions of Potter County.

The annual budget serves as the foundation of Potter County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Judge, who serves as the Budget Officer. The County Judge uses these requests as the starting point for developing a proposed budget, with revenue estimates provided by the County Auditor. The appropriated budget is adopted by fund, then by department, then by the categories of salaries and benefits, travel, contract services, general operations, prisoner care, equipment/vehicle maintenance, building repairs/maintenance, special expense, juvenile services and other. The County's budgetary system is fully integrated with the accounting and financial system to allow for the matching of budget appropriations with actual expenditures, obligations, and encumbrances on a daily basis. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

All governmental funds are appropriated annually with the exception of the following funds: Graffiti Eradication, County/District Clerk Technology, Child Abuse Prevention, District Attorney Crime Victim and District Attorney Federal Forfeitures.

Local Economy

Potter County is located in the Texas Panhandle with the City of Amarillo as the county seat. Due to its strategic location, the County, along with Randall County to the south, has become a trade center for a five-state area. The County is traversed from east and west by four-lane Interstate 40 and from north and south by four-lane Interstate 27, U.S. Highway 287 and State Highway 136. Railroads and an international airport serve the County along with bus lines and other motor-freight carriers.

Although Potter County's economy has greatly diversified, historically, major industries in the Amarillo area include grains, cattle, beef processing, natural gas, oil, helium and other petroleum by-products, refining operations and nuclear weapons processing. A significant portion of its economy is still based upon this important economic activity. In addition to these industries, today, our economy also includes food processing, defense industry, manufacturing, distribution, traffic and transportation, general retail, banking, criminal justice, medical facilities and higher education.

The local economy in Potter County and the Amarillo area is broadly diversified. While we have several large industries and employers, no single industry or employer dominates our economy.

Long-term Financial Planning and Relevant Financial Policies

As a sound financial management practice, members of the Commissioners' Court emphasize maintaining a sufficient undesignated fund balance level to meet first quarter obligations, thus assisting in maintaining financial stability and retaining or enhancing the County's bond ratings. Potter County has achieved this goal since fiscal year 2004. At that time, the court evaluated the county's physical and financial condition and chose to begin an annual transfer of funds to capital project funds to reduce the amount that will need to be borrowed to finance future construction. The current Commissioners' Court has also made every effort to hold steady or reduce the tax rate. The rate decreased from \$0.63350 in 2011 to \$0.62707 for 2012.

Major Initiatives

The Commissioners' Court has taken steps to encourage economic growth in the County by participating in the first Tax Increment Reinvestment Zone (TIRZ) consisting of Potter County, the City of Amarillo, Panhandle Groundwater District, and Amarillo College. The goal of the TIRZ is to revitalize downtown Amarillo. The TIRZ will become a valuable tool for local governments to use in order to enter into public/private partnerships to facilitate implementation of the community's central city vision.

In addition to the County's contribution to the TIRZ, we have been awarded a grant to restore our courthouse, further enhancing the downtown area. With grant funds and funds the Commissioners' Court transferred into capital project funds, the \$18,000,000 project was completed in September without the need to issue debt.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Potter County for its comprehensive annual financial report for the fiscal year ended September 30, 2011. This was the eighteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Potter County was awarded a 2012 Leadership Circle Gold Award by the Texas Comptroller of Public Accounts. The Leadership Circle recognized local governments across Texas that are striving to meet a high standard for financial transparency online by opening their books to the public; providing clear, consistent pictures of spending; and sharing information in a user-friendly format. The Gold designation highlights those entities that are setting the bar in their transparency efforts and is valid for one year.

The preparation of this report would not be possible without the efficient and dedicated services of the entire staff of the County Auditor's Office and the professional services provided by our independent auditors, Davis Kinard & Co, PC. I sincerely appreciate the loyalty and dedication of my staff for their extra efforts to produce timely and accurate records for Potter County. Credit also must be given to the District Judges, the Commissioners' Court and all the elected officials and department heads for their interest and support in planning and conducting the financial operations of Potter County in a responsible manner.

Respectfully submitted,



Kerry Hood
Potter County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Potter County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



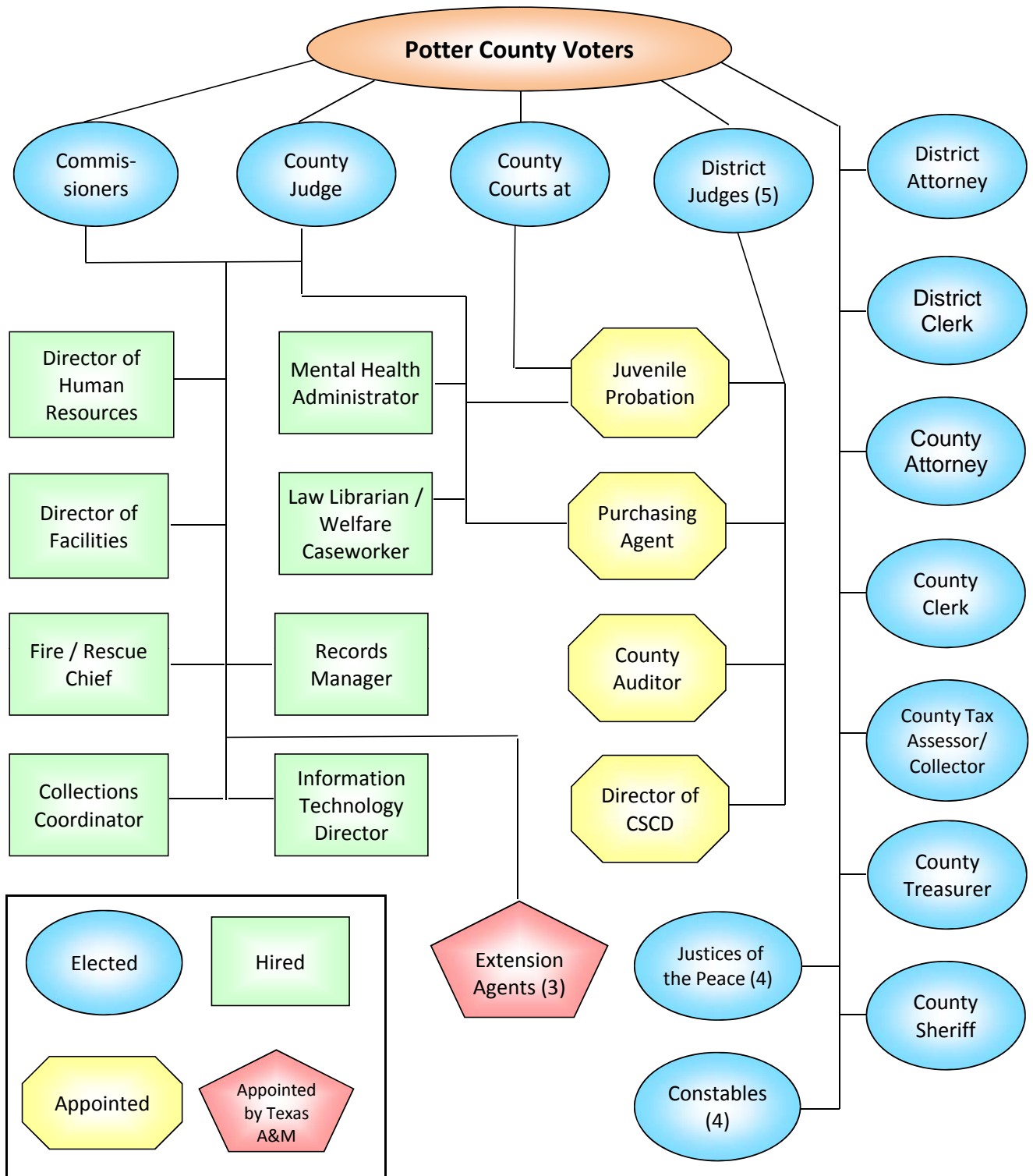
Christopher P. Moynell

President

Jeffrey R. Emswiler

Executive Director

Potter County, Texas Organization Chart



**Potter County, Texas
County Officials**

Arthur WareCounty Judge
H. R. KellyCommissioner, Precinct #1
Mercy MurguiaCommissioner, Precinct #2
Joe KirkwoodCommissioner, Precinct #3
Alphonso VaughnCommissioner, Precinct #4
Dan SchaapJudge, 47th District Court
Douglas WoodburnJudge, 108th District Court
John BoardJudge, 181st District Court
Ana EstevezJudge, 251st District Court
Don R. EmersonJudge, 320th District Court
Randall SimsDistrict Attorney
Caroline WoodburnDistrict Clerk
W. F. "Corky" RobertsJudge, County Court at Law #1
Pamela SirmonJudge, County Court at Law #2
C. Scott BrumleyCounty Attorney
Julie SmithCounty Clerk
Robert MillerTax Assessor/Collector
Leann JenningsCounty Treasurer
Brian ThomasCounty Sheriff
Debra HornJustice of the Peace, Precinct #1
Nancy BosquezJustice of the Peace, Precinct #2
Gary JacksonJustice of the Peace, Precinct #3
Thomas JonesJustice of the Peace, Precinct #4
Morice JacksonConstable, Precinct #2
David CrawfordConstable, Precinct #3
Sharon PagePurchasing Agent
Kerry HoodCounty Auditor

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

To the Honorable Judge and
Members of the Commissioners Court
Potter County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Potter County, Texas (the County), as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2013, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the General Fund Budgetary Comparison Schedule, Schedule of Funding Progress (Texas County and District Retirement System) and the Schedule of Funding Progress (Other Postretirement Benefits) on pages 3 through 11 and 43 through 56 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The introductory section, combining and individual nonmajor fund financial statements (including the budgetary comparison schedules for nonmajor funds) and statistical section are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and the combining and individual nonmajor fund financial statements (including the budgetary comparison schedules for nonmajor funds) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Dennis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 21, 2013

Management's Discussion and Analysis

As management of Potter County, we offer readers of Potter County's financial statements this narrative overview and analysis of the financial activities of Potter County for the fiscal year ended September 30, 2012. 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 on pages i-iii of this report.

Financial Highlights

- The assets and deferred outflows of resources of Potter County exceeded its liabilities at the close of the most recent fiscal year by \$87,541,605 (*net position*). Of this amount, \$22,079,761 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- Potter County's total net position increased \$4,094,201 because of construction related to the renovation of the courthouse.
- At the close of the current fiscal year, Potter County's governmental funds reported combined fund balances of \$23,750,042, a decrease of \$1,978,988 in comparison with the prior year. Approximately 59% of this amount (\$14,021,844) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$16,021,844 or approximately 36% of total general fund expenditures.
- Potter County's total outstanding long-term debt decreased by \$2,200,000 during the current fiscal year due in part to an advanced refunding for debt service savings. An additional \$500,000 was paid from I&S fund balances to further increase the savings.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Potter County's basic financial statements. Potter 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 Potter County's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how Potter 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).

Both of the government-wide financial statements report functions of Potter County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of Potter County include general government, judicial, public safety and correctional, health and human services, roads and bridges, and facilities.

The government-wide financial statements can be found on pages 12-21 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. Potter 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 Potter County can be divided into three categories: governmental funds, proprietary 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 basic governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary Funds. Potter County maintains only one proprietary fund. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among Potter County's various functions. Potter County uses an internal service fund to account for the management of its self-insured fund for employee health benefits.

The proprietary fund financial statements can be found on pages 18-20 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 Potter County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

The fiduciary fund financial statements can be found on page 21 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 22-42 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 43-94 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 Potter County, assets and deferred outflows of resources exceeded liabilities by \$87,541,605, at the close of the most recent fiscal year.

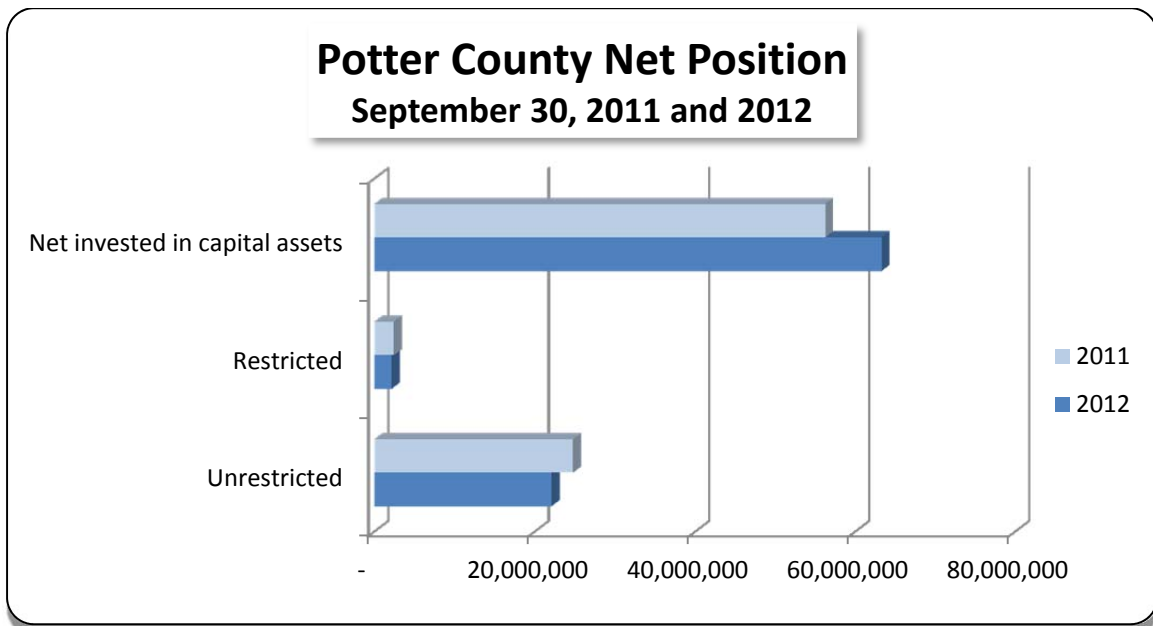
Potter County's Net Position

	Governmental Activities	
	2012	2011
Current and other assets	\$ 29,665,840	\$ 30,770,449
Capital assets	73,584,948	68,594,079
Total assets	103,250,788	99,364,528
Long-term liabilities outstanding	12,545,361	13,979,104
Other liabilities	3,163,822	1,938,020
Total liabilities	15,709,183	15,917,124
Net position:		
Net investment in capital assets	63,283,662	56,232,807
Restricted	2,178,182	2,439,212
Unrestricted	22,079,761	24,775,385
Total net position	87,541,605	83,447,404

By far, the largest portion of Potter County's net position (72.3%) 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. Potter County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although Potter 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 Potter County's net position (2.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$22,079,761 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

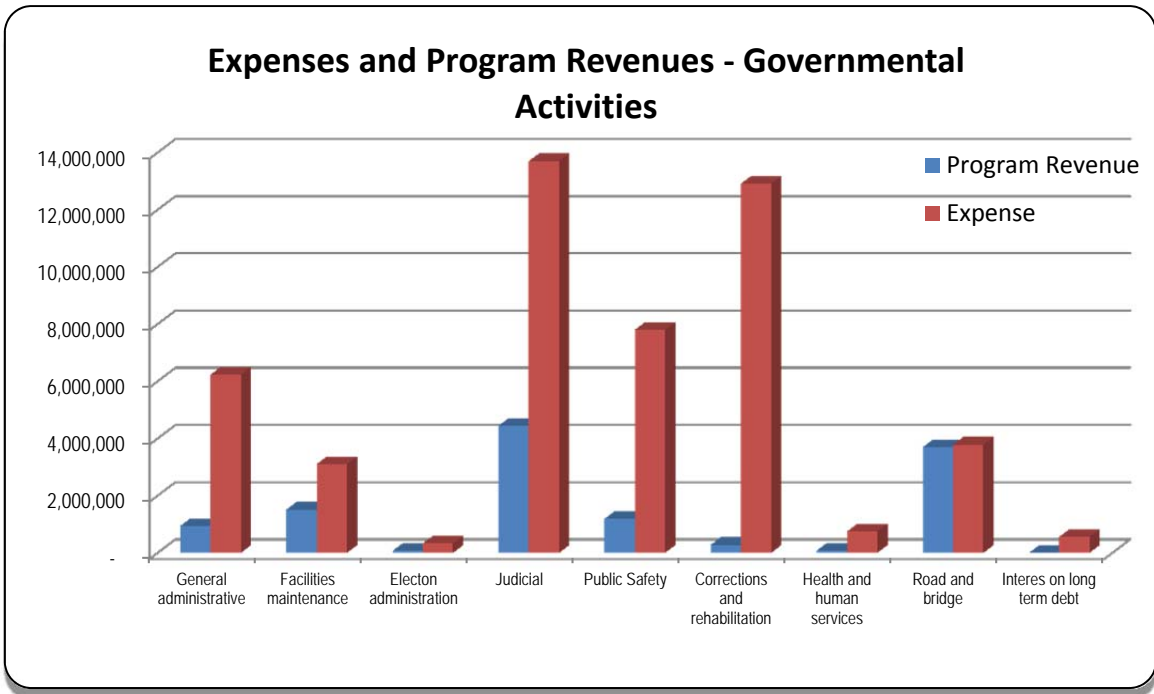
At the end of the current fiscal year, Potter County is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.



Governmental Activities. During the current fiscal year, net position for governmental activities increased \$4,094,201 from the prior fiscal year for an ending balance of \$87,541,605. The increase in the overall net position of governmental activities is the result of increasing rates for certain revenue sources and refinancing debt.

Potter County’s Changes in Net Position

	Governmental activities	
	2012	2011
Charges for services	\$ 7,288,810	\$ 7,019,072
Operating grants and contributions	1,679,624	1,637,501
Capital grants and contributions	3,266,348	1,886,767
Property taxes	40,380,197	37,768,434
Other taxes	600,938	646,576
Other	89,425	441,457
Total revenues	\$ 53,305,342	\$ 49,399,807
General administrative	6,237,219	5,221,623
Facilities maintenance	3,106,581	3,227,551
Election administration	333,261	335,654
Judicial	13,705,026	12,958,440
Public safety	7,804,487	7,846,797
Corrections and rehabilitation	12,918,829	12,136,464
Health and human services	751,915	659,153
Road and bridge	3,790,135	3,289,488
Interest on long term debt	563,688	445,151
Total expenses	\$ 49,211,141	\$ 46,120,321
Increase (decrease) in net position	4,094,201	3,279,486
Net position – beginning	83,447,404	80,167,918
Net position – ending	87,541,605	83,447,404



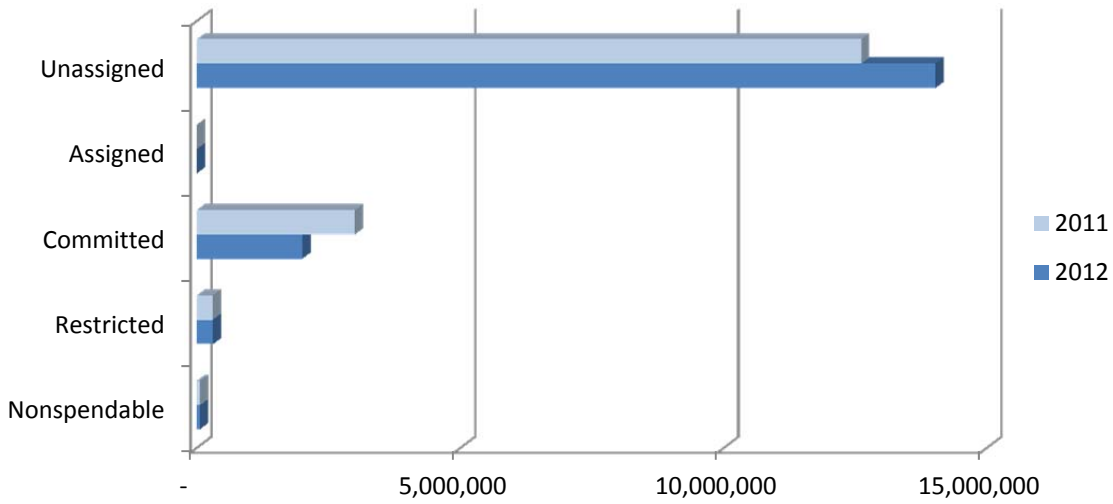
Financial Analysis of Governmental Funds

As noted earlier, Potter County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Potter County’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Potter County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’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, Potter County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by Potter County’s Commissioners’ Court.

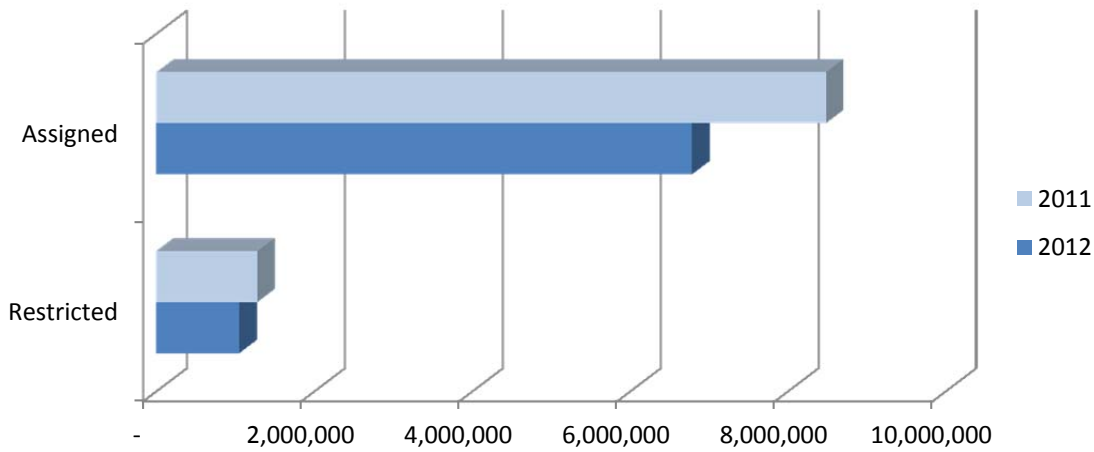
At September 30, 2012, Potter County’s governmental funds reported combined fund balances of \$23,750,042, a decrease of \$1,978,988 in comparison with the prior year. Approximately 59% of this amount (\$14,021,844) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$52,004), 2) restricted for particular purposes (\$1,359,987), 3) committed for particular purposes (\$2,000,000), or 4) assigned for particular purposes (\$6,316,207).

General Fund Components of Fund Balance September 30, 2011 and 2012



The general fund is the chief operating fund of Potter County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$14,021,844, while total fund balance increased to \$16,382,274. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 32 percent of total general fund expenditures, while total fund balance represents approximately 37.4 percent of that same amount.

Other Governmental Funds Components of Fund Balance September 30, 2011 and 2012



The fund balance of Potter County’s general fund increased by \$415,425 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase was due to departments under spending budget appropriations.

The courthouse preservation fund, a major fund, had a \$2,553,534 decrease in fund balance during the current fiscal year which brought the overall fund balance to \$433,909. The large decrease in fund balance is the result of spending resources transferred from the general fund in prior years on construction in the current period. Beginning in 2005, Commissioners have budgeted transfers of revenues in excess of expenditures from the general fund to the courthouse preservation fund to avoid financing the project. Potter County also received a grant from the Texas Historic Commission of up to \$5,000,000 for the restoration. This year, Potter County received \$704,330 in grant funds. Actual construction began in November, 2010 and was completed and occupied in September, 2012.

The debt service fund for Series 2012 Refunding Bonds ended the year with a fund balance of \$172,447. Potter County did an advanced refunding on Certificates of Obligation, Series 2003 of \$7,770,000. The fund balance from the original issue, \$792,173 was transferred to Series 2012 and \$500,000 of that balance was contributed to the refunding. The present value savings from the refunding are \$516,811 or 6.65% excluding the contribution.

The capital projects fund, the remaining major governmental fund, had a \$521,078 increase in fund balance during the current fiscal year for an ending fund balance of \$2,663,566. The majority of this fund comes from transfers from the general fund. The current year expenditures of \$1,396,746 provided for network infrastructure to county buildings, a county-wide wireless phone system and consulting services for potential upcoming projects.

Proprietary Funds. Potter County’s proprietary fund for employee health insurance provides the same type of information found in the government-wide financial statements, but in more detail.

Restricted net position of the fund at the end of the year was \$818,195. The decrease in net position was \$360,911. The decrease is a result of higher insurance claims and premiums paid to a third party administrator.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year the only significant amendments to increase the original budgeted appropriations resulted from carryover encumbrances from the prior year (\$277,000) and budgeting for records preservation expenditures from restricted fund balance (\$240,420). Generally, the movement of the appropriations between departments was not significant.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

Estimated Revenue source	Budgeted revenues	Actual revenues	Difference
Taxes	\$ 38,643,800	\$ 38,493,013	\$ (150,787)
License and fees	4,070,800	4,212,237	141,437
Fines and forfeitures	1,500,600	1,215,965	(284,635)
Rents and recoveries	752,500	874,465	121,965

Tax revenue was less than estimated due to the recession experienced during the year. Licenses and fees were more than estimated because there were more transactions processed. Fines and forfeitures was less than estimated due to fewer criminal cases being disposed and the inability of defendants to make payments due to the recession. Rents and recoveries exceeded estimates through unexpected refunds from workers’ compensation contributions and prior year surplus funds from the Potter-Randall Appraisal District, City of Amarillo and Lubbock County related to interlocal agreements.

A review of actual expenditures compared to the appropriations in the final budget yields significant variances in the following categories: salaries and fringe benefits are below budget by \$1,045,800 as a result of employee turnover, equipment purchases were \$650,000 less than anticipated during the current year, contract services in the judicial section (court appointed attorney, investigators, court reporters) were \$364,700 under budget, road repair supplies were expensed \$149,660 less than budget, and prisoner care had a remaining budget of \$356,073.

Capital Assets and Debt Administration

Capital assets. Potter County’s investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounts to \$63,283,662 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads, and bridges. The total increase in capital assets for the current fiscal year was approximately 12.9%.

Potter County’s Capital Assets (net of depreciation)

	Governmental activities	
	2012	2011
Land	\$ 5,019,608	\$ 5,019,608
Buildings and improvements	48,964,326	31,207,172
Streets and bridges	13,563,851	13,628,840
Furniture and equipment	5,623,043	3,986,820
Construction in progress	414,120	14,751,639
Total	\$ 73,584,948	\$68,594,079

Major capital asset events during the current fiscal year included the following:

- The completion of the courthouse restoration at a cost of \$18,884,025
- The purchase of various vehicles and equipment at a total cost of \$2,851,407.

Additional information on Potter County’s capital assets can be found in Note 5 on pages 31-32 of this report.

Long-term Debt. At the end of the current fiscal year, Potter County had total bonded debt outstanding of \$10,070,000. This amount is primarily paid from ad valorem taxes.

Potter County’s Outstanding Debt

(net of depreciation)

	Governmental activities	
	2012	2011
Certificates of obligation	\$ 0	\$ 7,770,000
General obligation, refunding bonds	2,850,000	4,500,000
Advanced GO, refunding bonds	7,220,000	0
Total	\$ 10,070,000	\$ 12,270,000

Potter County's total debt decreased by \$2,200,000 (17.9%) during the current fiscal year. Potter County issued general obligation bonds to refinance previously outstanding general obligation bonds reported in governmental activities. This refinancing was done to take advantage of favorable interest rates. The result is expected to be a decrease in future debt service payments of \$327,142.

Potter County maintains an "AA" rating from Standard & Poor's and an "Aa2" rating from Moody's Investors Service for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 25% of the assessed valuation of real property. The current debt limitation for Potter County is \$1,574,899,450, which is significantly in excess of Potter County's outstanding general obligation debt.

Additional information on Potter County's long-term debt can be found in Note 8 on pages 33-34 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect Potter County and were considered in developing the 2012-2013 fiscal year budget.

The unemployment rate for Potter County is currently 4.9%, which is a slight decrease from a rate of 5.0% a year ago. While the unemployment rate is likely to continue decreasing, it is not expected to reach the pre-recession level for several years.

Growth in the taxable assessed value as a percentage of estimated actual value and resulting increases in property assessments will continue to affect Potter County's real property tax base.

Interest rates are expected to remain at record low levels throughout fiscal year 2012-13.

On the expenditure side, increases are expected in health insurance premiums, as well as pension and other employee benefit costs.

Potter County continues to purchase a catastrophic liability insurance policy to protect itself from unforeseen losses in excess of \$1 million.

Contract settlements with all of Potter County's unions.

At the end of the current fiscal year, the unassigned fund balance in the general fund was \$14,021,844. Potter County has appropriated \$770,692 of this amount for spending in the 2012-2013 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of Potter County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Potter County Auditor's Office, 900 S. Polk, Suite 716, Amarillo, Texas 79101-3412.

BASIC FINANCIAL STATEMENTS

POTTER COUNTY, TEXAS

Exhibit A-1

Statement of Net Assets

September 30, 2012

	Governmental Activities
ASSETS:	
Pooled cash and cash equivalents	\$ 15,256,986
Investments	9,689,223
Receivables (net of allowance for uncollectibles)	
Taxes	1,105,129
Other	1,364,669
Fines, fees, and court costs	1,079,010
Due from other governments	591
Prepaid expenses	52,004
Restricted assets:	
Pooled cash and cash equivalents	795,911
Investments	30,691
Accounts receivable	185,284
Bond issuance costs	106,342
Capital assets not being depreciated	5,433,728
Capital assets (net of accumulated depreciation)	<u>68,151,220</u>
 Total assets	 103,250,788
LIABILITIES:	
Accounts payable and other current liabilities	2,902,929
Payroll taxes and related items	15,289
Deferred revenues	7,021
Accrued interest payable	43,055
Claims payable from restricted assets	195,528
Noncurrent liabilities	
Net other postemployment benefit liability	711,164
Due within one year	2,075,957
Due in more than one year	<u>9,758,240</u>
 Total liabilities	 15,709,183
NET ASSETS:	
Invested in capital assets, net of related debt	63,283,662
Restricted for:	
Debt service	1,031,222
Insurance claims	818,195
Restricted for election administration	20,339
Restricted for drug court programs	25,172
Restricted for preservation and restoration of County records	231,566
Restricted for bail bond board	29,186
Restricted for victim assistance contributions	13,509
Restricted for other purposes	8,993
Unrestricted	<u>22,079,761</u>
 Total net assets	 <u>\$ 87,541,605</u>

The accompanying notes are an integral part of the financial statements.

POTTER COUNTY, TEXAS
Statement of Activities
For the Year Ended September 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General administrative	\$ 6,237,219	\$ 855,609	\$ 87,575	\$
Facilities maintenance	3,106,581			1,517,018
Election administration	333,261	203	67,968	
Judicial	13,705,026	3,578,840	868,515	
Public safety	7,804,487	891,934	303,114	
Corrections and rehabilitation	12,918,829	37,536	242,816	
Health and human services	751,915	9,650	73,600	
Road and bridge	3,790,135	1,915,038	36,036	1,749,330
Interest on long term debt	563,688			
Total governmental activities	<u>49,211,141</u>	<u>7,288,810</u>	<u>1,679,624</u>	<u>3,266,348</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 49,211,141</u>	<u>\$ 7,288,810</u>	<u>\$ 1,679,624</u>	<u>\$ 3,266,348</u>

General Revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for debt purposes
- Mixed drink tax
- Vehicle inventory tax
- Bingo tax proceeds
- Unrestricted investment earnings
- Total general revenues

CHANGE IN NET ASSETS

NET ASSETS AT BEGINNING OF YEAR

NET ASSETS AT END OF YEAR

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Assets	
Primary Government	
Governmental Activities	Total
\$ (5,294,035)	\$ (5,294,035)
(1,589,563)	(1,589,563)
(265,090)	(265,090)
(9,257,671)	(9,257,671)
(6,609,439)	(6,609,439)
(12,638,477)	(12,638,477)
(668,665)	(668,665)
(89,731)	(89,731)
<u>(563,688)</u>	<u>(563,688)</u>
<u>(36,976,359)</u>	<u>(36,976,359)</u>
<u>(36,976,359)</u>	<u>(36,976,359)</u>
38,071,717	38,071,717
2,308,480	2,308,480
387,758	387,758
2,852	2,852
210,328	210,328
89,425	89,425
<u>41,070,560</u>	<u>41,070,560</u>
4,094,201	4,094,201
<u>83,447,404</u>	<u>83,447,404</u>
<u>\$ 87,541,605</u>	<u>\$ 87,541,605</u>

POTTER COUNTY, TEXAS

Balance Sheet
Governmental Funds
September 30, 2012

	General Fund	Series 2012 Refunding Bond
	<u> </u>	<u> </u>
ASSETS		
Pooled cash and cash equivalents	\$ 10,053,612	\$ 169,785
Investments	6,017,077	
Receivables (net of allowances for uncollectibles)		
Taxes	1,041,682	8,525
Other	1,321,882	1,315
Fines, fees, and court costs	1,079,010	
Due from other governments		
Due from other funds	5,580	
Prepaid items	52,004	
	<u> </u>	<u> </u>
Total assets	\$ 19,570,847	\$ 179,625
	<u> </u>	<u> </u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and other current liabilities	\$ 1,347,353	\$
Payroll taxes and related items	15,289	
Due to other funds	1,837	
Deferred revenues	1,824,094	7,178
	<u> </u>	<u> </u>
Total liabilities	3,188,573	7,178
Fund balances:		
Nonspendable fund balances:		
Prepaid items	52,004	
Restricted fund balances:		
Restricted for debt service		172,447
Restricted for election administration		
Restricted for drug court programs	25,172	
Restricted for preservation and restoration of County records	231,566	
Restricted for bail bond board	29,186	
Restricted for victim assistance contributions	13,509	
Restricted for other purposes	8,993	
Committed fund balances:		
Committed for capital replacement expenditures	2,000,000	
Assigned fund balances:		
Capital project funds assigned for specific purposes		
Special revenue funds assigned for specific purposes		
Unassigned fund balance	14,021,844	
	<u> </u>	<u> </u>
Total fund balances	16,382,274	172,447
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,570,847	\$ 179,625
	<u> </u>	<u> </u>

The accompanying notes are an integral part of the financial statements.

Courtthouse Preservation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 339,038	\$ 1,423,134	\$ 3,271,417	\$ 15,256,986
1,276,994	1,531,070	864,082	9,689,223
		54,922	1,105,129
		41,472	1,364,669
			1,079,010
		591	591
		23,505	29,085
			52,004
<u>\$ 1,616,032</u>	<u>\$ 2,954,204</u>	<u>\$ 4,255,989</u>	<u>\$ 28,576,697</u>
\$ 1,182,123	\$ 290,638	\$ 82,815	\$ 2,902,929
			15,289
		29,085	30,922
		46,243	1,877,515
<u>1,182,123</u>	<u>290,638</u>	<u>158,143</u>	<u>4,826,655</u>
			52,004
		858,775	1,031,222
		20,339	20,339
			25,172
			231,566
			29,186
			13,509
			8,993
			2,000,000
433,909	2,663,566		3,097,475
		3,218,732	3,218,732
			14,021,844
<u>433,909</u>	<u>2,663,566</u>	<u>4,097,846</u>	<u>23,750,042</u>
<u>\$ 1,616,032</u>	<u>\$ 2,954,204</u>	<u>\$ 4,255,989</u>	<u>\$ 28,576,697</u>

POTTER COUNTY, TEXAS
 Reconciliation of the Balance Sheet of Governmental Funds
 To The Statement of Net Assets
 September 30, 2012

Exhibit A-4

Total Fund Balances - Governmental Fund Balance Sheet	\$	23,750,042
<p>Amounts reported for governmental activities in the statement of net assets (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. The net effect is to increase net assets.</p>		73,584,948
<p>The due to/from amounts on the governmental funds balance sheet are eliminated on the statement of net assets in the amount of \$30,922. This causes no change to the net assets.</p>		-
<p>Internal service funds are used by management to account for the self-insurance fund of the government. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. The net effect is an increase to net assets.</p>		818,195
<p>Certain assets, such as property taxes receivable and imposed fines receivable, are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. Deferred revenue recognized in the government-wide financial statements results in a net increase to net assets.</p>		1,870,494
<p>Governmental funds report the effect of debt issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of deferring the debt issuance costs is an increase to net assets.</p>		106,342
<p>Long-term liabilities, including bonds payable, compensated absences and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the governmental funds. The net effect is a decrease in net assets.</p>		(12,545,361)
<p>Payables for bond interest which are not due in the current period are not reported in the funds.</p>		<u>(43,055)</u>
Net Assets of Governmental Activities - Statement of Net Assets	\$	<u><u>87,541,605</u></u>

The accompanying notes are an integral part of the financial statements.

POTTER COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2012

	General Fund	Series 2012 Refunding Bond
REVENUES:		
Taxes	\$ 38,493,013	\$ 4,925
License and fees	4,212,237	
Intergovernmental	1,572,813	
Fines and forfeitures	1,215,965	
Charges for services	874,465	
Investment earnings	50,257	21,341
Miscellaneous	45,698	
Total revenues	46,464,448	26,266
EXPENDITURES:		
Current:		
General administrative	5,137,519	
Facilities maintenance	2,056,478	
Election administration	321,587	
Judicial	12,459,266	
Public safety	7,451,837	
Corrections and rehabilitation	12,035,347	
Health and human services	735,533	
Road and bridge	1,905,658	
Debt service:		
Principal		
Interest and fiscal charges		124,815
Capital outlay	1,670,798	
Total expenditures	43,774,023	124,815
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,690,425	(98,549)
OTHER FINANCING SOURCES (USES)		
Refunding bonds issued		7,220,000
Premium on refunding bonds		306,365
Payment to refunded bond escrow agent		(8,047,542)
Transfers in	30,000	792,173
Transfers out	(2,305,000)	
Total other financing sources (uses)	(2,275,000)	270,996
NET CHANGE IN FUND BALANCES	415,425	172,447
FUND BALANCES AT BEGINNING OF YEAR	15,966,849	-
FUND BALANCES AT END OF YEAR	\$ 16,382,274	\$ 172,447

The accompanying notes are an integral part of the financial statements.

Courthouse Preservation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$
		2,305,416	40,803,354
		709,685	4,921,922
1,516,896		224,837	3,314,546
			1,215,965
		8,239	882,704
2,642	4,330	8,806	87,376
106	16	357,564	403,384
<u>1,519,644</u>	<u>4,346</u>	<u>3,614,547</u>	<u>51,629,251</u>
	86,522	42,096	5,266,137
6,445			2,062,923
		5,156	326,743
		909,427	13,368,693
		49,602	7,501,439
		444,466	12,479,813
			735,533
			1,905,658
		1,650,000	1,650,000
		267,395	392,210
4,066,733	1,396,746	263,636	7,397,913
<u>4,073,178</u>	<u>1,483,268</u>	<u>3,631,778</u>	<u>53,087,062</u>
<u>(2,553,534)</u>	<u>(1,478,922)</u>	<u>(17,231)</u>	<u>(1,457,811)</u>
			7,220,000
			306,365
			(8,047,542)
	2,000,000	805,000	3,627,173
		(1,322,173)	(3,627,173)
<u>-</u>	<u>2,000,000</u>	<u>(517,173)</u>	<u>(521,177)</u>
(2,553,534)	521,078	(534,404)	(1,978,988)
<u>2,987,443</u>	<u>2,142,488</u>	<u>4,632,250</u>	<u>25,729,030</u>
<u>\$ 433,909</u>	<u>\$ 2,663,566</u>	<u>\$ 4,097,846</u>	<u>\$ 23,750,042</u>

POTTER 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, 2012

Net Change in Fund Balances -Total Government Funds	\$ (1,978,988)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays subject to capitalization is to increase net assets.	7,252,829
Assets donated to governmental funds by private parties are not recorded in the governmental fund financial statements whereas in the government-wide financial statements are recorded as capital contributions.	1,749,330
Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of recording current year depreciation expense is to decrease net assets.	(3,289,463)
The proceeds received from the current year dispositions of capital assets are revenues in the fund financial statements, but are shown as decreases in capital assets in the government-wide financial statements. The net effect of excluding sales proceeds from revenue and recording the current year loss on disposition of capital assets is to decrease net assets.	(721,827)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. The current year decrease in revenue recognized in the government-wide financial statements results in a decrease in net assets.	(36,567)
Current year long-term debt principal payments on long-term debt are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements. This results in an increase in net assets.	1,650,000
The net increase in compensated absences payable is a decrease to net assets.	(331,599)
Internal service funds are used by management to charge the costs of self-insurance in individual funds. The change in net assets of the internal service funds are included in governmental activities in the statement of activities. This results in a decrease to net assets.	(360,911)

The accompanying notes are an integral part of the financial statements.

Bond premiums and debt issuance costs are recorded as expenditures when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is the current year amortization.	\$ 41,993
The net increase in the obligation for other postemployment benefits is a decrease to net assets.	(188,302)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due. This is a net increase in accrual.	(10,695)
Governmental funds report the affect of bond proceeds, issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of deferring bond proceeds of \$7,220,000, bond premium of \$306,365, debt issuance costs of \$74,766 and payment of refunded bond of \$7,770,000 is an increase to net assets.	<u>318,401</u>
Change in Net Assets of Governmental Activities - Statement of Activities	<u>\$ 4,094,201</u>

POTTER COUNTY, TEXAS

Exhibit A-7

Statement of Net Assets

Proprietary Funds

September 30, 2012

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets:	
Restricted assets:	
Pooled cash and cash equivalents	\$ 795,911
Investments	30,691
Accounts receivable:	
Other	185,284
Due from other funds	1,837
Total current assets	1,013,723
Total assets	1,013,723
LIABILITIES	
Current liabilities:	
Claims payable from restricted assets	195,528
Total current liabilities	195,528
Total liabilities	195,528
NET ASSETS	
Restricted for insurance claims	818,195
Total net assets	\$ 818,195

The accompanying notes are an integral part of the financial statements.

POTTER COUNTY, TEXAS

Exhibit A-8

Statement of Revenues,
Expenses and Changes in Fund Net Assets - Proprietary Funds
For the Year Ended September 30, 2012

	Governmental Activities <u>Internal Service Fund</u>
OPERATING REVENUES	
Insurance premiums	\$ 3,884,822
Charges for services	<u>232,559</u>
Total operating revenues	4,117,381
OPERATING EXPENSES	
Claims	3,576,864
Premiums	747,391
Administrative expenses	<u>156,086</u>
Total operating expenses	<u>4,480,341</u>
OPERATING INCOME	(362,960)
NONOPERATING REVENUES	
Investment earnings	<u>2,049</u>
Total non-operating revenues	<u>2,049</u>
CHANGE IN NET ASSETS	(360,911)
NET ASSETS AT BEGINNING OF YEAR	<u>1,179,106</u>
NET ASSETS AT END OF YEAR	<u>\$ 818,195</u>

The accompanying notes are an integral part of the financial statements.

POTTER COUNTY, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2012

Exhibit A-9

	Governmental Activities <u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from participants	\$ 3,709,353
Cash received from recoveries and other	232,559
Cash payments for claims	(3,803,070)
Cash payments for administrative fees	(156,086)
Cash payments for insurance premiums	<u>(747,391)</u>
Net cash used in operating activities	<u>(764,635)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	2,049
Redemption of investments	<u>499,418</u>
Net cash provided by investing activities	<u>501,467</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(263,168)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,059,079</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 795,911</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES	
Operating income	\$ (362,960)
Net change in:	
Accounts receivable	(174,365)
Due from other funds	(1,104)
Claims payable	<u>(226,206)</u>
Total adjustments	<u>(401,675)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (764,635)</u>

The accompanying notes are an integral part of the financial statements.

POTTER COUNTY, TEXAS
Statement of Fiduciary Net Assets - Fiduciary Funds
September 30, 2012

Exhibit A-10

	<u>Agency Funds</u>
ASSETS	
Pooled cash and cash equivalents	\$ 5,880,975
Investments	479,803
Accounts receivable:	
Other	<u>99,524</u>
Total assets	<u><u>\$ 6,460,302</u></u>
LIABILITIES	
Accounts payable and other current liabilities	\$ 510,677
Due to other governments	2,282,267
Due to trust beneficiaries	3,468,527
Due to other entities	133,831
Deposits	<u>65,000</u>
Total liabilities	<u><u>\$ 6,460,302</u></u>

The accompanying notes are an integral part of the financial statements.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 1: Summary of Significant Accounting Policies

The financial statements of Potter County, Texas (the County) included in the accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's Basic Financial Statements.

A. Reporting Entity

Potter County, Texas is a public Corporation and political subdivision of the State of Texas. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general administration, tax and recording (e.g. tax collection), judicial (courts, juries, etc), legal (district attorney, county attorney, etc) public safety (sheriff, jail, etc), transportation, facilities, and public service (e.g. rural fire protection and emergency management).

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

1. the organization is legally separate (can sue and be sued in its name)
2. the County holds the corporate powers of the organization
3. the County appoints a voting majority of the organization's board
4. the County is able to impose its will on the organization
5. the organization has the potential to impose a financial benefit/burden on the County
6. there is fiscal dependency by the organization on the County
7. the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; 2) the County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the County.

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

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

Basis of Presentation

Government-wide financial statements. The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements. The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. 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 non-major funds.

Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. The County applies only those Financial Accounting Standards Board (FASB) pronouncements issued prior to November 30, 1989 in the accounting and reporting of its proprietary funds.

Governmental Fund Types:

The County reports the following major governmental funds:

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

Series 2012 Refunding Bond. This fund is used to account for the accumulation of resources that are legally restricted to expenditures for the specified purpose of the retirement of the General Obligation Refunding Bonds, Series 2012, including debt principal, interest and related costs.

Courthouse Preservation Fund. The Courthouse preservation fund accounts for any grant funds and general funds transferred for the restoration of the Potter County Courthouse.

Capital Projects Fund. This fund accounts for financial resources that are restricted, committed or assigned to be used for the acquisition or construction of major capital facilities.

In addition, the County reports the following fund types:

Special Revenue Funds. These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds. These funds are used to account for the accumulation of resources that are legally restricted, committed or assigned to expenditures for the specified purpose of the retirement of long-term debt, including debt principal, interest and related costs.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Proprietary Fund Types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. The internal service fund is used to account for the provision of health insurance to employees of the County. The general fund is contingently liable for liabilities of this fund. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary Fund Types:

Agency Funds: These funds are used to report funds of the County's fee offices and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Fees are generated and retained by the fee offices until notification is received to disburse funds to the proper individual or entity. Fees generated include fines, restitution, bail bond deposits, and inmate trust funds.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

Measurement Focus and Basis of Accounting

Government-wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Revenues from local sources consist primarily of property taxes. Property taxes revenue and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expenses for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available 1) when they become due or past due and receivable within the current period and 2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

The County bills and collects its own property taxes and those of the Amarillo College District, the City of Amarillo, Amarillo Independent School District (AISD), River Road Independent School District, Highland Park Independent School District, the Village of Bishop Hills, High Plains Water District #1 and Park Ground Water District #3 which fall within the boundaries of Potter County. The County is the only entity controlled by the Commissioners' Court; the County acts only as an intermediary in the collection and distribution of property taxes to the other entities.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In the fund financial statements, they are offset by a designation of nonspendable fund balance which indicates they do not represent "available spendable resources".

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction is included as part of the capitalized value of the assets constructed. There was no capitalized interest during the current fiscal year.

In the case of the initial capitalization of general infrastructure assets (i.e., streets and bridges), the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the county constructs or acquires additional capital assets each year, including infrastructure assets, they are capitalized and reported at historical cost.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, and Net Assets or Equity (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	40 years
Furniture and Fixtures	5 years
General Equipment	5 years
Trucks	15 years
Cars	5 years
Computer Hardware	5 years
Streets	15-25 years
Bridges	50 years

Receivables and Payable Balances

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

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue.

There are no significant receivables which are not scheduled for collection within one year of year end.

Compensated Absences

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

1. Leave or compensation is attributable to services already rendered
2. Leave or compensation is not contingent on specific event (such as illness)

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

Upon termination from the County employment, an employee shall be entitled to payment for total accrued but unused days of vacation not accumulated beyond two years. Comp time earned, but not taken, is paid at termination, but cannot accumulate beyond 100 hours per eligible employee. Sick leave accrues at one day per month with no maximum limit, but compensation is paid only for an illness-related absence. Unused sick leave is non-vesting and will not be paid on termination, thus vacation and comp time are the only accrued compensation liabilities recorded.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, and Net Assets or Equity (continued)

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and Transfers out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line on the government-wide statement of net assets.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. On new bond issues, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Deferred Revenues

The County reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Assets limited as to use or restricted

Resources are set aside for the terms of bond agreements or self insurance arrangements.

Legally adopted budgets

All governmental funds have legally adopted budgets except for the following:

1. District Attorney Crime Victim
2. Sheriff Office Commissary

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 2: Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Cash Deposits

At September 30, 2012, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$21,922,333 and the bank balance was \$22,527,519. The County's cash deposits at September 30, 2012, were entirely covered by FDIC insurance or by pledged collateral held by the County's bank in the County's name.

Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management, include a list of the types of authorized investments in which the investing entity's funds may be invested and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act (Act) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports an establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, certificates of deposit, certain municipal securities, money market savings accounts, repurchasing agreements, bankers acceptance, mutual funds, investment pools, guaranteed investment contracts, and common trust funds.

The County's investments at September 30, 2012 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fair Value</u>	<u>Rating</u>
TexPool	41	\$ 9,142,366	AAAm
TexPool Prime	32	51,193	AAAm
Money Market Investments	N/A	<u>1,006,158</u>	Non-rated
Total investments		<u>\$ 10,199,717</u>	

Various certificates of deposit were purchased under the Certificate of Deposit Account Registry Service through a commercial banking institution. All certificates of deposit purchased under this program were entirely covered by FDIC insurance.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 2: Deposits and Investments (continued)

Investments (continued)

The County has investments with the following public funds investment pools as of September 30, 2012:

Texas Local Government Investment Pool (Texpool & Texpool Prime) – Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. The reported value of the pool is the same as the fair value of the pool shares. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor’s Office and by the Internal Auditor of the Comptroller’s Office.

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end:

A. Interest Rate Risk

In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to less than 365 days. The maximum allowable stated maturity of any individual investment owned by the County shall not exceed three years.

B. Credit Risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. County policy limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

C. Concentration of Credit Risk

The County’s investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

D. Investment Accounting Policy

The County’s general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 2: Deposits and Investments (continued)

E. Public Funds Investment Pools:

Public funds investment pools in Texas (Pool) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to have an advisory board composed of participants in the Pool and other persons who do not have a business relationship with the Pool and are qualified to advise the Pool, to maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service and to maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The County's investments in pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule of 195 2a7 of the Investment Company Act of 1940.

Note 3: Receivables

Receivables at year end, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental			Proprietary	Fiduciary
	General Fund	Series 2012 Refunding Bond	Other Governmental Funds	Internal Service	Agency
Receivables					
Taxes	\$ 2,192,931	\$ 17,947	\$ 115,620	\$	\$
Fines, fees, and court costs	36,861,033				
Other	1,321,882	1,315	41,472	185,284	99,524
Total gross receivables	40,375,846	19,262	157,092	185,284	99,524
Less: Allowance for uncollectibles					
Taxes	(1,151,249)	(9,422)	(60,698)		
Fines, fees, and court costs	(35,782,023)				
Net total receivables	\$ 3,442,574	\$ 9,840	\$ 96,394	\$ 185,284	\$ 99,524

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 4: Commitments Under Noncapitalized Leases

The County leases copiers from Tascosa Office Machines, Inc. for a term of five years beginning April 25, 2010 and ending April 25, 2015. The minimum lease amount is \$89,550.

Future minimum rental payments applicable to these operating leases are as follows:

Year ending September 30,		
2013	\$	89,550
2014		89,550
2015		52,238
Total minimum rental	\$	<u>231,338</u>
Rental expenditures in 2012	\$	<u>171,143</u>

Note 5: Capital Assets

Capital asset activity for the period ended September 30, 2012 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 5,019,608	\$ -	\$ -	\$ 5,019,608
Construction in progress	<u>14,751,639</u>	<u>5,364,734</u>	<u>(19,702,253)</u>	<u>414,120</u>
Total capital assets not being depreciated	19,771,247	5,364,734	(19,702,253)	5,433,728
Capital assets being depreciated				
Streets and bridges	36,483,533	1,737,282	(1,760,476)	36,460,339
Buildings and improvements	52,842,319	18,884,025	-	71,726,344
Furniture and equipment	<u>11,080,620</u>	<u>2,718,371</u>	<u>(623,523)</u>	<u>13,175,468</u>
Total capital assets being depreciated	100,406,472	23,339,678	(2,383,999)	121,362,151
Less accumulated depreciation for:				
Streets and bridges	(22,854,693)	(1,157,417)	1,115,622	(22,896,488)
Buildings and improvements	(21,635,147)	(1,126,871)	-	(22,762,018)
Furniture and equipment	<u>(7,093,800)</u>	<u>(1,005,175)</u>	<u>546,550</u>	<u>(7,552,425)</u>
Total accumulated depreciation	(51,583,640)	(3,289,463)	1,662,172	(53,210,931)
Total capital assets being depreciated, net	<u>48,822,832</u>	<u>20,050,215</u>	<u>(721,827)</u>	<u>68,151,220</u>
Governmental activities capital assets, net	<u>\$ 68,594,079</u>	<u>\$ 25,414,949</u>	<u>\$ (20,424,080)</u>	<u>\$ 73,584,948</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 5: Capital Assets (continued)

Depreciation was charged to functions as follows:

General administrative	\$	808,851
Road and bridge		1,207,906
Facilities maintenance		849,016
Judicial		60,457
Public safety		153,658
Correctional		<u>209,575</u>
Total depreciation expense	\$	<u><u>3,289,463</u></u>

Note 6: Interfund Balances and Activity

Due to and from Other Funds

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. Balances due to and due from other funds at September 30, 2012, consisted of the following:

<u>Due to fund</u>	<u>Due from fund</u>	<u>Amount</u>	<u>Purpose</u>
General fund	Other governmental funds	\$ 5,580	Short-term loans
Other governmental funds	Other governmental funds	23,505	Short-term loans
Internal service fund	General fund	<u>1,837</u>	Short-term loans
	Total	<u><u>\$ 30,922</u></u>	

Transfers to and from Other Funds

Transfers to and from other funds at September 30, 2012, consisted of the following:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>	<u>Purpose</u>
General fund	Capital project fund	\$ 2,000,000	Supplement construction funds
General fund	Other governmental funds	305,000	Supplement other funds sources
Other governmental funds	Other governmental funds	500,000	Supplement other funds sources
Other governmental funds	Series 2012 refunding bond	792,173	Supplement other funds sources
Other governmental funds	General fund	<u>30,000</u>	Supplement other funds sources
	Total	<u><u>\$ 3,627,173</u></u>	

The General Fund transferred \$2,000,000 to the Capital Projects Fund to provide additional funding for ongoing capital acquisition projects. The General Fund transferred \$55,000 to the Law Library Fund, \$250,000 to the Courthouse Security Fund to supplement those funds for anticipated expenditures. The Series 2003 bond transferred \$792,173 to the Series 2012 refunding bond as part of the refunding process and to supplement other funds sources. The Series 2008 bond transferred \$500,000 to the Series 2003 bond as part of the refunding process. The County Attorney Hot Check Fund and the County Attorney Forfeiture Fund each transferred \$15,000 to the General Fund to supplement other fund sources.

Note 7: Risk Management

The County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, errors and omissions and personnel risks which relate to workers compensation. The County carries commercial insurance in order to manage the above listed risks. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 8: Long-Term Obligations

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the County.

Bonds

The County issued Certificates of Obligation, Series 1998 to provide funds to renovate and make improvements to the County office building and to pay costs related to the issuance of the Certificates.

The County issued General Obligation Refunding bonds, Series 1998 to refund the Series 1994 Certificates of Obligation in order to restructure the County's debt service and to pay costs related to the issuance of the bonds.

The County issued Certificates of Obligation, Series 2003 to provide funds for the acquisition and construction of major capital facilities.

The County issued General Obligation Refunding bonds, Series 2008 to refund the Certificates of Obligation, Series 1998 and the General Obligation Refunding bonds, Series 1998 in order to restructure the County's debt service and to pay costs related to the issuance of the bonds. The proceeds were used to refund \$9,125,000 of the outstanding bonds. The refunding bonds were issued with a premium of \$151,329 which is being amortized over the life of the Series 2008 bonds.

The County issued General Obligation Refunding bonds, Series 2012 to refund the Certificates of Obligation, Series 2003 in order to restructure the County's debt service and to pay costs related to the issuance of the bonds. The proceeds were used to refund \$7,770,000 of the outstanding bonds. The refunding bonds were issued with a premium of \$306,365 which is being amortized over the life of the Series 2012 bonds. In regard to this issue, the County recognized cash flow savings of \$1,301,665 and an economic gain of \$1,177,882 with an effective interest rate of 1.004%.

Debt service is primarily paid from ad valorem taxes and is recorded in the debt service funds.

The following are general obligation bond issues outstanding at September 30, 2012:

	<u>Interest rates</u>	<u>Date of issue</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
General obligation, Series 2008 refunding bonds	3.50	2008	2014	\$ 2,850,000
General obligation, Series 2012 refunding bonds	2.00 - 3.00	2012	2018	<u>7,220,000</u>
Total general obligations debt				<u>\$ 10,070,000</u>

Annual debt service requirements to maturity for general obligations bonds are as follows:

Year Ending September 30,	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,710,000	\$ 244,883	\$ 1,954,883
2014	1,705,000	161,525	1,866,525
2015	1,820,000	114,900	1,934,900
2016	1,860,000	78,100	1,938,100
2017	1,900,000	40,500	1,940,500
2018	<u>1,075,000</u>	<u>10,750</u>	<u>1,085,750</u>
Totals	<u>\$ 10,070,000</u>	<u>\$ 650,658</u>	<u>\$ 10,720,658</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 8: Long-Term Obligations (continued)

Compensated Absences

The cost of the County's liability for compensated absences is calculated at the end of the fiscal year based on the employee's pay rate and the accumulated vacation hours earned but not taken. Typically, the General Fund has been used to liquidate the liability for compensated absences.

OPEB Liability

The OPEB liability is estimated using the actuarial methods and assumptions as further described in Note 15. Typically, the General Fund has been used to liquidate the OPEB liability.

Long-Term Obligation Activity

Long-Term Obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2012, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
General obligations bonds	\$ 12,270,000	\$ 7,220,000	\$ 9,420,000	\$ 10,070,000	\$ 1,710,000
Total bonds payable	12,270,000	7,220,000	9,420,000	10,070,000	1,710,000
Compensated absences	1,094,970	1,123,145	791,546	1,426,569	285,314
OPEB liability	522,862	269,549	81,247	711,164	-
Unamortized bond premium	91,272	306,365	60,009	337,628	80,643
Total Governmental Activities	\$ 13,979,104	\$ 8,919,059	\$ 10,352,802	\$ 12,545,361	\$ 2,075,957

Note 9: Pension Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). The Board of Trustees of the TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 624 nontraditional defined benefit plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County (employer), within the options available in the Texas state statutes governing the TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight 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 the County.

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 County 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. 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.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 9: Pension Plan (continued)

Funding Policy

The County has elected the annually determined contribution rate (Variable-rate) plan under the provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually.

The County contributed using the actuarially determined rate of 11.26% for the months of the accounting year in 2011, and 12.10% for the months of the accounting year in 2012.

The contribution rate payable by the employee members for fiscal year 2012 is the rate of 7.00% as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

Annual Pension Cost

For the County's accounting year ended September 30, 2012, the annual pension cost for the TCDRS plan for its employees was \$2,690,292 which equals the County's required and actual contributions.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2010, and December 31, 2011, the basis for determining the contribution rates for calendar years 2011 and 2012. The December 31, 2011 actuarial valuation is the most recent valuation.

Three-Year Trend Information
for the Retirement Plan for the Employees of
Potter County, Texas

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/10	\$2,293,165	100%	-
9/30/11	2,459,371	100%	-
9/30/12	2,690,292	100%	-

Actuarial Valuation Information

Actuarial valuation date	12/31/09	12/31/10	12/31/11
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10 year smooth value ESF: Fund value	SAF: 10 year smooth value ESF: Fund value	SAF: 10 year smooth value ESF: Fund value
Actuarial assumptions:			
Investment return*	8.00%	8.00%	8.00%
Projected salary increases*	5.40%	5.40%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost of living adjustments	0.00%	0.00%	0.00%

*Includes inflation at the stated rate

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 9: Pension Plan (continued)

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the plan was 82.63% funded. The actuarial accrued liability for benefits was \$97,719,511, and the actuarial value of assets was \$80,747,081, resulting in an unfunded actuarial accrued liability of \$16,972,430. The covered payroll (annual payroll of active employees covered by the plan) was \$26,196,785, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 64.79%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 10: Health Care Coverage

The County has established the Health and Life Insurance Fund (an internal service fund) to account for its health and life program. The purpose of this fund is to finance and pay for the uninsured medical claims of the County employees and their covered dependents according to the plan document and minimize the total costs of insurance to the County and its employees. Dependent coverage is funded by charges to employees. The County contributed \$552 per month, per employee. The County's liability is limited to \$125,000 per covered person per year (after the first claim of \$125,000) and an aggregate limit of \$4,446,213 per year under the present plan. The County has obtained stop loss insurance through a private insurance carrier for claims in excess of the above coverage. The County's third party administrator processes all the claims and bills the County weekly for processed claims that are within the coverage of the fund. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The premium amounts were based on calculations by the insurance carrier using experience factors to estimate what would be needed to cover claims and to establish a reserve for losses. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Changes in the County's claims liability amount were:

For the Year Ended	Beginning Balance	Claims and Changes In Estimates	Claims Payments	Ending Balance
September 30, 2010	\$ 129,700	\$ 3,703,992	\$ (3,645,175)	\$ 188,517
September 30, 2011	188,517	3,736,375	(3,503,158)	421,734
September 30, 2012	421,734	3,576,864	(3,803,070)	195,528

100% of claims and judgments are due within one year of September 30, 2012. The risk of loss on the life insurance program is completely carried by the insurance carrier and is included in this fund only for administrative purposes.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 11: Contingencies

Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Litigation

The County Attorney has indicated that there are various lawsuits filed and pending against the County but in his opinion none will result in a material effect on the County's financial position.

Construction Contingency

The County is currently disputing charges made by one of its contractors for work performed during 2012. The disputed amount totals \$504,515. The range of potential loss cannot be accurately determined and has, therefore, not been accrued.

Note 12: Fund Balance

The GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned).
2. *Restricted* fund balance category includes amounts that can be spent for only the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action, such as a resolution, of the Commissioners' Court (the County's highest level of decision-making authority).
4. *Assigned* fund balance classification includes amounts intended to be used by the County for specific purposes but does not meet the criteria to be classified as restricted or committed.
5. *Unassigned* fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications.

Nonspendable Fund Balance

At September 30, 2012, the nonspendable fund balance is composed of the following:

Prepaid items	\$ 52,004
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POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 12: Fund Balance (continued)

Restricted Fund Balance

At September 30, 2012, the restricted fund balance is composed of the following:

Debt service	\$ 1,031,222
Election administration	20,339
Drug court programs	25,172
Preservation and restoration of County records	231,566
Bail bond board	29,186
Victim assistance contributions	13,509
Other purposes	8,993

Committed Fund Balance

The County's committed fund balance is the portion of the fund balance that may only be established and modified by a formal action of the Commissioners' Court. At September 30, 2012, the following amounts of fund balance are committed by a formal action of the Commissioners' Court:

Capital replacement expenditures	\$ 2,000,000
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Assigned Fund Balance

The Commissioners' Court has delegated the authority to assign fund balance for specific purposes to the County Auditor and County Judge. At September 30, 2012, the following amounts of fund balance have been assigned:

Courthouse restoration	\$ 433,909
Other capital projects	2,663,566
Court security	137,904
Records management	176,638
Election administration	348,770
Technology	174,508
Forfeiture funds	1,691,606
Sheriff office commissary	67,966
Hot check funds	253,497
Other purposes	367,843

Order of Fund Balance Spending Policy

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: 1) Restricted; 2) Committed; 3) Assigned; and 4) Unassigned.

Minimum Fund Balance Policy

The County's financial goal is to have a sufficient balance in the operating fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The County shall strive to maintain a yearly fund balance in the general operating fund in which the total unassigned fund balance is not less than 25% of the total operating expenditures.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 13: Joint Venture

The Amarillo-Potter Events Venue District is a joint venture between Potter County and the City of Amarillo that was established as provided in Chapter 335 of the Texas Local Government Code. The seven member board of directors consists of three directors appointed by the County Judge and four directors appointed by the City Mayor. The amount of control exercised by each government is limited to its representation on the board.

The District operates certain facilities to be used for special events in the area. General operations are funded by user charges and typically require support for major improvements only.

The District has issued bonds under concurrent resolutions by the City Commission of the City of Amarillo and the Commissioners' Court of Potter County. These bonds were issued primarily for the construction of facilities. Debt service is secured by a 2% hotel occupancy tax and a 5% car rental tax. Additional security is provided by the City of Amarillo's pledge of its 7% hotel occupancy tax.

Due to the nature of the joint venture, none of the assets and liabilities have been reported by the County. The District is reported as a component unit by the City of Amarillo.

Note 14: Other Postemployment Benefits

Plan Description

The County provides postretirement benefits for employees who meet certain eligibility requirements through a single employer defined benefit plan. A separate audit report for the benefit plan is not available. For the year ended September 30, 2012, retirement eligibility criteria was the attainment of age 65 and 8 continuous years of service with the County. Retirement benefits include eligibility to continue participation in the County's partially self-funded health insurance plan.

Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the Commissioners' Court. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the legislature. For fiscal year 2012, the County paid claims of \$331,034 for retirees receiving benefits under the plan. The County does not make a premium contribution for retirees, as the retirees are only eligible to continue participation in the plan, but must contribute 100% of the plan premium. Plan members receiving benefits contributed \$131,970 through their required contribution of \$598 per month for retiree-only coverage and \$750 for retiree and spouse coverage.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 14: Other Postemployment Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (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 cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$	276,073
Interest on net OPEB obligation		13,040
Adjustment to annual required contribution		<u>(19,564)</u>
Annual OPEB cost (expense)		269,549
Contributions made		<u>(81,247)</u>
Increase in net OPEB obligation		188,302
Net OPEB obligation - beginning of year		<u>522,862</u>
Net OPEB obligation - end of year	\$	<u><u>711,164</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

For the Year Ended	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2010	\$ 252,018	22.3 %	\$ 326,003
September 30, 2011	269,549	27.0	522,862
September 30, 2012	269,549	30.1	711,164

Funded Status and Funding Progress

The funded status of the plan, under GASB Statement No. 45 as of September 30, 2011 (most recent actuarial valuation) is as follows:

Actuarial Valuation Date as of October 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
2010	\$ -	\$ 2,400,350	\$ 2,400,350	0.0%	\$ 25,492,185	9.4%

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 14: Other Postemployment Benefits (continued)

Funded Status and Funding Progress (continued)

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 multiyear 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.

In the October 1, 2010 actuarial valuation, the most recent actuarial valuation date, the following significant methods and assumptions were used:

Actuarial cost method	Entry age normal actuarial cost method
Amortization method	Level dollar, closed
Amortization period	28 years
Asset valuation method	N/A
Discount rate for valuing liabilities	4.0 %
Projected salary increases	N/A
Inflation rate	N/A
Health care cost trend rate	9.5 %
Ultimate health care cost trend rate	4.2 %
Year ultimate health care cost trend rate reached	2080

The projected future benefit payments are as follows:

<u>Year Ended September 30,</u>	<u>Payments</u>
2013	\$ 89,236
2014	74,420
2015	77,269
2016	88,368
2017	97,080
2018 to 2022	633,310
2023 to 2027	899,986
2028 to 2030	753,015

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2012

Note 15: Upcoming Accounting Pronouncements

In November 2010, the GASB issued Statement No. 61, The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34. This Statement modifies the criteria for inclusion of component units in the financial reporting entity. This Statement also clarifies the reporting of equity interests in legally separate organizations. The County will reassess its accounting and financial reporting for potential component units and interests in joint ventures when this Statement is implemented. The provisions of this Statement are effective for periods beginning after June 15, 2012.

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This Statement provides financial reporting guidance for deferred outflows and inflows of resources, which Concepts Statement No. 4 introduced and defined those elements as consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. This Statement amends the net assets reporting requirements of Statement No. 34 by incorporating deferred inflows and outflows into the definitions of the required components of residual measure and by renaming that measure as net position, rather than net assets. This Statement will require the County to assess the reporting of deferred inflows and outflows to which this Statement is applicable. The provisions of this Statement are effective for periods beginning after December 15, 2011.

In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement reclassifies deferred amounts upon refunding of debt as deferred inflows or outflows and requires debt issuance costs to be expensed as incurred. The provisions of this Statement are effective for periods beginning after December 15, 2012.

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement 27. This Statement requires governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as a liability on the statement of net position and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement will require the County to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the TCDRS plan. This Statement requires the use of the entry age normal method to be used with each period's service cost determined as a level percentage of pay and requires certain other changes to compute the pension liability and expense. This Statement also requires revised and new note disclosures and required supplementary information (RSI) to be reported by employers. The provisions of this Statement are effective for periods beginning after June 15, 2014.

The County will fully analyze the impact of these new Statements prior to the effective dates for the Statements listed above.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit B-1
Page 1 of 11

	2012			Variance from Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 38,643,800	\$ 38,643,800	\$ 38,493,013	\$ (150,787)
License and fees	4,070,800	4,070,800	4,212,237	141,437
Intergovernmental	1,472,200	1,498,400	1,572,813	74,413
Fines and forfeitures	1,500,600	1,500,600	1,215,965	(284,635)
Rents and recoveries	747,500	752,500	874,465	121,965
Investment earnings	50,000	50,000	50,257	257
Miscellaneous	25,600	32,425	45,698	13,273
Total revenues	46,510,500	46,548,525	46,464,448	(84,077)
EXPENDITURES				
General administrative				
Current:				
County judge				
Salaries and fringe benefits	190,126	190,126	189,533	593
Travel	4,000	4,000	-	4,000
Contract services	5,500	5,500	-	5,500
General operations	3,450	3,450	2,199	1,251
Equipment/vehicle maintenance	1,050	1,050	596	454
	<u>204,126</u>	<u>204,126</u>	<u>192,328</u>	<u>11,798</u>
County commissioners				
Salaries and fringe benefits	195,186	195,186	178,146	17,040
Travel	12,000	12,000	5,460	6,540
General operations	4,675	4,675	2,076	2,599
Equipment/vehicle maintenance	900	900	-	900
	<u>212,761</u>	<u>212,761</u>	<u>185,682</u>	<u>27,079</u>
Human resources				
Salaries and fringe benefits	223,810	223,810	222,176	1,634
Travel	3,500	3,500	2,373	1,127
General operations	9,780	9,780	7,078	2,702
Equipment/vehicle maintenance	6,240	6,240	2,528	3,712
	<u>243,330</u>	<u>243,330</u>	<u>234,155</u>	<u>9,175</u>
Information technology				
Salaries and fringe benefits	612,218	612,218	567,181	45,037
Travel	49,400	49,400	25,948	23,452
Contract services	98,595	98,595	88,342	10,253
General operations	190,600	276,252	193,392	82,860
Equipment/vehicle maintenance	4,000	4,000	599	3,401
	<u>954,813</u>	<u>1,040,465</u>	<u>875,462</u>	<u>165,003</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
Information and records management				
Salaries and fringe benefits	\$ 363,034	\$ 363,034	\$ 356,171	\$ 6,863
Travel	4,500	4,500	3,966	534
Contract services	6,300	6,300	2,973	3,327
General operations	37,700	37,700	31,653	6,047
Equipment/vehicle maintenance	1,775	1,775	675	1,100
	<u>413,309</u>	<u>413,309</u>	<u>395,438</u>	<u>17,871</u>
General administrative				
Contract services	492,600	492,600	485,634	6,966
General operations	82,000	82,000	35,367	46,633
Equipment/vehicle maintenance	250,000	85,958	60,729	25,229
Miscellaneous	793,500	601,424	378,649	222,775
	<u>1,618,100</u>	<u>1,261,982</u>	<u>960,379</u>	<u>301,603</u>
County auditor				
Salaries and fringe benefits	452,548	452,548	399,511	53,037
Travel	9,000	9,000	3,285	5,715
Contract services	63,000	63,000	56,100	6,900
General operations	8,200	9,140	7,309	1,831
Equipment/vehicle maintenance	1,000	1,000	687	313
	<u>533,748</u>	<u>534,688</u>	<u>466,892</u>	<u>67,796</u>
County treasurer				
Salaries and fringe benefits	186,822	186,822	184,636	2,186
Travel	6,000	6,000	5,995	5
General operations	13,285	13,285	10,386	2,899
Equipment/vehicle maintenance	1,000	1,000	656	344
	<u>207,107</u>	<u>207,107</u>	<u>201,673</u>	<u>5,434</u>
Purchasing agent				
Salaries and fringe benefits	364,154	364,154	361,275	2,879
Travel	9,500	9,500	9,322	178
General operations	13,000	13,000	10,100	2,900
Equipment/vehicle maintenance	6,000	6,000	3,481	2,519
	<u>392,654</u>	<u>392,654</u>	<u>384,178</u>	<u>8,476</u>
Collections				
Salaries and fringe benefits	159,102	159,102	156,070	3,032
Travel	3,000	3,000	1,953	1,047
General operations	22,550	22,550	17,225	5,325
Equipment/vehicle maintenance	4,000	4,000	944	3,056
	<u>188,652</u>	<u>188,652</u>	<u>176,192</u>	<u>12,460</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
Tax assessor/collector				
Salaries and fringe benefits	\$ 1,029,980	\$ 1,029,980	\$ 975,365	\$ 54,615
Travel	9,000	9,000	4,356	4,644
Contract services	21,000	21,000	17,517	3,483
General operations	115,300	114,700	63,299	51,401
Equipment/vehicle maintenance	4,200	4,800	4,603	197
	<u>1,179,480</u>	<u>1,179,480</u>	<u>1,065,140</u>	<u>114,340</u>
Total general administrative	<u>6,148,080</u>	<u>5,878,554</u>	<u>5,137,519</u>	<u>741,035</u>
Facilities maintenance				
Facilities maintenance department				
Salaries and fringe benefits	1,244,966	1,244,966	1,176,568	68,398
Travel	20,222	12,022	10,498	1,524
General operations	51,850	59,896	50,229	9,667
Equipment/vehicle maintenance	15,750	18,950	17,815	1,135
	<u>1,332,788</u>	<u>1,335,834</u>	<u>1,255,110</u>	<u>80,724</u>
Courthouse				
Building repair/maintenance	217,300	225,300	78,785	146,515
	<u>217,300</u>	<u>225,300</u>	<u>78,785</u>	<u>146,515</u>
Courts building				
General operations	4,500	5,300	5,271	29
Building repair/maintenance	346,668	341,468	239,073	102,395
	<u>351,168</u>	<u>346,768</u>	<u>244,344</u>	<u>102,424</u>
Library building				
Building repair/maintenance	11,600	12,600	9,363	3,237
	<u>11,600</u>	<u>12,600</u>	<u>9,363</u>	<u>3,237</u>
Extension service building				
Building repair/maintenance	16,200	16,200	9,653	6,547
	<u>16,200</u>	<u>16,200</u>	<u>9,653</u>	<u>6,547</u>
React building				
Building repair/maintenance	5,000	5,000	765	4,235
	<u>5,000</u>	<u>5,000</u>	<u>765</u>	<u>4,235</u>
Santa Fe building				
Building repair/maintenance	542,300	533,300	373,974	159,326
	<u>542,300</u>	<u>533,300</u>	<u>373,974</u>	<u>159,326</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
Baseball Stadium				
Building repair/maintenance	\$ 29,290	\$ 35,990	\$ 10,969	\$ 25,021
	<u>29,290</u>	<u>35,990</u>	<u>10,969</u>	<u>25,021</u>
JP#3 Office				
Building repair/maintenance	19,980	19,980	14,618	5,362
	<u>19,980</u>	<u>19,980</u>	<u>14,618</u>	<u>5,362</u>
Bowie Annex				
Building repair/maintenance	42,800	44,800	17,614	27,186
	<u>42,800</u>	<u>44,800</u>	<u>17,614</u>	<u>27,186</u>
Leased Building (Lessee)				
Building repair/maintenance	63,602	63,602	41,283	22,319
	<u>63,602</u>	<u>63,602</u>	<u>41,283</u>	<u>22,319</u>
Total facilities maintenance	<u>2,632,028</u>	<u>2,639,374</u>	<u>2,056,478</u>	<u>582,896</u>
Election administration				
Elections				
Salaries and fringe benefits	325,806	325,806	247,821	77,985
Travel	3,500	3,500	2,744	756
Contract services	40,000	40,000	26,756	13,244
General operations	50,500	52,405	24,109	28,296
	<u>419,806</u>	<u>421,711</u>	<u>301,430</u>	<u>120,281</u>
Voter registration				
Travel	3,000	3,000	-	3,000
General operations	50,600	50,600	20,157	30,443
	<u>53,600</u>	<u>53,600</u>	<u>20,157</u>	<u>33,443</u>
Total election administration	<u>473,406</u>	<u>475,311</u>	<u>321,587</u>	<u>153,724</u>
Judicial				
County clerk				
Salaries and fringe benefits	876,648	876,648	820,832	55,816
Travel	4,000	4,000	1,855	2,145
Contract services	200	125,800	125,491	309
General operations	56,450	56,450	44,105	12,345
Equipment/vehicle maintenance	20,000	20,000	5,370	14,630
	<u>957,298</u>	<u>1,082,898</u>	<u>997,653</u>	<u>85,245</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2012

Exhibit B-1
Page 5 of 11

	Original Budget	Final Budget	Actual	Variance from Final Budget
District clerk				
Salaries and fringe benefits	\$ 1,021,746	\$ 1,021,746	\$ 972,475	\$ 49,271
Travel	5,000	5,000	2,887	2,113
Contract services	8,000	8,000	6,378	1,622
General operations	58,250	66,253	60,125	6,128
Equipment/vehicle maintenance	7,500	7,500	5,568	1,932
Miscellaneous	4,125	4,125	230	3,895
	<u>1,104,621</u>	<u>1,112,624</u>	<u>1,047,663</u>	<u>64,961</u>
Court of appeals				
Salaries and fringe benefits	10,648	10,648	10,617	31
	<u>10,648</u>	<u>10,648</u>	<u>10,617</u>	<u>31</u>
Bail bond board				
General operations	500	800	752	48
	<u>500</u>	<u>800</u>	<u>752</u>	<u>48</u>
47th district court				
Salaries and fringe benefits	283,884	283,884	269,667	14,217
Travel	10,650	10,650	4,092	6,558
General operations	15,500	18,500	7,166	11,334
Equipment/vehicle maintenance	3,000	3,000	1,087	1,913
	<u>313,034</u>	<u>316,034</u>	<u>282,012</u>	<u>34,022</u>
108th district court				
Salaries and fringe benefits	289,884	289,884	278,334	11,550
Travel	10,250	10,250	7,190	3,060
General operations	12,200	11,300	9,315	1,985
Equipment/vehicle maintenance	1,400	1,700	1,498	202
	<u>313,734</u>	<u>313,134</u>	<u>296,337</u>	<u>16,797</u>
181st district court				
Salaries and fringe benefits	280,894	280,894	272,153	8,741
Travel	10,250	10,250	3,416	6,834
General operations	10,238	10,238	7,700	2,538
Equipment/vehicle maintenance	800	800	560	240
	<u>302,182</u>	<u>302,182</u>	<u>283,829</u>	<u>18,353</u>
251st district court				
Salaries and fringe benefits	280,894	280,894	268,149	12,745
Travel	10,250	10,250	2,017	8,233
General operations	12,700	12,700	3,588	9,112
Equipment/vehicle maintenance	1,200	1,200	741	459
	<u>305,044</u>	<u>305,044</u>	<u>274,495</u>	<u>30,549</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
320th district court				
Salaries and fringe benefits	\$ 290,508	\$ 290,508	\$ 273,164	\$ 17,344
Travel	12,250	12,250	7,649	4,601
General operations	16,050	16,050	7,950	8,100
Equipment/vehicle maintenance	1,600	1,600	1,464	136
	<u>320,408</u>	<u>320,408</u>	<u>290,227</u>	<u>30,181</u>
County court at law #1				
Salaries and fringe benefits	495,462	495,462	488,856	6,606
Travel	9,250	9,250	3,571	5,679
General operations	8,150	8,150	4,181	3,969
Equipment/vehicle maintenance	1,000	1,000	332	668
	<u>513,862</u>	<u>513,862</u>	<u>496,940</u>	<u>16,922</u>
County court at law #2				
Salaries and fringe benefits	519,472	519,472	452,672	66,800
Travel	9,650	9,650	5,785	3,865
General operations	8,300	8,300	3,721	4,579
Equipment/vehicle maintenance	350	350	288	62
	<u>537,772</u>	<u>537,772</u>	<u>462,466</u>	<u>75,306</u>
Justice of the Peace, precinct #1				
Salaries and fringe benefits	229,952	229,952	216,697	13,255
Travel	3,500	3,500	943	2,557
Contract services	500	500	480	20
General operations	13,750	13,750	9,651	4,099
Equipment/vehicle maintenance	1,600	1,600	1,449	151
	<u>249,302</u>	<u>249,302</u>	<u>229,220</u>	<u>20,082</u>
Justice of the Peace, precinct #2				
Salaries and fringe benefits	181,084	181,084	180,440	644
Travel	3,500	3,500	1,507	1,993
General operations	18,000	18,000	8,203	9,797
Equipment/vehicle maintenance	1,500	1,500	205	1,295
	<u>204,084</u>	<u>204,084</u>	<u>190,355</u>	<u>13,729</u>
Justice of the Peace, precinct #3				
Salaries and fringe benefits	225,570	225,570	211,562	14,008
Travel	3,500	3,500	3,073	427
Contract services	500	500	-	500
General operations	18,178	18,978	16,723	2,255
Equipment/vehicle maintenance	1,600	1,800	1,752	48
	<u>249,348</u>	<u>250,348</u>	<u>233,110</u>	<u>17,238</u>

POTTER COUNTY, TEXAS

General Fund

Budgetary Comparison Schedule - continued

For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
Justice of the Peace, precinct #4				
Salaries and fringe benefits	\$ 181,084	\$ 181,084	\$ 180,538	\$ 546
Travel	3,500	3,500	904	2,596
General operations	11,000	11,000	7,010	3,990
Equipment/vehicle maintenance	600	600	294	306
	<u>196,184</u>	<u>196,184</u>	<u>188,746</u>	<u>7,438</u>
Jury and jury related				
Salaries and fringe benefits	173,322	173,322	153,021	20,301
Travel	2,000	2,000	-	2,000
Contract services	137,300	137,300	117,837	19,463
General operations	45,000	45,000	41,138	3,862
Equipment/vehicle maintenance	5,800	5,800	4,283	1,517
	<u>363,422</u>	<u>363,422</u>	<u>316,279</u>	<u>47,143</u>
County attorney				
Salaries and fringe benefits	1,900,566	1,900,566	1,850,190	50,376
Travel	35,000	37,518	28,555	8,963
Contract services	22,200	22,200	13,826	8,374
General operations	64,750	48,965	37,291	11,674
Equipment/vehicle maintenance	11,490	15,550	15,247	303
	<u>2,034,006</u>	<u>2,024,799</u>	<u>1,945,109</u>	<u>79,690</u>
District attorney				
Salaries and fringe benefits	2,625,872	2,625,872	2,556,273	69,599
Travel	27,000	31,772	19,990	11,782
Contract services	121,500	121,500	93,178	28,322
General operations	76,994	74,494	45,406	29,088
Equipment/vehicle maintenance	10,400	12,900	12,512	388
	<u>2,861,766</u>	<u>2,866,538</u>	<u>2,727,359</u>	<u>139,179</u>
General judicial				
Salaries and fringe benefits	14,493	22,993	22,990	3
Contract services	2,215,000	2,194,500	1,944,976	249,524
General operations	84,100	84,100	83,012	1,088
Miscellaneous	760,500	160,500	86,662	73,838
	<u>3,074,093</u>	<u>2,462,093</u>	<u>2,137,640</u>	<u>324,453</u>
Indigent defense				
Salaries and fringe benefits	48,588	48,588	48,457	131
	<u>48,588</u>	<u>48,588</u>	<u>48,457</u>	<u>131</u>
Total judicial	<u>13,959,896</u>	<u>13,480,764</u>	<u>12,459,266</u>	<u>1,021,498</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Public safety				
Forensic science lab				
Contract services	\$ 425,000	\$ 425,000	\$ 359,549	\$ 65,451
	<u>425,000</u>	<u>425,000</u>	<u>359,549</u>	<u>65,451</u>
Constable, precinct #1				
Salaries and fringe benefits	63,822	63,822	55,335	8,487
Travel	2,000	2,000	1,808	192
General operations	4,195	4,195	-	4,195
Equipment/vehicle maintenance	4,100	4,100	2,898	1,202
	<u>74,117</u>	<u>74,117</u>	<u>60,041</u>	<u>14,076</u>
Constable, precinct #2				
Salaries and fringe benefits	63,822	63,822	62,793	1,029
Travel	2,000	2,000	1,381	619
General operations	1,600	1,400	389	1,011
Equipment/vehicle maintenance	2,100	2,100	1,756	344
	<u>69,522</u>	<u>69,322</u>	<u>66,319</u>	<u>3,003</u>
Constable, precinct #3				
Salaries and fringe benefits	6,624	6,624	-	6,624
	<u>6,624</u>	<u>6,624</u>	<u>-</u>	<u>6,624</u>
Sheriff				
Salaries and fringe benefits	5,420,050	5,420,050	5,239,191	180,859
Travel	93,000	109,281	100,667	8,614
Contract services	16,080	69,685	66,240	3,445
General operations	168,300	203,960	181,126	22,834
Equipment/vehicle maintenance	289,500	286,500	278,489	8,011
	<u>5,986,930</u>	<u>6,089,476</u>	<u>5,865,713</u>	<u>223,763</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
Special crimes unit				
General operations	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Sheriff offices				
Building repairs/maintenance	85,000	70,500	47,113	23,387
	<u>85,000</u>	<u>70,500</u>	<u>47,113</u>	<u>23,387</u>
Public service				
Building repair/maintenance	4,500	4,500	-	4,500
Miscellaneous	515,000	515,000	449,073	65,927
	<u>519,500</u>	<u>519,500</u>	<u>449,073</u>	<u>70,427</u>
Fire / rescue department				
Salaries and fringe benefits	243,520	243,520	233,190	10,330
Travel	41,000	51,100	44,143	6,957
Contract services	5,000	5,000	-	5,000
General operations	122,600	124,275	105,766	18,509
Equipment/vehicle maintenance	189,000	199,850	181,621	18,229
Building repair/maintenance	55,000	55,000	39,309	15,691
	<u>656,120</u>	<u>678,745</u>	<u>604,029</u>	<u>74,716</u>
Total public safety	<u>7,823,813</u>	<u>7,934,284</u>	<u>7,451,837</u>	<u>482,447</u>
Corrections and rehabilitation				
Detention center				
Salaries and fringe benefits	7,528,846	7,528,846	7,310,563	218,283
Contract services	47,250	47,250	35,390	11,860
General operations	69,100	96,617	83,947	12,670
Prisoner care	1,367,500	1,302,970	946,897	356,073
Equipment/vehicle maintenance	32,000	32,000	21,551	10,449
Building repairs/maintenance	485,000	505,500	473,580	31,920
	<u>9,529,696</u>	<u>9,513,183</u>	<u>8,871,928</u>	<u>641,255</u>
Community supervision and corrections				
General operations	13,500	13,500	11,260	2,240
Equipment/vehicle maintenance	15,000	15,000	13,445	1,555
	<u>28,500</u>	<u>28,500</u>	<u>24,705</u>	<u>3,795</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget
Juvenile probation	\$ 3,138,714	\$ 3,138,714	\$ 3,138,714	\$ -
	<u>3,138,714</u>	<u>3,138,714</u>	<u>3,138,714</u>	<u>-</u>
Total corrections and rehabilitation	<u>12,696,910</u>	<u>12,680,397</u>	<u>12,035,347</u>	<u>645,050</u>
Health and human services				
Mental health - community service				
Salaries and fringe benefits	54,604	54,604	54,473	131
Travel	1,000	1,000	-	1,000
Contract services	93,500	105,500	100,778	4,722
General operations	700	700	275.00	425
	<u>149,804</u>	<u>161,804</u>	<u>155,526</u>	<u>6,278</u>
County extension services				
Salaries and fringe benefits	176,140	176,140	160,306	15,834
Travel	10,500	10,500	7,580	2,920
General operations	19,704	21,204	17,794	3,410
Equipment/vehicle maintenance	18,000	18,000	16,866	1,134
Miscellaneous	1,500	1,500	1,245	255
	<u>225,844</u>	<u>227,344</u>	<u>203,791</u>	<u>23,553</u>
Welfare				
Salaries and fringe benefits	9,773	9,773	9,688	85
Contract services	30,000	33,000	31,694	1,306
General operations	4,575	4,725	1,784	2,941
	<u>44,348</u>	<u>47,498</u>	<u>43,166</u>	<u>4,332</u>
Family crime unit				
Salaries and fringe benefits	164,868	164,868	151,622	13,246
Travel	3,000	3,000	-	3,000
General operations	7,425	7,425	6,032	1,393
Equipment/vehicle maintenance	3,300	3,300	1,998	1,302
	<u>178,593</u>	<u>178,593</u>	<u>159,652</u>	<u>18,941</u>
Victim assistance - VOCA				
Salaries and fringe benefits	116,984	116,984	116,734	250
Travel	4,618	4,618	-	4,618
	<u>121,602</u>	<u>121,602</u>	<u>116,734</u>	<u>4,868</u>
Victim assistance - VCLG				
Salaries and fringe benefits	57,218	57,218	56,664	554
Travel	2,627	2,627	-	2,627
	<u>59,845</u>	<u>59,845</u>	<u>56,664</u>	<u>3,181</u>
Total health and human services	<u>780,036</u>	<u>796,686</u>	<u>735,533</u>	<u>61,153</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2012

Exhibit B-1
Page 11 of 11

	Original Budget	Final Budget	Actual	Variance from Final Budget
Road and bridge expenditures				
Salaries and fringe benefits	\$ 1,174,310	\$ 1,174,310	\$ 1,069,154	\$ 105,156
Travel	13,000	13,000	7,859	5,141
Contract services	7,500	12,500	5,000	7,500
General operations	856,000	681,500	525,943	155,557
Equipment/vehicle maintenance	316,500	316,500	262,279	54,221
Building repairs/maintenance	60,000	60,000	35,423	24,577
Total Road and bridge expenditures	<u>2,427,310</u>	<u>2,257,810</u>	<u>1,905,658</u>	<u>352,152</u>
Capital outlay	<u>548,700</u>	<u>1,932,060</u>	<u>1,670,798</u>	<u>261,262</u>
Total expenditures	<u>47,490,179</u>	<u>48,075,240</u>	<u>43,774,023</u>	<u>4,301,217</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(979,679)	(1,526,715)	2,690,425	4,217,140
OTHER FINANCING SOURCES (USES)				
Transfers in	90,000	90,000	30,000	(60,000)
Transfers out	<u>(2,305,000)</u>	<u>(2,305,000)</u>	<u>(2,305,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,215,000)</u>	<u>(2,215,000)</u>	<u>(2,275,000)</u>	<u>(60,000)</u>
NET CHANGE IN FUND BALANCE	(3,194,679)	(3,741,715)	415,425	4,157,140
FUND BALANCE AT BEGINNING OF YEAR	<u>15,966,849</u>	<u>15,966,849</u>	<u>15,966,849</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 12,772,170</u>	<u>\$ 12,225,134</u>	<u>\$ 16,382,274</u>	<u>\$ 4,157,140</u>

POTTER COUNTY, TEXAS
 Required Supplementary Information
 Schedule of Funding Progress, Texas County and District Retirement System
 For the Year Ended September 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability Entry Age	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2007	\$ 65,868,460	\$ 72,860,982	\$ 6,992,522	90.40%	\$ 23,580,763	29.65%
12/31/2008	63,978,958	76,416,379	12,437,421	83.72%	24,698,031	50.36%
12/31/2009	71,195,120	83,750,275	12,555,155	85.01%	25,394,759	49.44%
12/31/2010	76,473,392	91,329,884	14,856,492	83.73%	25,492,185	58.28%
12/31/2011	80,747,081	97,719,511	16,972,430	82.63%	26,196,785	64.79%

POTTER COUNTY, TEXAS
 Required Supplementary Information
 Schedule of Funding Progress, Other Postretirement Benefits (1)
 For the Year Ended September 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2008	\$ -	\$ 2,303,355	\$ 2,303,355	0.00%	\$ 21,128,711	10.90%
10/1/2010	-	2,400,350	2,400,350	0.00%	25,492,185	9.42%

(1) 2009 was the first year of GASB 45 implementation. The plan has more than 200 members; therefore, the County has elected to obtain an actuarial valuation on a biennial basis.

POTTER COUNTY, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2012

BUDGETARY INFORMATION

The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County Judge with the assistance of the County Auditor's Office and approved by the Commissioners' Court following a public hearing. The County maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body and as such is a good management control device.

The budget law of the State of Texas provides that "the amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in said funds plus the anticipated revenues for the current year for which the budget is made as estimated by the County Auditor". In addition, the law provides that the Commissioners' Court "may, upon proper application, transfer an existing budget surplus during the year to a budget of like kind and fund but no such transfer shall increase the total budget".

Each year, all departments submit to the County Judge requests for appropriation. These requests are reviewed, compiled and presented to the Commissioners' Court for approval. The Commissioners' Court conducts departmental budget reviews, adjusts budget requests to final form and conducts a public hearing in the Commissioners' Courtroom. One copy of the proposed budget must be filed with the County Clerk and one with the County Auditor. A copy must be available to the public. The Commissioners' Court must provide for the public hearing on the budget on some date within seven calendar days after the filing of the budget and prior to October 1st of the current fiscal year.

The County's legal level of control for appropriations is at the category level (i.e., salaries and fringe benefits, contract services, general operating, etc.) for each department/project within the General Fund. Administrative control is maintained through the establishment of more detailed accounts within each category. Appropriation transfers and budget increases may be made between categories or departments only with the approval of the Commissioners' Court. The original budgets presented in the report are the approved budgets before amendments and transfers. The final budgets presented in this report reflect the budgets as amended for all appropriation transfers and increases processed during the fiscal year.

For the year ended September 30, 2012, there were no General Fund expenditures that exceeded appropriations at the legal level of control.

COMBINING STATEMENTS AND BUDGETARY COMPARISON SCHEDULES AS SUPPLEMENTARY
INFORMATION

The supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

POTTER COUNTY, TEXAS
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2012

Exhibit C-1

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Funds
ASSETS			
Pooled cash and cash equivalents	\$ 2,429,731	\$ 841,686	\$ 3,271,417
Investments	864,082		864,082
Accounts receivable			
Taxes		54,922	54,922
Other	33,062	8,410	41,472
Due from other funds	23,505		23,505
Due from other governments	591		591
	<u>3,350,971</u>	<u>905,018</u>	<u>4,255,989</u>
Total assets	\$ <u>3,350,971</u>	\$ <u>905,018</u>	\$ <u>4,255,989</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and other current liabilities	\$ 82,815	\$	\$ 82,815
Due to other funds	29,085		29,085
Deferred revenue			
Taxes		46,243	46,243
	<u>111,900</u>	<u>46,243</u>	<u>158,143</u>
Total liabilities	111,900	46,243	158,143
Fund balances			
Restricted fund balances:			
Restricted for election administration	20,339		20,339
Restricted for debt service		858,775	858,775
Assigned:			
Capital project funds assigned for specific purposes			
Special revenue funds	3,218,732		3,218,732
	<u>3,239,071</u>	<u>858,775</u>	<u>4,097,846</u>
Total fund balance	3,239,071	858,775	4,097,846
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,350,971</u>	<u>\$ 905,018</u>	<u>\$ 4,255,989</u>

POTTER COUNTY, TEXAS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2012

Exhibit C-2

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Funds
REVENUES			
Taxes	\$	\$ 2,305,416	\$ 2,305,416
License and fees	709,685		709,685
Intergovernmental	224,837		224,837
Charges for services	8,239		8,239
Investment earnings	5,285	3,521	8,806
Miscellaneous	356,764	800	357,564
Total revenues	1,304,810	2,309,737	3,614,547
EXPENDITURES			
Current:			
General administrative	40,596	1,500	42,096
Facilities maintenance			
Election administration	5,156		5,156
Judicial	909,427		909,427
Public safety	49,602		49,602
Corrections and rehabilitation	444,466		444,466
Debt service			
Principal		1,650,000	1,650,000
Interest and fiscal charges		267,395	267,395
Capital outlay	263,636		263,636
Total expenditures	1,712,883	1,918,895	3,631,778
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(408,073)	390,842	(17,231)
OTHER FINANCING SOURCES			
Transfers in	305,000	500,000	805,000
Transfers out	(30,000)	(1,292,173)	(1,322,173)
Total other financing sources (uses)	275,000	(792,173)	(517,173)
NET CHANGE IN FUND BALANCES	(133,073)	(401,331)	(534,404)
FUND BALANCES AT BEGINNING OF YEAR	3,372,144	1,260,106	4,632,250
FUND BALANCES AT END OF YEAR	\$ 3,239,071	\$ 858,775	\$ 4,097,846

SPECIAL REVENUE FUNDS

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2012

	210 Vehicle Inventory <u>Tax Interest</u>	215 Law Library	220 Courthouse Security	221 Justice Courts Building Security
ASSETS				
Pooled cash and cash equivalents	\$ 30	\$ 23,822	\$ 107,408	\$ 28,821
Investments	173,957			
Accounts receivable (net)				
Other		5,132	4,792	398
Due from other funds				
Due from other governments	<u>591</u>			
 Total assets	 <u>\$ 174,578</u>	 <u>\$ 28,954</u>	 <u>\$ 112,200</u>	 <u>\$ 29,219</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$ 8,455	\$ 3,515	\$
Due to other funds				
 Total liabilities	 -	 8,455	 3,515	 -
 Fund balance				
Restricted				
Assigned	<u>174,578</u>	<u>20,499</u>	<u>108,685</u>	<u>29,219</u>
 Total fund balance	 <u>174,578</u>	 <u>20,499</u>	 <u>108,685</u>	 <u>29,219</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 174,578</u>	 <u>\$ 28,954</u>	 <u>\$ 112,200</u>	 <u>\$ 29,219</u>

225 Graffiti Eradication	226 Child Abuse Prevention	235 County Clerk Records Management	236 Election	237 Voter Registration	240 Court Records Management	245 District Clerk Records Management	250 Justice Court Technology
\$ 1,142	\$ 9,977	\$ 22,472	\$ 349,420	\$ 43,844	\$ 28,984	\$ 135,287	\$ 161,006
28	96	10,076	23,505		4,806	2,759	1,710
<u>\$ 1,170</u>	<u>\$ 10,073</u>	<u>\$ 32,548</u>	<u>\$ 372,925</u>	<u>\$ 43,844</u>	<u>\$ 33,790</u>	<u>\$ 138,046</u>	<u>\$ 162,716</u>
\$	\$	\$ 27,746	\$ 18,643	\$	\$	\$	\$ 78
			5,512	23,505			
-	-	27,746	24,155	23,505	-	-	78
1,170	10,073	4,802	348,770	20,339	33,790	138,046	162,638
1,170	10,073	4,802	348,770	20,339	33,790	138,046	162,638
<u>\$ 1,170</u>	<u>\$ 10,073</u>	<u>\$ 32,548</u>	<u>\$ 372,925</u>	<u>\$ 43,844</u>	<u>\$ 33,790</u>	<u>\$ 138,046</u>	<u>\$ 162,716</u>

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2012

	<u>251</u>	<u>255</u>	<u>256</u>	<u>260</u>
	County Clerk / District Clerk Technology	County Attorney Hot Check	County Attorney Forfeiture	District Attorney Hot Check
ASSETS				
Pooled cash and cash equivalents	\$ 11,416	\$ 122,026	\$ 182,775	\$ 131,522
Investments				
Accounts receivable (net)				
Other	454		1,534	
Due from other funds				
Due from other governments				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 11,870</u>	<u>\$ 122,026</u>	<u>\$ 184,309</u>	<u>\$ 131,522</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$	\$ 584	\$
Due to other funds		<u>26</u>		<u>25</u>
Total liabilities	-	26	584	25
 Fund balance				
Restricted				
Assigned	<u>11,870</u>	<u>122,000</u>	<u>183,725</u>	<u>131,497</u>
Total fund balance	<u>11,870</u>	<u>122,000</u>	<u>183,725</u>	<u>131,497</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,870</u>	<u>\$ 122,026</u>	<u>\$ 184,309</u>	<u>\$ 131,522</u>

<u>261</u> <u>District</u> <u>Attorney</u> <u>Payroll</u>	<u>262</u> <u>DA Forfeiture</u> <u>Release</u>	<u>263</u> <u>DA</u> <u>Welfare</u> <u>Fraud</u>	<u>265</u> <u>District</u> <u>Attorney</u> <u>Crime Victim</u>	<u>266</u> <u>DA</u> <u>Federal</u> <u>Forfeiture</u>	<u>271</u> <u>Sheriff</u> <u>Federal</u> <u>Forfeiture</u>	<u>272</u> <u>Law</u> <u>Enforcement</u> <u>Grants</u>	<u>273</u> <u>Sheriff</u> <u>Office</u> <u>Forfeiture</u>
\$ 5,480	\$ 511,421 690,125	\$ 86,311	\$ 26,401	\$ 10,067	\$ 246,452	\$ 54,388	\$ 57,900
124	391					36	726
<u>\$ 5,604</u>	<u>\$ 1,201,937</u>	<u>\$ 86,311</u>	<u>\$ 26,401</u>	<u>\$ 10,067</u>	<u>\$ 246,452</u>	<u>\$ 54,424</u>	<u>\$ 58,626</u>
\$	\$	\$	\$	\$	\$	\$	\$
		17		3,036	6,165	11,200	
-	-	17	-	3,036	6,165	11,200	-
<u>5,604</u>	<u>1,201,937</u>	<u>86,294</u>	<u>26,401</u>	<u>7,031</u>	<u>240,287</u>	<u>43,224</u>	<u>58,626</u>
<u>5,604</u>	<u>1,201,937</u>	<u>86,294</u>	<u>26,401</u>	<u>7,031</u>	<u>240,287</u>	<u>43,224</u>	<u>58,626</u>
<u>\$ 5,604</u>	<u>\$ 1,201,937</u>	<u>\$ 86,311</u>	<u>\$ 26,401</u>	<u>\$ 10,067</u>	<u>\$ 246,452</u>	<u>\$ 54,424</u>	<u>\$ 58,626</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2012

Exhibit C-3
Page 3 of 3

	<u>274 Sheriff Office Commissary</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS		
Pooled cash and cash equivalents	\$ 71,359	\$ 2,429,731
Investments		864,082
Accounts receivable (net)		
Other		33,062
Due from other funds		23,505
Due from other governments		591
	<u>71,359</u>	<u>591</u>
Total assets	<u>\$ 71,359</u>	<u>\$ 3,350,971</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and other current liabilities	\$ 3,393	\$ 82,815
Due to other funds		29,085
	<u>3,393</u>	<u>29,085</u>
Total liabilities	3,393	111,900
 Fund balance		
Restricted		20,339
Assigned	67,966	3,218,732
	<u>67,966</u>	<u>3,218,732</u>
Total fund balance	<u>67,966</u>	<u>3,239,071</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 71,359</u>	 <u>\$ 3,350,971</u>

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended September 30, 2012

	210 Vehicle Inventory Tax Interest	215 Law Library	220 Courthouse Security	221 Justice Court Building Security
REVENUES				
Licenses and fees	\$	\$ 78,282	\$ 58,931	\$ 4,819
Intergovernmental				
Charges for services		2,867		
Investment earnings	453		352	
Miscellaneous			135	
Total revenues	<u>453</u>	<u>81,149</u>	<u>59,418</u>	<u>4,819</u>
Expenditures:				
Current:				
General administrative				
Election administration				
Judicial		145,197	329,515	925
Public safety				
Corrections				
Capital outlay			<u>27,906</u>	
Total expenditures		<u>145,197</u>	<u>357,421</u>	<u>925</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>453</u>	<u>(64,048)</u>	<u>(298,003)</u>	<u>3,894</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		55,000	250,000	
Transfers out				
Total other financing sources (uses)	<u>-</u>	<u>55,000</u>	<u>250,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	453	(9,048)	(48,003)	3,894
FUND BALANCES AT BEGINNING OF YEAR	<u>174,125</u>	<u>29,547</u>	<u>156,688</u>	<u>25,325</u>
FUND BALANCES AT END OF YEAR	<u>\$ 174,578</u>	<u>\$ 20,499</u>	<u>\$ 108,685</u>	<u>\$ 29,219</u>

225 Graffiti Eradication	226 Child Abuse Prevention	235 County Clerk Records Management	236 Election	237 Voter Registration	240 Court Records Management	245 District Clerk Records Management	250 Justice Court Technology
\$ 494	\$ 2,230	\$ 115,425	\$ 842	\$ 2,156	\$ 62,162	\$ 40,492	\$ 20,699
			65,812				
		106	776	100		266	
		41	180	23		53	
494	2,230	115,572	67,610	2,279	62,162	40,811	20,699
					40,596		
		116,581	3,000	2,156		1,299	7,299
		61,239	30,643		34,475	6,685	
-	-	177,820	33,643	2,156	75,071	7,984	7,299
494	2,230	(62,248)	33,967	123	(12,909)	32,827	13,400
-	-	-	-	-	-	-	-
494	2,230	(62,248)	33,967	123	(12,909)	32,827	13,400
676	7,843	67,050	314,803	20,216	46,699	105,219	149,238
\$ 1,170	\$ 10,073	\$ 4,802	\$ 348,770	\$ 20,339	\$ 33,790	\$ 138,046	\$ 162,638

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended September 30, 2012

	251 County Clerk / District Clerk Technology	255 County Attorney Hot Check	256 County Attorney Forfeiture	260 District Attorney Hot Check
REVENUES				
Licenses and fees	\$	\$ 92,115	\$	\$ 2,491
Intergovernmental				
Charges for services	5,372			
Investment earnings				
Miscellaneous			21,578	9,030
Total revenues	5,372	92,115	21,578	11,521
Expenditures:				
Current:				
General administrative				
Election administration				
Judicial		30,005	216,493	1,932
Public safety				
Corrections				
Capital outlay				
Total expenditures	-	30,005	216,493	1,932
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	5,372	62,110	(194,915)	9,589
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out		(15,000)	(15,000)	
Total other financing sources (uses)	-	(15,000)	(15,000)	-
NET CHANGE IN FUND BALANCE	5,372	47,110	(209,915)	9,589
FUND BALANCES AT BEGINNING OF YEAR	6,498	74,890	393,640	121,908
FUND BALANCES AT END OF YEAR	\$ 11,870	\$ 122,000	\$ 183,725	\$ 131,497

261 District Attorney Payroll	262 DA Forfeiture Release	263 DA Welfare Fraud	265 District Attorney Crime Victim	266 DA Federal Forfeiture	271 Sheriff Federal Forfeiture	272 Law Enforcement Grants	273 Sheriff Office Forfeiture
\$ 28,203						\$ 128,666	
	1,877		67	31	328	89	193
	88,611		2,795	10	204,854	48	29,244
28,203	90,488		2,862	41	205,182	128,803	29,437
22,599	23,362	2,627		11,593			
					24,281	16,085	9,236
					17,150	69,500	16,038
22,599	23,362	2,627	-	11,593	41,431	85,585	25,274
5,604	67,126	(2,627)	2,862	(11,552)	163,751	43,218	4,163
-	-	-	-	-	-	-	-
5,604	67,126	(2,627)	2,862	(11,552)	163,751	43,218	4,163
-	1,134,811	88,921	23,539	18,583	76,536	6	54,463
\$ 5,604	\$ 1,201,937	\$ 86,294	\$ 26,401	\$ 7,031	\$ 240,287	\$ 43,224	\$ 58,626

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2012

Exhibit C-4
Page 3 of 3

	274 Sheriff Office Commissary	Total Nonmajor Special Revenue Funds
REVENUES		
Licenses and fees	\$ 230,703	\$ 709,685
Intergovernmental		224,837
Charges for services		8,239
Investment earnings	647	5,285
Miscellaneous	162	356,764
	<u>231,512</u>	<u>1,304,810</u>
Expenditures:		
Current:		
General administrative		40,596
Election administration		5,156
Judicial		909,427
Public safety		49,602
Corrections	444,466	444,466
Capital outlay		263,636
	<u>444,466</u>	<u>1,712,883</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(212,954)</u>	<u>(408,073)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in		305,000
Transfers out		(30,000)
	<u>-</u>	<u>275,000</u>
NET CHANGE IN FUND BALANCE	<u>(212,954)</u>	<u>(133,073)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>280,920</u>	<u>3,372,144</u>
FUND BALANCES AT END OF YEAR	<u>\$ 67,966</u>	<u>\$ 3,239,071</u>

POTTER COUNTY, TEXAS
Vehicle Inventory Tax Interest Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-5

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 2,000	\$ 2,000	\$ 453	\$ (1,547)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>453</u>	<u>(1,547)</u>
EXPENDITURES				
Current				
General administrative				
General operations	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,000	1,000	453	(547)
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,000	1,000	453	(547)
FUND BALANCE AT BEGINNING OF YEAR	<u>174,125</u>	<u>174,125</u>	<u>174,125</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 175,125</u>	<u>\$ 175,125</u>	<u>\$ 174,578</u>	<u>\$ (547)</u>

POTTER COUNTY, TEXAS
Law Library Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-6

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 81,700	\$ 81,700	\$ 78,282	\$ (3,418)
Charges for services	3,000	3,000	2,867	(133)
Total revenues	<u>84,700</u>	<u>84,700</u>	<u>81,149</u>	<u>(3,551)</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	38,912	38,912	38,750	162
Travel	500	500	-	500
General operations	<u>100,000</u>	<u>120,000</u>	<u>106,447</u>	<u>13,553</u>
Total expenditures	<u>139,412</u>	<u>159,412</u>	<u>145,197</u>	<u>14,215</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(54,712)	(74,712)	(64,048)	10,664
OTHER FINANCING SOURCES				
Transfers in	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Total other financing sources	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	288	(19,712)	(9,048)	10,664
FUND BALANCE AT BEGINNING OF YEAR	<u>29,547</u>	<u>29,547</u>	<u>29,547</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 29,835</u>	<u>\$ 9,835</u>	<u>\$ 20,499</u>	<u>\$ 10,664</u>

POTTER COUNTY, TEXAS
Courthouse Security Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-7

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Licenses and fees	\$ 60,400	\$ 60,400	\$ 58,931	\$ (1,469)
Investment earnings	400	400	352	(48)
Miscellaneous	-	-	135	135
Total revenue	<u>60,800</u>	<u>60,800</u>	<u>59,418</u>	<u>(1,382)</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	309,717	329,717	313,997	15,720
General operations	50,200	22,380	15,518	6,862
Building repairs and maintenance	10,000	10,000	-	10,000
Capital outlay	<u>26,660</u>	<u>34,480</u>	<u>27,906</u>	<u>6,574</u>
Total expenditures	<u>396,577</u>	<u>396,577</u>	<u>357,421</u>	<u>39,156</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(335,777)	(335,777)	(298,003)	37,774
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	250,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(85,777)	(85,777)	(48,003)	37,774
FUND BALANCE AT BEGINNING OF YEAR	<u>156,688</u>	<u>156,688</u>	<u>156,688</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 70,911</u></u>	<u><u>\$ 70,911</u></u>	<u><u>\$ 108,685</u></u>	<u><u>\$ 37,774</u></u>

POTTER COUNTY, TEXAS
Justice Court Building Security Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-8

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 5,300	\$ 5,300	\$ 4,819	\$ (481)
Total revenues	<u>5,300</u>	<u>5,300</u>	<u>4,819</u>	<u>(481)</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	12,800	12,800	925	11,875
General operations	5,000	5,000	-	5,000
Building repairs and maintenance	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>22,800</u>	<u>22,800</u>	<u>925</u>	<u>21,875</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(17,500)	(17,500)	3,894	21,394
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(17,500)	(17,500)	3,894	21,394
FUND BALANCE AT BEGINNING OF YEAR	<u>25,325</u>	<u>25,325</u>	<u>25,325</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 7,825</u>	<u>\$ 7,825</u>	<u>\$ 29,219</u>	<u>\$ 21,394</u>

POTTER COUNTY, TEXAS
Graffiti Eradication Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-9

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Graffiti eradication fee	\$ 200	\$ 200	\$ 494	\$ 294
Total revenues	<u>200</u>	<u>200</u>	<u>494</u>	<u>294</u>
EXPENDITURES				
Current:				
General administrative				
General operations	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(300)	(300)	494	794
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(300)	(300)	494	794
FUND BALANCE AT BEGINNING OF YEAR	<u>676</u>	<u>676</u>	<u>676</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 376</u>	<u>\$ 376</u>	<u>\$ 1,170</u>	<u>\$ 794</u>

POTTER COUNTY, TEXAS
Child Abuse Prevention Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-10

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Child abuse prevention fee	\$ 1,100	\$ 1,100	\$ 2,230	\$ 1,130
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>2,230</u>	<u>1,130</u>
EXPENDITURES				
Current:				
General administrative				
Travel	800	800	-	800
General operations	400	400	-	400
Total expenditures	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(100)	(100)	2,230	2,330
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(100)	(100)	2,230	2,330
FUND BALANCE AT BEGINNING OF YEAR	<u>7,843</u>	<u>7,843</u>	<u>7,843</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 7,743</u>	<u>\$ 7,743</u>	<u>\$ 10,073</u>	<u>\$ 2,330</u>

POTTER COUNTY, TEXAS
 County Clerk Records Management Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2012

Exhibit C-11

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 120,600	\$ 120,600	\$ 115,425	\$ (5,175)
Investment earnings	300	300	106	(194)
Miscellaneous	-	-	41	41
Total revenues	<u>120,900</u>	<u>120,900</u>	<u>115,572</u>	<u>(5,328)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	61,533	21,033	17,737	3,296
Travel	2,000	2,000	-	2,000
Contract services	100,000	100,000	94,394	5,606
General operations	8,000	8,000	1,619	6,381
Equipment/vehicle maintenance	8,000	8,000	2,831	5,169
Capital outlay	25,000	65,500	61,239	4,261
Total expenditures	<u>204,533</u>	<u>204,533</u>	<u>177,820</u>	<u>26,713</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(83,633)	(83,633)	(62,248)	21,385
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(83,633)	(83,633)	(62,248)	21,385
FUND BALANCE AT BEGINNING OF YEAR	<u>67,050</u>	<u>67,050</u>	<u>67,050</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (16,583)</u>	<u>\$ (16,583)</u>	<u>\$ 4,802</u>	<u>\$ 21,385</u>

POTTER COUNTY, TEXAS
Election Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-12

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 1,600	\$ 1,600	\$ 842	\$ (758)
Intergovernmental	-	35,000	65,812	30,812
Investment earnings	850	850	776	(74)
Miscellaneous	-	-	180	180
Total revenues	<u>2,450</u>	<u>37,450</u>	<u>67,610</u>	<u>30,160</u>
EXPENDITURES				
Current:				
Election administration				
Travel	5,000	5,000	-	5,000
Contract services	40,000	40,000	-	40,000
General operations	27,745	30,745	3,000	27,745
Equipment/vehicle maintenance	25,000	25,000	-	25,000
Building repairs and maintenance	5,000	5,000	-	5,000
Capital outlay	<u>70,000</u>	<u>102,000</u>	<u>30,643</u>	<u>71,357</u>
Total expenditures	<u>172,745</u>	<u>207,745</u>	<u>33,643</u>	<u>174,102</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(170,295)	(170,295)	33,967	204,262
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(170,295)	(170,295)	33,967	204,262
FUND BALANCE AT BEGINNING OF YEAR	<u>314,803</u>	<u>314,803</u>	<u>314,803</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 144,508</u>	<u>\$ 144,508</u>	<u>\$ 348,770</u>	<u>\$ 204,262</u>

POTTER COUNTY, TEXAS
Voter Registration Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-13

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 2,157	\$ 2,156	\$ (1)
Investment earnings	100	100	100	-
Miscellaneous	-	-	23	23
Total revenues	<u>100</u>	<u>2,257</u>	<u>2,279</u>	<u>22</u>
EXPENDITURES				
Current:				
Election administration				
Travel	6,000	6,000	-	6,000
General operations	3,000	5,157	2,156	3,001
Miscellaneous	1,000	1,000	-	1,000
Capital outlay	-	-	-	-
Total expenditures	<u>10,000</u>	<u>12,157</u>	<u>2,156</u>	<u>10,001</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,900)	(9,900)	123	10,023
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(9,900)	(9,900)	123	10,023
FUND BALANCE AT BEGINNING OF YEAR	<u>20,216</u>	<u>20,216</u>	<u>20,216</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 10,316</u>	<u>\$ 10,316</u>	<u>\$ 20,339</u>	<u>\$ 10,023</u>

POTTER COUNTY, TEXAS
Court Records Management Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-14

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
License and fees	\$ 61,100	\$ 61,100	\$ 62,162	\$ 1,062
Total revenues	<u>61,100</u>	<u>61,100</u>	<u>62,162</u>	<u>1,062</u>
EXPENDITURES				
Current:				
General administrative				
Salaries and fringe benefits	40,937	40,937	40,596	341
Travel	2,000	2,000	-	2,000
General operations	11,570	11,570	-	11,570
Capital outlay	<u>49,000</u>	<u>49,000</u>	<u>34,475</u>	<u>14,525</u>
Total expenditures	<u>103,507</u>	<u>103,507</u>	<u>75,071</u>	<u>28,436</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(42,407)	(42,407)	(12,909)	29,498
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(42,407)	(42,407)	(12,909)	29,498
FUND BALANCE AT BEGINNING OF YEAR	<u>46,699</u>	<u>46,699</u>	<u>46,699</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,292</u>	<u>\$ 4,292</u>	<u>\$ 33,790</u>	<u>\$ 29,498</u>

POTTER COUNTY, TEXAS
 District Clerk Records Management Fund
 Budgetary Comparison Fund
 For the Year Ended September 30, 2012

Exhibit C-15

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
License and fees	\$ 34,800	\$ 34,800	\$ 40,492	\$ 5,692
Investment earnings	200	200	266	66
Miscellaneous	-	-	53	53
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>40,811</u>	<u>5,811</u>
EXPENDITURES				
Current:				
Judicial				
General operations	-	1,300	1,299	1
Capital outlay	<u>2,800</u>	<u>7,000</u>	<u>6,685</u>	<u>315</u>
Total expenditures	<u>2,800</u>	<u>8,300</u>	<u>7,984</u>	<u>316</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENCITURES	32,200	26,700	32,827	6,127
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	32,200	26,700	32,827	6,127
FUND BALANCE AT BEGINNING OF YEAR	<u>105,219</u>	<u>105,219</u>	<u>105,219</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 137,419</u>	<u>\$ 131,919</u>	<u>\$ 138,046</u>	<u>\$ 6,127</u>

POTTER COUNTY, TEXAS
Justice Court Technology Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-16

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 21,400	\$ 21,400	\$ 20,699	\$ (701)
Total revenues	<u>21,400</u>	<u>21,400</u>	<u>20,699</u>	<u>(701)</u>
EXPENDITURES				
Current:				
Judicial				
General operations	60,000	60,000	7,299	52,701
Equipment/vehicle maintenance	8,000	8,000	-	8,000
Building repairs/maintenance	10,000	10,000	-	10,000
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>88,000</u>	<u>88,000</u>	<u>7,299</u>	<u>80,701</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(66,600)	(66,600)	13,400	80,000
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(66,600)	(66,600)	13,400	80,000
FUND BALANCE AT BEGINNING OF YEAR	<u>149,238</u>	<u>149,238</u>	<u>149,238</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 82,638</u>	<u>\$ 82,638</u>	<u>\$ 162,638</u>	<u>\$ 80,000</u>

POTTER COUNTY, TEXAS
 County Clerk / District Clerk Technology Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2012

Exhibit C-17

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 4,700	\$ 4,700	\$ 5,372	\$ 672
Total revenues	<u>4,700</u>	<u>4,700</u>	<u>5,372</u>	<u>672</u>
EXPENDITURES				
Current:				
Judicial				
General operations	5,000	5,000	-	5,000
Equipment/vehicle maintenance	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,300)	(5,300)	5,372	10,672
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(5,300)	(5,300)	5,372	10,672
FUND BALANCE AT BEGINNING OF YEAR	<u>6,498</u>	<u>6,498</u>	<u>6,498</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,198</u>	<u>\$ 1,198</u>	<u>\$ 11,870</u>	<u>\$ 10,672</u>

POTTER COUNTY, TEXAS
County Attorney Hot Check Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-18

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 120,000	\$ 120,000	\$ 92,115	\$ (27,885)
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>92,115</u>	<u>(27,885)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	177,049	177,049	29,830	147,219
Travel expenses	2,000	2,000	-	2,000
General operations	5,000	5,000	175	4,825
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>184,049</u>	<u>184,049</u>	<u>30,005</u>	<u>154,044</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(64,049)	(64,049)	62,110	126,159
OTHER FINANCING SOURCES				
Transfers out	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>
NET CHANGE IN FUND BALANCE	(64,049)	(64,049)	47,110	111,159
FUND BALANCE AT BEGINNING OF YEAR	<u>74,890</u>	<u>74,890</u>	<u>74,890</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 10,841</u>	<u>\$ 10,841</u>	<u>\$ 122,000</u>	<u>\$ 111,159</u>

POTTER COUNTY, TEXAS
 County Attorney Forfeiture Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2012

Exhibit C-19

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Miscellaneous	\$ 50,500	\$ 50,500	\$ 21,578	\$ (28,922)
Investment earnings	5,000	5,000	-	(5,000)
Total revenues	<u>55,500</u>	<u>55,500</u>	<u>21,578</u>	<u>(33,922)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	200,527	200,527	188,317	12,210
Travel expenses	6,500	5,231	12,110	(6,879)
General operations	17,000	17,000	16,066	934
Equipment/vehicle maintenance	10,000	11,269	-	11,269
Capital outlay	-	-	-	-
Total expenditures	<u>234,027</u>	<u>234,027</u>	<u>216,493</u>	<u>17,534</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(178,527)	(178,527)	(194,915)	(16,388)
OTHER FINANCING SOURCES				
Transfers out	-	-	(15,000)	(15,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>
NET CHANGE IN FUND BALANCE	(178,527)	(178,527)	(209,915)	(31,388)
FUND BALANCE AT BEGINNING OF YEAR	<u>393,640</u>	<u>393,640</u>	<u>393,640</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 215,113</u>	<u>\$ 215,113</u>	<u>\$ 183,725</u>	<u>\$ (31,388)</u>

POTTER COUNTY, TEXAS
District Attorney Hot Check Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-20

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 9,000	\$ 9,000	\$ 2,491	\$ (6,509)
Miscellaneous	-	-	9,030	9,030
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>11,521</u>	<u>2,521</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	15,000	15,000	-	15,000
Travel expenses	3,000	3,000	182	2,818
General operations	55,000	55,000	1,750	53,250
Capital outlay	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Total expenditures	<u>83,000</u>	<u>83,000</u>	<u>1,932</u>	<u>81,068</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(74,000)	(74,000)	9,589	83,589
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(74,000)	(74,000)	9,589	83,589
FUND BALANCE AT BEGINNING OF YEAR	<u>121,908</u>	<u>121,908</u>	<u>121,908</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 47,908</u>	<u>\$ 47,908</u>	<u>\$ 131,497</u>	<u>\$ 83,589</u>

POTTER COUNTY, TEXAS
District Attorney Payroll Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-21

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 22,725	\$ 28,203	\$ 5,478
Total revenues	<u>-</u>	<u>22,725</u>	<u>28,203</u>	<u>5,478</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	-	22,725	22,599	126
Total expenditures	<u>-</u>	<u>22,725</u>	<u>22,599</u>	<u>126</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	5,604	5,604
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	5,604	5,604
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,604</u>	<u>\$ 5,604</u>

POTTER COUNTY, TEXAS
District Attorney Forfeiture Release Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-22

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 2,000	\$ 2,000	\$ 1,877	\$ (123)
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>88,611</u>	<u>58,611</u>
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>90,488</u>	<u>58,488</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	170,546	170,546	13,427	157,119
Travel	7,500	7,500	695	6,805
General operations	521,000	521,000	9,240	511,760
Equipment/vehicle maintenance	2,000	2,000	-	2,000
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>801,046</u>	<u>801,046</u>	<u>23,362</u>	<u>777,684</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(769,046)	(769,046)	67,126	836,172
OTHER FINANCING SOURCES				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(769,046)	(769,046)	67,126	836,172
FUND BALANCE AT BEGINNING OF YEAR	<u>1,134,811</u>	<u>1,134,811</u>	<u>1,134,811</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 365,765</u>	<u>\$ 365,765</u>	<u>\$ 1,201,937</u>	<u>\$ 836,172</u>

POTTER COUNTY, TEXAS
 District Attorney Welfare Fraud
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2012

Exhibit C-23

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Judicial				
General operations	<u>4,500</u>	<u>4,500</u>	<u>2,627</u>	<u>1,873</u>
Total expenditures	<u>4,500</u>	<u>4,500</u>	<u>2,627</u>	<u>1,873</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,500)	(4,500)	(2,627)	1,873
OTHER FINANCING SOURCES				
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>	<u>90,000</u>
Total other financing sources	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>	<u>90,000</u>
NET CHANGE IN FUND BALANCE	(94,500)	(94,500)	(2,627)	91,873
FUND BALANCE AT BEGINNING OF YEAR	<u>88,921</u>	<u>88,921</u>	<u>88,921</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ (5,579)</u></u>	<u><u>\$ (5,579)</u></u>	<u><u>\$ 86,294</u></u>	<u><u>\$ 91,873</u></u>

POTTER COUNTY, TEXAS
District Attorney Federal Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-24

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Investment earnings	-	-	31	31
Miscellaneous	-	-	10	10
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>41</u>	<u>(959)</u>
EXPENDITURES				
Current:				
Judicial				
Travel	-	3,000	-	3,000
General operations	-	15,000	11,593	3,407
Capital outlay	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>11,593</u>	<u>6,407</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(17,000)	(17,000)	(11,552)	5,448
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(17,000)	(17,000)	(11,552)	5,448
FUND BALANCE AT BEGINNING OF YEAR	<u>18,583</u>	<u>18,583</u>	<u>18,583</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,583</u>	<u>\$ 1,583</u>	<u>\$ 7,031</u>	<u>\$ 5,448</u>

POTTER COUNTY, TEXAS
Sheriff Federal Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-25

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 200	\$ 200	\$ 328	\$ 128
Miscellaneous	<u>35,000</u>	<u>73,000</u>	<u>204,854</u>	<u>131,854</u>
Total revenues	<u>35,200</u>	<u>73,200</u>	<u>205,182</u>	<u>131,982</u>
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	2,000	-	-	-
Travel	-	-	1,855	(1,855)
General operations	17,500	43,626	21,244	22,382
Equipment/vehicle maintenance	2,500	12,500	1,182	11,318
Capital outlay	<u>15,000</u>	<u>18,874</u>	<u>17,150</u>	<u>1,724</u>
Total expenditures	<u>37,000</u>	<u>75,000</u>	<u>41,431</u>	<u>33,569</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,800)	(1,800)	163,751	165,551
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,800)	(1,800)	163,751	165,551
FUND BALANCE AT BEGINNING OF YEAR	<u>76,536</u>	<u>76,536</u>	<u>76,536</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 74,736</u>	<u>\$ 74,736</u>	<u>\$ 240,287</u>	<u>\$ 165,551</u>

POTTER COUNTY, TEXAS
Law Enforcement Grants Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-26

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 74,500	\$ 128,500	\$ 128,666	\$ 166
Investment earnings	100	100	89	(11)
Miscellaneous	-	-	48	48
Total revenues	<u>74,600</u>	<u>128,600</u>	<u>128,803</u>	<u>203</u>
EXPENDITURES				
Current:				
Public safety				
General operations	74,500	59,000	16,085	42,915
Capital outlay	-	69,500	69,500	-
Total expenditures	<u>74,500</u>	<u>128,500</u>	<u>85,585</u>	<u>42,915</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	100	100	43,218	43,118
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	100	100	43,218	43,118
FUND BALANCE AT BEGINNING OF YEAR	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 106</u>	<u>\$ 106</u>	<u>\$ 43,224</u>	<u>\$ 43,118</u>

POTTER COUNTY, TEXAS
Sheriff Office Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-27

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Interest on investments	\$ 500	\$ 500	\$ 193	\$ (307)
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>29,244</u>	<u>26,244</u>
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>29,437</u>	<u>25,937</u>
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	6,500	6,500	2,420	4,080
Travel	15,000	13,000	-	13,000
General operations	17,000	17,000	5,097	11,903
Equipment/vehicle maintenance	-	-	1,719	(1,719)
Other	2,500	2,500	-	2,500
Capital outlay	<u>15,000</u>	<u>17,000</u>	<u>16,038</u>	<u>962</u>
Total expenditures	<u>56,000</u>	<u>56,000</u>	<u>25,274</u>	<u>30,726</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(52,500)	(52,500)	4,163	56,663
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(52,500)	(52,500)	4,163	56,663
FUND BALANCE AT BEGINNING OF YEAR	<u>54,463</u>	<u>54,463</u>	<u>54,463</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,963</u>	<u>\$ 1,963</u>	<u>\$ 58,626</u>	<u>\$ 56,663</u>

DEBT SERVICE FUNDS

POTTER COUNTY, TEXAS
Nonmajor Debt Service Funds
Combining Balance Sheet
September 30, 2012

Exhibit C-28

	330 Series 2003 I&S Certificates	340 Series 2008 Refunding Bond	Total Nonmajor Debt Service Funds
ASSETS			
Pooled cash and cash equivalents	\$ -	\$ 841,686	\$ 841,686
Receivables (net)			
Taxes	-	54,922	54,922
Other	-	8,410	8,410
	<u>-</u>	<u>850,098</u>	<u>858,512</u>
Total assets	<u>\$ -</u>	<u>\$ 905,018</u>	<u>\$ 905,018</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Deferred revenue			
Taxes	-	46,243	46,243
	<u>-</u>	<u>46,243</u>	<u>46,243</u>
Total liabilities	-	46,243	46,243
Fund Balances:			
Restricted:			
Restricted for debt service	-	858,775	858,775
	<u>-</u>	<u>858,775</u>	<u>858,775</u>
Total fund balances	-	858,775	858,775
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 905,018</u>	<u>\$ 905,018</u>

POTTER COUNTY, TEXAS

Exhibit C-29

Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended September 30, 2012

	330 Series 2003 I&S Certificates	340 Series 2008 Refunding Bond	Total Nonmajor Debt Service Funds
REVENUES			
Taxes	\$ 307,507	\$ 1,997,909	\$ 2,305,416
Investment earnings	467	3,054	3,521
Miscellaneous	136	664	800
Total revenues	<u>308,110</u>	<u>2,001,627</u>	<u>2,309,737</u>
EXPENDITURES			
General administrative			
General operations	1,000	500	1,500
Debt service:			
Principal	-	1,650,000	1,650,000
Interest and fiscal charges	138,771	128,624	267,395
Total expenditures	<u>139,771</u>	<u>1,779,124</u>	<u>1,918,895</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	168,339	222,503	390,842
OTHER FINANCING SOURCES (USES)			
Transfers in	500,000	-	500,000
Transfers out	(792,173)	(500,000)	(1,292,173)
Total other financing sources (uses)	<u>(292,173)</u>	<u>(500,000)</u>	<u>(792,173)</u>
NET CHANGE IN FUND BALANCE	(123,834)	(277,497)	(401,331)
FUND BALANCES			
AT BEGINNING OF YEAR	<u>123,834</u>	<u>1,136,272</u>	<u>1,260,106</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ 858,775</u>	<u>\$ 858,775</u>

POTTER COUNTY, TEXAS
Series 2003 I&S Certificates
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-30

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes	\$ 279,542	\$ 279,542	\$ 307,507	\$ 27,965
Investment earnings	300	300	467	167
Miscellaneous	-	-	136	136
Total revenues	<u>279,842</u>	<u>279,842</u>	<u>308,110</u>	<u>28,268</u>
EXPENDITURES				
Current:				
General administrative				
General operations	1,000	1,000	1,000	-
Debt service	<u>277,542</u>	<u>277,542</u>	<u>138,771</u>	<u>138,771</u>
Total expenditures	<u>278,542</u>	<u>278,542</u>	<u>139,771</u>	<u>138,771</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,300	1,300	168,339	167,039
OTHER FINANCING SOURCES				
Transfers in	-	-	500,000	500,000
Transfers out	<u>-</u>	<u>-</u>	<u>(792,173)</u>	<u>(792,173)</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>(292,173)</u>	<u>(292,173)</u>
NET CHANGE IN FUND BALANCE	1,300	1,300	(123,834)	(125,134)
FUND BALANCE AT BEGINNING OF YEAR	<u>123,834</u>	<u>123,834</u>	<u>123,834</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 125,134</u>	<u>\$ 125,134</u>	<u>\$ -</u>	<u>\$ (125,134)</u>

POTTER COUNTY, TEXAS
Series 2008 Refunding Bond
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-31

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,787,625	\$ 1,787,625	\$ 1,997,909	\$ 210,284
Investment earnings	2,000	2,000	3,054	1,054
Miscellaneous	-	-	664	664
Total revenues	<u>1,789,625</u>	<u>1,789,625</u>	<u>2,001,627</u>	<u>212,002</u>
EXPENDITURES				
Current:				
General administrative				
General operations	1,000	1,000	500	500
Debt service	<u>1,778,625</u>	<u>1,778,625</u>	<u>1,778,624</u>	<u>1</u>
Total expenditures	<u>1,779,625</u>	<u>1,779,625</u>	<u>1,779,124</u>	<u>501</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,000	10,000	222,503	212,503
OTHER FINANCING SOURCES				
Transfers out	-	-	<u>(500,000)</u>	<u>(500,000)</u>
Total other financing sources	-	-	<u>(500,000)</u>	<u>(500,000)</u>
NET CHANGE IN FUND BALANCE	10,000	10,000	(277,497)	(287,497)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,136,272</u>	<u>1,136,272</u>	<u>1,136,272</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,146,272</u>	<u>\$ 1,146,272</u>	<u>\$ 858,775</u>	<u>\$ (287,497)</u>

POTTER COUNTY, TEXAS
Series 2012 Refunding Bond
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-32

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ 4,925	\$ 4,925
Investment earnings	-	-	21,341	21,341
Total revenues	-	-	26,266	26,266
EXPENDITURES				
Current:				
Debt service	-	763,585	124,815	638,770
Total expenditures	-	763,585	124,815	638,770
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(763,585)	(98,549)	665,036
OTHER FINANCING SOURCES				
Refunding bonds issued	-	-	7,220,000	7,220,000
Premium on refunding bonds	-	-	306,365	306,365
Payment to refunded bond escrow agent	-	-	(8,047,542)	(8,047,542)
Transfers in	-	-	792,173	792,173
Total other financing sources	-	-	270,996	270,996
NET CHANGE IN FUND BALANCE	-	(763,585)	172,447	936,032
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ (763,585)	\$ 172,447	\$ 936,032

CAPITAL PROJECT FUNDS

POTTER COUNTY, TEXAS
Courthouse Preservation Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-33

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 700,000	\$ 1,600,000	\$ 1,516,896	\$ (83,104)
Investment earnings	2,000	2,000	2,642	642
Miscellaneous	-	-	106	106
	<u>702,000</u>	<u>1,602,000</u>	<u>1,519,644</u>	<u>(82,356)</u>
EXPENDITURES				
Facilities				
Contract services	225,000	235,000	6,445	228,555
Equipment/vehicle maintenance	-	-	-	-
Capital outlay	2,500,000	4,100,000	4,066,733	33,267
	<u>2,725,000</u>	<u>4,335,000</u>	<u>4,073,178</u>	<u>261,822</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(2,023,000)</u>	<u>(2,733,000)</u>	<u>(2,553,534)</u>	<u>179,466</u>
OTHER FINANCING SOURCES				
Transfers in				
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE				
	(2,023,000)	(2,733,000)	(2,553,534)	179,466
FUND BALANCE AT BEGINNING OF YEAR				
	<u>2,987,443</u>	<u>2,987,443</u>	<u>2,987,443</u>	<u>-</u>
FUND BALANCE AT END OF YEAR				
	<u>\$ 964,443</u>	<u>\$ 254,443</u>	<u>\$ 433,909</u>	<u>\$ 179,466</u>

POTTER COUNTY, TEXAS
2003 Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2012

Exhibit C-34

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 1,500	\$ 1,500	\$ 4,330	\$ 2,830
Miscellaneous	-	-	16	16
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>4,346</u>	<u>2,846</u>
EXPENDITURES				
Current:				
General administrative				
General operations	-	125,000	86,522	38,478
Capital outlay	<u>1,570,000</u>	<u>2,499,069</u>	<u>1,396,746</u>	<u>1,102,323</u>
Total expenditures	<u>1,570,000</u>	<u>2,624,069</u>	<u>1,483,268</u>	<u>1,140,801</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,568,500)</u>	<u>(2,622,569)</u>	<u>(1,478,922)</u>	<u>1,143,647</u>
OTHER FINANCING SOURCES				
Transfers in	2,000,000	2,000,000	2,000,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	431,500	(622,569)	521,078	1,143,647
FUND BALANCE AT BEGINNING OF YEAR	<u>2,142,488</u>	<u>2,142,488</u>	<u>2,142,488</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,573,988</u>	<u>\$ 1,519,919</u>	<u>\$ 2,663,566</u>	<u>\$ 1,143,647</u>

AGENCY FUNDS

POTTER COUNTY, TEXAS
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
September 30, 2012

	700 State and County Collections	701 Tax Collector	704 Bail Security Fund	710 State Court Costs	716 District Registry Fund	717 County Registry Fund
ASSETS:						
Pooled cash and cash equivalents	\$ 485,635	\$ 1,320,229	\$ 65,000	\$ 202,464	\$ 2,631,676	\$ 740,365
Investments		479,803				
Accounts receivable						
Other	<u>9,560</u>	<u>225</u>	<u> </u>	<u>87,076</u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 495,195</u></u>	<u><u>\$ 1,800,257</u></u>	<u><u>\$ 65,000</u></u>	<u><u>\$ 289,540</u></u>	<u><u>\$ 2,631,676</u></u>	<u><u>\$ 740,365</u></u>
LIABILITIES:						
Accounts payable and other current liabilities	\$ 131,520	\$	\$	\$ 255,591	\$	\$
Due to other governments	363,675	1,800,257		33,949		
Due to trust beneficiaries					2,631,676	740,365
Due to other entities						
Deposits	<u> </u>	<u> </u>	<u>65,000</u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u><u>\$ 495,195</u></u>	<u><u>\$ 1,800,257</u></u>	<u><u>\$ 65,000</u></u>	<u><u>\$ 289,540</u></u>	<u><u>\$ 2,631,676</u></u>	<u><u>\$ 740,365</u></u>

<u>740</u> <u>County</u> <u>Attorney</u> <u>Restitution</u>	<u>750</u> <u>District</u> <u>Attorney</u> <u>Restitution</u>	<u>760</u> <u>District</u> <u>Attorney</u> <u>Seizure</u>	<u>771</u> <u>Detention</u> <u>Center</u> <u>Trust Fund</u>	<u>772</u> <u>Detention</u> <u>Center Bond</u> <u>Fund</u>	<u>200</u> <u>Unclaimed</u> <u>Property</u>	<u>Total</u> <u>Agency</u> <u>Funds</u>
\$ 85,778	\$ 8,045	\$ 84,386	\$ 108,066	\$ 15,500	\$ 133,831	\$ 5,880,975
						479,803
<u>2,663</u>						<u>99,524</u>
<u>\$ 88,441</u>	<u>\$ 8,045</u>	<u>\$ 84,386</u>	<u>\$ 108,066</u>	<u>\$ 15,500</u>	<u>\$ 133,831</u>	<u>\$ 6,460,302</u>
\$	\$	\$	\$ 108,066	\$ 15,500	\$	\$ 510,677
		84,386				2,282,267
88,441	8,045					3,468,527
					133,831	133,831
						<u>65,000</u>
<u>\$ 88,441</u>	<u>\$ 8,045</u>	<u>\$ 84,386</u>	<u>\$ 108,066</u>	<u>\$ 15,500</u>	<u>\$ 133,831</u>	<u>\$ 6,460,302</u>

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2012

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
STATE & COUNTY COLLECTIONS				
ASSETS				
Cash and cash equivalents	\$ 507,467	\$ 5,073,860	\$ 5,095,692	\$ 485,635
Accounts receivable	4,648	14,658	9,746	9,560
Total assets	\$ 512,115	\$ 5,088,518	\$ 5,105,438	\$ 495,195
LIABILITIES				
Accounts payable	\$ 131,307	\$ 433,348	\$ 433,135	\$ 131,520
Due to other governments	380,808	383,423	400,556	363,675
Total liabilities	\$ 512,115	\$ 816,771	\$ 833,691	\$ 495,195
TAX ASSESSOR/COLLECTOR				
ASSETS				
Cash and cash equivalents	\$ 1,351,146	\$ 155,221,779	\$ 155,252,696	\$ 1,320,229
Investments	399,049	698,427	617,673	479,803
Accounts receivable	225	-	-	225
Total assets	\$ 1,750,420	\$ 155,920,206	\$ 155,870,369	\$ 1,800,257
LIABILITIES				
Due to other governments	\$ 1,750,420	\$ 155,920,206	\$ 155,870,369	\$ 1,800,257
Deposits	-	-	-	-
Total liabilities	\$ 1,750,420	\$ 155,920,206	\$ 155,870,369	\$ 1,800,257
BAIL SECURITY FUND				
ASSETS				
Cash and cash equivalents	\$ 65,000	-	-	\$ 65,000
Total assets	\$ 65,000	\$ -	\$ -	\$ 65,000
LIABILITIES				
Deposits	\$ 65,000	-	-	\$ 65,000
Total liabilities	\$ 65,000	\$ -	\$ -	\$ 65,000

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2012

Exhibit C-36
Page 2 of 4

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
STATE COURT COSTS				
ASSETS				
Cash and cash equivalents	\$ 190,177	\$ 1,416,229	\$ 1,403,942	\$ 202,464
Accounts receivable	86,168	87,076	86,168	87,076
Total assets	\$ 276,345	\$ 1,503,305	\$ 1,490,110	\$ 289,540
LIABILITIES				
Accounts payable	\$ 1,612	\$ 777,243	\$ 523,264	\$ 255,591
Due to other governments	274,733	33,949	274,733	33,949
Total liabilities	\$ 276,345	\$ 811,192	\$ 797,997	\$ 289,540
DISTRICT CLERK REGISTRY FUND				
ASSETS				
Cash and cash equivalents	\$ 2,849,903	\$ 1,263,627	\$ 1,481,854	\$ 2,631,676
Total assets	\$ 2,849,903	\$ 1,263,627	\$ 1,481,854	\$ 2,631,676
LIABILITIES				
Due to trust beneficiaries	\$ 2,849,903	\$ 1,263,628	\$ 1,481,855	\$ 2,631,676
Total liabilities	\$ 2,849,903	\$ 1,263,628	\$ 1,481,855	\$ 2,631,676
COUNTY CLERK REGISTRY FUND				
ASSETS				
Cash and cash equivalents	\$ 489,361	\$ 394,443	\$ 143,439	\$ 740,365
Total assets	\$ 489,361	\$ 394,443	\$ 143,439	\$ 740,365
LIABILITIES				
Due to trust beneficiaries	\$ 489,361	\$ 394,444	\$ 143,440	\$ 740,365
Total liabilities	\$ 489,361	\$ 394,444	\$ 143,440	\$ 740,365
COUNTY ATTORNEY RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 88,325	\$ 796,088	\$ 798,635	\$ 85,778
Accounts receivable	7,752	-	5,089	2,663
Total assets	\$ 96,077	\$ 796,088	\$ 803,724	\$ 88,441
LIABILITIES				
Due to trust beneficiaries	\$ 96,077	\$ 2,664	\$ 10,300	\$ 88,441
Total liabilities	\$ 96,077	\$ 2,664	\$ 10,300	\$ 88,441

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2012

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
DISTRICT ATTORNEY RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 17,183	\$ 22,708	\$ 31,846	\$ 8,045
Account receivables	-	-	-	-
Total assets	\$ 17,183	\$ 22,708	\$ 31,846	\$ 8,045
LIABILITIES				
Due to trust beneficiaries	\$ 17,183	-	\$ 9,138	\$ 8,045
Total liabilities	\$ 17,183	\$ -	\$ 9,138	\$ 8,045
DISTRICT ATTORNEY SEIZURE				
ASSETS				
Cash and cash equivalents	\$ 199,032	\$ 103,123	\$ 217,769	\$ 84,386
Total assets	\$ 199,032	\$ 103,123	\$ 217,769	\$ 84,386
LIABILITIES				
Due to other governments	\$ 199,032	\$ 103,124	\$ 217,770	\$ 84,386
Total liabilities	\$ 199,032	\$ 103,124	\$ 217,770	\$ 84,386
DETENTION CENTER INMATE TRUST FUND				
ASSETS				
Cash and cash equivalents	\$ 75,592	\$ 836,316	\$ 803,842	\$ 108,066
Total assets	\$ 75,592	\$ 836,316	\$ 803,842	\$ 108,066
LIABILITIES				
Accounts payable	\$ 75,592	\$ 836,316	\$ 803,842	\$ 108,066
Total liabilities	\$ 75,592	\$ 836,316	\$ 803,842	\$ 108,066

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2012

	Balance 10/1/2011	Additions	Deductions	Balance 9/30/2012
DETENTION CENTER BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 8,250	\$ 57,202	\$ 49,952	\$ 15,500
Total assets	<u>\$ 8,250</u>	<u>\$ 57,202</u>	<u>\$ 49,952</u>	<u>\$ 15,500</u>
LIABILITIES				
Accounts payable	\$ 8,250	\$ 57,202	\$ 49,952	\$ 15,500
Total liabilities	<u>\$ 8,250</u>	<u>\$ 57,202</u>	<u>\$ 49,952</u>	<u>\$ 15,500</u>
UNCLAIMED PROPERTY				
ASSETS				
Cash and cash equivalents	\$ 89,015	\$ 47,697	\$ 2,881	\$ 133,831
Total assets	<u>\$ 89,015</u>	<u>\$ 47,697</u>	<u>\$ 2,881</u>	<u>\$ 133,831</u>
LIABILITIES				
Due to other entities	\$ 89,015	\$ 47,697	\$ 2,881	\$ 133,831
Total liabilities	<u>\$ 89,015</u>	<u>\$ 47,697</u>	<u>\$ 2,881</u>	<u>\$ 133,831</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 5,930,451	\$ 165,233,072	\$ 165,282,548	\$ 5,880,975
Investments	399,049	698,427	617,673	479,803
Accounts receivable	98,793	101,734	101,003	99,524
Total assets	<u>\$ 6,428,293</u>	<u>\$ 166,033,233</u>	<u>\$ 166,001,224</u>	<u>\$ 6,460,302</u>
LIABILITIES				
Accounts payable	\$ 216,761	\$ 2,104,109	\$ 1,810,193	\$ 510,677
Due to other governments	2,604,993	156,440,702	156,763,428	2,282,267
Due to trust beneficiaries	3,452,524	1,660,736	1,644,733	3,468,527
Due to other entities	89,015	47,697	2,881	133,831
Deposits	65,000	-	-	65,000
Total liabilities	<u>\$ 6,428,293</u>	<u>\$ 160,253,244</u>	<u>\$ 160,221,235</u>	<u>\$ 6,460,302</u>

STATISTICAL SECTION

POTTER COUNTY, TEXAS

Statistical Section

This part of the County's statistical 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.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	100
Revenue Capacity These schedules contain information to help the reader assess the County's most significant revenue source, property taxes.	105
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	110
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	114
Operating Information 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 government provides and the activities it performs.	116

POTTER COUNTY, TEXAS
Net Assets by Component
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007 (1)</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 19,820,821	\$ 19,783,243	\$ 20,838,913	\$ 23,277,642	\$ 42,548,919
Restricted	6,818,487	4,338,543	4,639,899	6,147,112	816,179
Unrestricted	5,068,263	9,658,708	12,500,690	14,565,134	23,603,860
Total governmental activities net assets	<u>\$ 31,707,571</u>	<u>\$ 33,780,494</u>	<u>\$ 37,979,502</u>	<u>\$ 43,989,888</u>	<u>\$ 66,968,958</u>
Primary government					
Invested in capital assets, net of related debt	\$ 19,820,821	\$ 19,783,243	\$ 20,838,913	\$ 23,277,642	\$ 42,548,919
Restricted	6,818,487	4,338,543	4,639,899	6,147,112	816,179
Unrestricted	5,068,263	9,658,708	12,500,690	14,565,134	23,603,860
Total primary government net assets	<u>\$ 31,707,571</u>	<u>\$ 33,780,494</u>	<u>\$ 37,979,502</u>	<u>\$ 43,989,888</u>	<u>\$ 66,968,958</u>

(1) Infrastructure acquired prior to 2003 was added in fiscal year 2007

Source: County financial statements

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$	42,873,285	\$ 43,565,161	\$ 49,746,604	\$ 56,232,807	\$ 63,283,662
	1,074,466	1,447,462	2,049,256	2,439,212	2,178,182
	26,736,887	29,552,344	28,372,058	24,775,385	22,079,761
\$	<u>70,684,638</u>	<u>74,564,967</u>	<u>80,167,918</u>	<u>83,447,404</u>	<u>87,541,605</u>
\$	42,873,285	\$ 43,565,161	\$ 49,746,604	\$ 56,232,807	\$ 63,283,662
	1,074,466	1,447,462	2,049,256	2,439,212	2,178,182
	26,736,887	29,552,344	28,372,058	24,775,385	22,079,761
\$	<u>70,684,638</u>	<u>74,564,967</u>	<u>80,167,918</u>	<u>83,447,404</u>	<u>87,541,605</u>

POTTER COUNTY, TEXAS
Changes in Net Assets
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006	2007 (1) (2)
Expenses					
Governmental activities					
General administrative	\$ 2,653,710	\$ 2,629,082	\$ 2,437,719	\$ 3,437,095	\$ 4,417,536
Public Service	655,921	677,676	1,102,041	1,351,979	-
Transportation	1,722,759	1,445,458	1,696,712	1,649,715	-
Tax & Recording Offices	3,181,410	2,923,005	3,140,570	3,244,832	-
Facilities maintenance	1,663,040	3,123,650	2,638,555	2,773,718	2,806,032
Election administration	-	-	-	-	354,817
Judicial	4,567,647	4,493,529	4,762,003	5,018,228	11,230,890
Legal	3,481,326	3,809,953	3,851,467	4,044,715	-
Public safety	13,261,508	13,902,623	14,774,989	15,172,800	7,017,487
Corrections and rehabilitation	-	-	-	-	10,957,800
Health and human services	-	-	-	-	591,621
Road and bridge	-	-	-	-	2,931,038
Interest and fiscal charges	817,764	984,366	948,762	888,024	825,966
Non-capital expenditures	1,886,893	713,868	178,685	-	-
Total governmental activities expenses	<u>33,891,978</u>	<u>34,703,210</u>	<u>35,531,503</u>	<u>37,581,106</u>	<u>41,133,187</u>
Program Revenues					
Governmental activities					
Charges for services					
General administrative	1,146,396	383,929	305,466	334,102	1,103,936
Public Service	6,290	3,381	17,050	319,012	-
Transportation	989,294	1,818,775	1,861,365	1,911,778	-
Tax & Recording Offices	-	632,222	1,811,046	1,845,599	-
Facilities maintenance	-	15,607	-	-	-
Election administration	-	-	-	-	21,228
Judicial	1,917,626	1,776,205	2,284,793	2,227,546	4,023,808
Legal	-	925,664	499,992	409,525	-
Public safety	809,922	791,960	780,068	686,467	1,092,913
Corrections and rehabilitation	-	-	-	-	65,390
Health and human services	-	-	-	-	9,044
Road and bridge	-	-	-	-	1,923,258
Operating grants and contributions	1,407,954	1,016,377	708,182	1,861,802	1,812,703
Capital grants and contributions	-	-	-	-	51,339
Total governmental activities program revenues	<u>6,277,482</u>	<u>7,364,120</u>	<u>8,267,962</u>	<u>9,595,831</u>	<u>10,103,619</u>
Net (expense) revenue					
Governmental activities	(27,614,496)	(27,339,090)	(27,263,541)	(27,985,275)	(31,029,568)
Total primary government government net expense	<u>\$ (27,614,496)</u>	<u>\$ (27,339,090)</u>	<u>\$ (27,263,541)</u>	<u>\$ (27,985,275)</u>	<u>\$ (31,029,568)</u>

	2008	2009	2010	2011	2012
\$	4,716,743	\$ 4,878,648	\$ 4,894,116	\$ 5,221,623	\$ 6,237,219
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	3,233,525	2,880,638	3,049,154	3,227,551	3,106,581
	212,444	252,589	311,674	335,654	333,261
	11,586,395	12,088,428	12,505,640	12,958,440	13,705,026
	-	-	-	-	-
	7,107,000	7,531,800	7,904,306	7,846,797	7,804,487
	11,177,365	11,463,293	11,504,942	12,136,464	12,918,829
	579,078	595,105	602,072	659,153	751,915
	3,073,675	2,810,403	2,898,176	3,289,488	3,790,135
	750,445	543,890	500,346	445,151	563,688
	-	-	-	-	-
	<u>42,436,670</u>	<u>43,044,794</u>	<u>44,170,426</u>	<u>46,120,321</u>	<u>49,211,141</u>
	1,089,631	979,641	1,121,886	779,092	855,609
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	203
	3,634,570	3,276,434	3,579,564	3,632,345	3,578,840
	-	-	-	-	-
	747,184	748,658	763,450	738,341	891,934
	87,677	56,579	53,917	37,384	37,536
	8,213	8,167	8,280	8,614	9,650
	1,999,896	1,986,477	1,757,544	1,823,296	1,915,038
	1,420,446	1,509,675	1,597,284	1,637,501	1,679,624
	56,445	191,617	2,177,997	1,886,767	3,266,348
	<u>9,044,062</u>	<u>8,757,248</u>	<u>11,059,922</u>	<u>10,543,340</u>	<u>12,234,782</u>
	(33,392,608)	(34,287,546)	(33,110,504)	(35,576,981)	(36,976,359)
\$	<u>(33,392,608)</u>	<u>(34,287,546)</u>	<u>(33,110,504)</u>	<u>(35,576,981)</u>	<u>(36,976,359)</u>

POTTER COUNTY, TEXAS
 Last Ten Fiscal Years
 Changes in Net Assets
 Since implementation of GASB 34 (Modified Accrual Basis of Accounting)

	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets					
Governmental activities					
Taxes					
Property taxes, levied for general purposes	\$ -	\$ 25,493,152	\$ 27,859,717	\$ 29,475,437	\$ 31,012,054
Property taxes, levied for debt purposes	-	2,151,799	2,162,980	2,228,072	2,156,007
Property taxes	25,810,101	-	-	-	-
Other taxes	1,377,052	-	-	-	-
Mixed drink tax	-	321,932	328,808	365,165	387,175
Vehicle inventory tax	-	9,074	1,077	21,093	1,396
Bingo tax proceeds	-	157,639	160,735	179,852	189,217
Investment income	166,771	221,549	582,029	1,247,371	1,645,416
Gain (loss) on sale of capital assets	-	(56,829)	-	-	-
Miscellaneous	469,287	448,769	367,203	258,259	48,640
Total governmental activities	<u>27,823,211</u>	<u>28,747,085</u>	<u>31,462,549</u>	<u>33,775,249</u>	<u>35,439,905</u>
Total primary government	<u>\$ 27,823,211</u>	<u>\$ 28,747,085</u>	<u>\$ 31,462,549</u>	<u>\$ 33,775,249</u>	<u>\$ 35,439,905</u>
Changes in Net Assets					
Governmental activities	<u>\$ 208,715</u>	<u>\$ 1,407,995</u>	<u>\$ 4,199,008</u>	<u>\$ 5,789,974</u>	<u>\$ 4,410,337</u>
Total primary government	<u>\$ 208,715</u>	<u>\$ 1,407,995</u>	<u>\$ 4,199,008</u>	<u>\$ 5,789,974</u>	<u>\$ 4,410,337</u>

(1) In 2007, the County adopted a chart of accounts that varies from previous years.

(2) Prior to 2007, infrastructure depreciation was not recorded.

Source: Statement of Activities from County CAFRs

	2008	2009	2010	2011	2012
\$	32,885,969	\$ 34,717,944	\$ 34,927,427	\$ 35,437,310	\$ 38,071,717
	2,151,785	2,269,041	2,316,528	2,331,124	2,308,480
	-	-	-	-	-
	-	-	-	-	-
	396,055	406,726	404,397	428,519	387,758
	2,603	7,925	10,920	11,047	2,852
	195,213	206,297	208,384	207,010	210,328
	1,079,408	379,686	218,336	71,349	89,425
	(83,303)	53,110	(3,759)	-	-
	480,558	127,146	631,222	370,108	-
	<u>37,108,288</u>	<u>38,167,875</u>	<u>38,713,455</u>	<u>38,856,467</u>	<u>41,070,560</u>
\$	<u>37,108,288</u>	\$ <u>38,167,875</u>	\$ <u>38,713,455</u>	\$ <u>38,856,467</u>	\$ <u>41,070,560</u>
\$	<u>3,715,680</u>	\$ <u>3,880,329</u>	\$ <u>5,602,951</u>	\$ <u>3,279,486</u>	\$ <u>4,094,201</u>
\$	<u>3,715,680</u>	\$ <u>3,880,329</u>	\$ <u>5,602,951</u>	\$ <u>3,279,486</u>	\$ <u>4,094,201</u>

POTTER COUNTY, TEXAS
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	\$ 199,143	\$ 562,094	\$ 137,109	\$ 273,861
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unreserved/Unassigned	4,764,087	7,376,571	10,465,366	12,054,462
Total General Fund	<u>\$ 4,963,230</u>	<u>\$ 7,938,665</u>	<u>\$ 10,602,475</u>	<u>\$ 12,328,323</u>
All Other Governmental Funds				
Reserved				
Debt service funds	\$ 254,731	\$ 243,997	\$ 293,427	\$ 358,463
Special revenue funds	-	37,297	-	-
Capital projects funds	-	302,859	-	-
Encumbrances	-	-	-	-
Restricted				
Debt service funds	-	-	-	-
Special revenue funds	-	-	-	-
Assigned				
Capital projects funds	-	-	-	-
Special revenue funds	-	-	-	-
Unreserved, reported in:				
Special revenue funds	837,261	1,895,233	3,244,048	2,249,575
Capital projects funds	5,634,159	3,577,009	2,947,173	4,897,559
Total all other governmental funds	<u>\$ 6,726,151</u>	<u>\$ 6,056,395</u>	<u>\$ 6,484,648</u>	<u>\$ 7,505,597</u>

Source: County financial statements.

(1) 2011 was the first year of GASB 54 implementation.

Table 3

Fiscal Year					
2007	2008	2009	2010	2011 (1)	2012
\$ 489,157	\$ 116,685	\$ 131,550	\$ 425,469	\$ -	\$ -
-	-	-	-	62,109	52,004
-	-	-	-	297,123	308,426
-	-	-	-	3,000,000	2,000,000
-	-	-	-	-	-
<u>14,986,535</u>	<u>16,047,905</u>	<u>16,918,011</u>	<u>16,817,279</u>	<u>12,607,617</u>	<u>14,021,844</u>
\$ <u>15,475,692</u>	\$ <u>16,164,590</u>	\$ <u>17,049,561</u>	\$ <u>17,242,748</u>	\$ <u>15,966,849</u>	\$ <u>16,382,274</u>
\$ 440,461	\$ 534,661	\$ 732,268	\$ 989,366	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
611,403	1,253,119	395,122	479,476	-	-
-	-	-	-	1,260,106	1,031,222
-	-	-	-	20,216	20,339
-	-	-	-	5,129,931	3,097,475
-	-	-	-	3,351,928	3,218,732
2,707,338	2,781,788	2,721,110	2,952,805	-	-
<u>5,223,091</u>	<u>6,767,146</u>	<u>8,860,744</u>	<u>7,228,505</u>	-	-
\$ <u>8,982,293</u>	\$ <u>11,336,714</u>	\$ <u>12,709,244</u>	\$ <u>11,650,152</u>	\$ <u>9,762,181</u>	\$ <u>7,367,768</u>

POTTER COUNTY, TEXAS
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
Revenue				
Taxes	\$ 24,866,521	\$ 28,212,654	\$ 30,369,822	\$ 31,836,208
Licenses and fees	4,242,154	3,776,054	5,061,842	5,184,202
Intergovernmental	1,888,512	1,738,676	1,540,524	2,041,654
Fines and forfeitures	1,025,399	1,561,156	1,375,307	1,685,287
Charges for services	-	802,396	773,552	864,540
Investment earnings	-	218,037	578,787	1,210,448
Miscellaneous	1,191,045	217,045	106,382	244,873
Total revenues	<u>33,213,631</u>	<u>36,526,018</u>	<u>39,806,216</u>	<u>43,067,212</u>
Expenditures				
General administrative	5,414,332	2,422,855	2,265,546	3,345,715
Public service	685,158	680,487	1,029,982	1,133,020
Transportation	1,648,979	1,324,149	1,546,858	1,492,074
Facilities maintenance	-	2,472,290	2,073,163	1,939,474
Tax and recording offices	-	2,962,470	3,115,983	3,297,289
Election administration				
Judicial	10,057,992	4,491,559	4,770,699	5,070,663
Legal	-	3,812,673	3,867,421	4,112,711
Public safety and correctional	13,380,860	13,258,939	14,195,983	15,142,030
Corrections and rehabilitation				
Health and human services				
Road and bridge				
Debt service				
Principal	1,122,486	1,140,000	1,276,282	1,332,905
Interest and fiscal charges	758,521	1,028,026	953,125	896,708
Capital outlay	2,494,207	1,291,825	2,078,369	2,557,826
Total expenditures	<u>35,562,535</u>	<u>34,885,273</u>	<u>37,173,411</u>	<u>40,320,415</u>
Excess of revenues over (under) expenditures	<u>(2,348,904)</u>	<u>1,640,745</u>	<u>2,632,805</u>	<u>2,746,797</u>
Other financing sources (uses)				
Refunding bonds issued	7,770,000	-	-	-
Premium on refunding bonds	61,927	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	1,889,091	42,050	1,460,000	2,602,000
Transfers out	(1,916,091)	(42,050)	(1,460,000)	(2,602,000)
Capital leases	-	-	459,258	-
Total other financing sources (uses)	<u>7,804,927</u>	<u>-</u>	<u>459,258</u>	<u>-</u>
Net change in fund balances	<u>\$ 5,456,023</u>	<u>\$ 1,640,745</u>	<u>\$ 3,092,063</u>	<u>\$ 2,746,797</u>
Debt service as a percentage of noncapital expenditures	5.69%	6.45%	6.38%	5.89%

Source: Statement of Activities from County CAFRs

		Fiscal Year									
		2007	2008	2009	2010	2011	2012				
\$	33,868,870	\$	35,373,010	\$	37,220,666	\$	37,617,375	\$	38,143,874	\$	40,803,354
	3,964,127		4,782,390		4,744,096		4,724,465		4,824,188		4,921,922
	1,986,215		1,672,104		1,701,292		3,983,665		3,636,198		3,314,546
	1,729,089		1,630,752		1,386,758		1,410,844		1,414,392		1,215,965
	1,115,763		1,042,421		946,385		887,002		817,292		882,704
	1,588,175		1,058,154		374,434		216,028		68,799		87,376
	1,494,943		664,826		329,658		844,620		355,451		403,384
	<u>45,747,182</u>		<u>46,223,657</u>		<u>46,703,289</u>		<u>49,683,999</u>		<u>49,260,194</u>		<u>51,629,251</u>
	4,215,460		4,620,124		4,769,440		4,845,930		5,083,324		5,266,137
	2,403,939		2,741,042		2,142,823		2,385,538		2,549,165		2,062,923
	200,820		212,444		252,124		312,223		334,758		326,743
	11,095,322		11,624,598		12,022,407		12,480,138		12,887,673		13,368,693
	6,536,554		6,807,111		7,186,687		7,546,648		7,280,056		7,501,439
	10,585,748		11,031,909		11,267,983		11,322,711		11,895,403		12,479,813
	570,136		583,017		593,662		603,442		657,032		735,533
	1,669,391		1,707,486		1,843,461		1,904,364		1,851,470		1,905,658
	1,414,773		1,460,900		1,559,400		1,540,000		1,595,000		1,650,000
	835,988		816,721		572,206		517,817		462,955		392,210
	1,832,684		1,663,975		1,470,595		7,091,093		7,827,228		7,397,913
	<u>41,360,815</u>		<u>43,269,327</u>		<u>43,680,788</u>		<u>50,549,904</u>		<u>52,424,064</u>		<u>53,087,062</u>
	<u>4,386,367</u>		<u>2,954,330</u>		<u>3,022,501</u>		<u>(865,905)</u>		<u>(3,163,870)</u>		<u>(1,457,811)</u>
	-		9,120,000		-		-		-		7,220,000
	-		151,329		-		-		-		306,365
	-		(9,182,340)		-		-		-		(8,047,542)
	2,192,046		3,713,937		2,316,262		3,285,291		3,785,747		3,627,173
	(2,192,046)		(3,713,937)		(2,316,262)		(3,285,291)		(3,785,747)		(3,627,173)
	-		-		-		-		-		-
	-		88,989		-		-		-		(521,177)
\$	<u>4,386,367</u>	\$	<u>3,043,319</u>	\$	<u>3,022,501</u>	\$	<u>(865,905)</u>	\$	<u>(3,163,870)</u>	\$	<u>(1,978,988)</u>
	5.78%		5.52%		5.13%		4.80%		4.60%		4.46%

POTTER COUNTY, TEXAS
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 5

Fiscal Year	Property Taxes	Mixed Drink Tax	Vehicle Inventory Tax	Bingo Tax	Total
2003	\$ 26,709,140	\$ 288,369	\$ 8,060	\$ 181,584	\$ 27,187,153
2004	27,644,951	321,932	9,074	157,639	28,133,596
2005	30,022,697	328,808	1,077	160,735	30,513,317
2006	31,703,509	365,165	21,093	179,852	32,269,619
2007	33,168,061	387,175	1,396	189,217	33,745,849
2008	35,037,754	396,055	2,603	195,213	35,631,625
2009	36,986,985	406,726	7,925	206,297	37,607,933
2010	37,243,955	404,397	10,920	208,384	37,867,656
2011	37,768,434	428,519	11,047	207,010	38,415,010
2012	40,380,197	387,758	2,852	210,328	40,981,135

Source: County financial statements.

POTTER COUNTY, TEXAS
 Assessed and Estimated Actual Value of Property
 Last Ten Fiscal Years (1)

Table 6

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual value	
2003	\$ 4,152,857	\$ 4,152,857	\$ 1,502,434	\$ 1,502,434	\$ 5,655,291	\$ 5,655,291	0.55
2004	4,290,421	4,290,421	1,406,342	1,406,342	5,696,763	5,696,763	0.60
2005	4,470,539	4,470,539	1,613,062	1,613,062	6,083,601	6,083,601	0.61
2006	4,558,019	4,558,019	1,824,415	1,824,415	6,382,434	6,382,434	0.61
2007	4,771,318	4,771,318	1,879,772	1,879,772	6,651,090	6,651,090	0.60
2008	5,250,250	5,250,250	1,983,443	1,983,443	7,233,693	7,233,693	0.60
2009	5,551,896	5,551,896	2,153,062	2,153,062	7,704,958	7,704,958	0.60
2010	5,773,209	5,946,016	1,953,859	2,030,339	7,727,068	7,976,356	0.60
2011	6,257,274	6,506,527	1,469,795	1,469,829	7,727,069	7,976,356	0.60
2012	6,647,265	6,893,284	1,687,907	1,687,907	8,335,172	8,581,191	0.63

(1) Stated in Thousands

Source: Potter-Randall Appraisal District

POTTER COUNTY, TEXAS
Property Tax Rates
District and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Potter County	City of Amarillo	Amarillo ISD	Amarillo College District	River Road ISD
TAX RATES / \$100 ASSESSED VALUATION					
2003	0.552820	0.295630	1.590000	0.156210	1.572300
2004	0.595030	0.294370	1.590000	0.159420	1.572300
2005	0.607040	0.289060	1.615000	0.160430	1.572300
2006	0.607040	0.287120	1.645000	0.160430	1.779800
2007	0.599730	0.283710	1.615000	0.160430	1.649800
2008	0.596740	0.283710	1.172000	0.183950	1.317000
2009	0.596740	0.310090	1.170000	0.184130	1.317000
2010	0.596270	0.310090	1.170000	0.189960	1.350000
2011	0.599110	0.310090	1.170000	0.189380	1.360000
2012	0.633500	0.320090	1.170000	0.189380	1.350000

Table 7

<u>Underground Water Conservation District</u>	<u>County Common School District</u>	<u>Bishop Hills</u>	<u>Valle de Oro</u>	<u>Walnut Hills</u>	<u>Total</u>
TAX RATES / \$100 ASSESSED VALUATION					
0.023800	2.983400	0.076250	0.169400	0.201880	7.62169
0.023700	3.203580	0.080000			7.51840
0.093500	3.069500	0.080000			7.48683
0.092700	3.267530	0.080000			7.91962
0.020700	2.673650	0.080000			7.08302
0.017940	2.378760	0.080000			6.03010
0.016840	2.434940	0.080000			6.10974
0.016840	2.451140	0.080000			6.16430
0.016910	2.442490	0.080000			6.16798
0.016410	2.437040	0.080000			6.19642

POTTER COUNTY, TEXAS

Principal Taxpayers

September 30, 2012

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2011 Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Southwestern Public Service (Xcel)	Electric Utility	\$ 230,036,281	1	3.63%
Asarco Inc.	Copper Refinery	91,382,290	2	1.44%
Tyson Fresh Meats Inc.	Food Distribution	86,932,557	3	1.37%
BNSF Railway Company	Railroad	86,610,878	4	1.37%
Northwest Texas Healthcare	Healthcare	83,704,348	5	1.32%
Pioneer Natural Resources	Natural Gas Utility	71,344,548	6	1.13%
Amarillo Mall, LLC	Shopping Mall	60,708,171	7	0.96%
Ben E. Keith Company	Food Distribution	49,022,476	8	0.77%
Wal Mart Real Estate	Retailer	48,543,096	9	0.77%
Amarillo Economic Dev Corporation	Economic Development	<u>36,855,099</u>	10	<u>0.58%</u>
		<u>\$ 845,139,744</u>		<u>13.34%</u>
Iowa Beef Processors, Inc.	Beef Processors			
Colorado Interstate Gas Company	Natural Gas Pipeline			
UHS of Amarillo	Healthcare			
Southwestern Bell Telephone Company	Telephone			
Schroder Amarillo	Hotel/Motel			
Pioneer Natural Resources	Pipeline			
Amarillo National Bank	Banking			

	2002 Valuation	Rank	Percentage of Total Assessed Valuation
\$	352,086,686	1	6.45%
	186,972,545	2	3.42%
	48,496,248	6	0.89%
	107,673,034	3	1.97%
	85,346,850	4	1.56%
	67,060,200	5	1.23%
	43,341,136	7	0.79%
	30,330,151	8	0.56%
	29,374,245	9	0.54%
	23,469,311	10	0.43%
\$	<u>974,150,406</u>		<u>17.84%</u>

POTTER COUNTY, TEXAS
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 9

Fiscal Year	Total Tax Levy	Collected within the Fiscal year of Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2003	\$ 24,811,120	\$ 23,870,089	96.21%	\$ 798,947	\$ 24,669,036	99.43%
2004	27,216,547	26,130,672	96.01%	1,012,045	27,142,717	99.73%
2005	29,636,469	28,973,425	97.76%	588,963	29,562,388	99.75%
2006	31,425,558	30,388,380	96.70%	946,457	31,334,837	99.71%
2007	32,576,226	31,984,967	98.18%	490,829	32,475,796	99.69%
2008	34,619,979	34,022,680	98.27%	466,475	34,489,155	99.62%
2009	36,435,657	35,668,444	97.89%	576,861	36,245,305	99.48%
2010	36,838,767	35,810,722	97.21%	770,618	36,581,340	99.30%
2011	37,151,855	36,511,897	98.28%	308,458	36,820,355	99.11%
2012	39,788,918	39,101,638	98.27%	-	39,101,638	98.27%

Source: Potter County Tax Office

POTTER COUNTY, TEXAS
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (1)

Table 10

Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2003	\$ 22,886,083	\$ -	\$ 22,886,083	0.77%	195
2004	21,995,000	-	21,995,000	0.70%	187
2005	20,805,000	372,976	21,177,976	0.65%	178
2006	19,560,000	285,072	19,845,072	0.58%	166
2007	18,260,000	170,299	18,430,299	0.52%	153
2008	16,890,000	74,399	16,964,399	0.43%	142
2009	15,405,000	-	15,405,000	0.41%	128
2010	13,865,000	-	13,865,000	0.35%	114
2011	12,270,000	-	12,270,000	0.30%	100
2012	10,070,000	-	10,070,000	0.23%	82

Source: Potter County records and the Schedule of Demographic and Economic Statistics

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) 2003 was the first year of GASB 34 implementation

(2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

POTTER COUNTY, TEXAS

Table 11

Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Percentage of Estimated Assessed Actual Taxable Value of Property (1)	Net Bonded Debt Per Capita (2)
2003	\$ 23,135,000	\$ 248,917	\$ 22,886,083	405%	195
2004	21,995,000	254,730	21,740,270	382%	185
2005	20,805,000	293,427	20,511,573	337%	173
2006	19,560,000	358,463	19,201,537	301%	160
2007	18,260,000	440,461	17,819,539	268%	148
2008	16,890,000	534,661	16,355,339	226%	137
2009	15,405,000	732,268	14,672,732	190%	122
2010	13,865,000	989,366	12,875,634	161%	106
2011	12,270,000	1,260,106	11,009,894	138%	90
2012	10,070,000	1,031,222	9,038,778	105%	74

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 107 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 113.

Source: Potter County financial records

POTTER COUNTY, TEXAS

Table 12

Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds
September 30, 2012

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable To Government (1)	Government's Share of Overlapping Debt
Debt repaid with property taxes			
Amarillo Independent School District	\$ 98,489,208	52.06%	\$ 51,273,482
Amarillo College District	69,192,174	47.95%	33,177,647
River Road Independent School District	14,670,527	100.00%	14,670,527
Highland Park Independent School District	11,599,997	100.00%	11,599,997
Bushland Independent School District	2,038,975	89.59%	1,826,718
City of Amarillo	35,338,545	47.78%	<u>16,884,757</u>
Subtotal, overlapping debt			129,433,128
Potter County, Texas	10,070,000	100.00%	<u>10,070,000</u>
Total direct and overlapping debt			<u>\$ 139,503,128</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Potter County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the government's taxable assessed value that is within the government's boundaries and dividing it by the government's total taxable assessed value.

Sources include the finance offices of the various entities and Potter-Randall Appraisal District

POTTER COUNTY, TEXAS
Computation of Legal Debt Margin
Last Ten Fiscal Years (1)

Table 13

	\$ <u><u>6,335,752,913</u></u>																																				
Total assessed value less exemptions - 2011 roll																																					
Legal debt margin																																					
Debt limitation - 25% of total assessed value	\$ 1,583,938,228																																				
Debt applicable to limitation:																																					
Total bonded debt	10,070,000																																				
Less: debt service funds	<u>(1,031,222)</u>																																				
Total debt applicable to limitation	<u>9,038,778</u>																																				
Legal debt margin	\$ <u><u>1,574,899,450</u></u>																																				
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 20%; text-align: center;"><u>2003</u></th> <th style="width: 20%; text-align: center;"><u>2004</u></th> <th style="width: 20%; text-align: center;"><u>2005</u></th> <th style="width: 20%; text-align: center;"><u>2006</u></th> <th style="width: 20%; text-align: center;"><u>2007</u></th> </tr> </thead> <tbody> <tr> <td>Debt limit</td> <td style="text-align: right;">\$ 1,122,025,249</td> <td style="text-align: right;">\$ 1,143,494,755</td> <td style="text-align: right;">\$ 1,220,531,966</td> <td style="text-align: right;">\$ 1,294,214,984</td> <td style="text-align: right;">\$ 1,354,276,414</td> </tr> <tr> <td>Total net debt applicable to limit</td> <td style="text-align: right;"><u>22,886,083</u></td> <td style="text-align: right;"><u>21,740,270</u></td> <td style="text-align: right;"><u>20,511,573</u></td> <td style="text-align: right;"><u>19,201,537</u></td> <td style="text-align: right;"><u>17,819,539</u></td> </tr> <tr> <td>Legal debt margin</td> <td style="text-align: right;"><u>\$ 1,099,139,166</u></td> <td style="text-align: right;"><u>\$ 1,121,754,485</u></td> <td style="text-align: right;"><u>\$ 1,200,020,393</u></td> <td style="text-align: right;"><u>\$ 1,275,013,447</u></td> <td style="text-align: right;"><u>\$ 1,336,456,875</u></td> </tr> <tr> <td colspan="6">Total net debt applicable to the limit as a percentage of debt limit</td> </tr> <tr> <td></td> <td style="text-align: center;">2.04%</td> <td style="text-align: center;">1.90%</td> <td style="text-align: center;">1.68%</td> <td style="text-align: center;">1.48%</td> <td style="text-align: center;">1.32%</td> </tr> </tbody> </table>		<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	Debt limit	\$ 1,122,025,249	\$ 1,143,494,755	\$ 1,220,531,966	\$ 1,294,214,984	\$ 1,354,276,414	Total net debt applicable to limit	<u>22,886,083</u>	<u>21,740,270</u>	<u>20,511,573</u>	<u>19,201,537</u>	<u>17,819,539</u>	Legal debt margin	<u>\$ 1,099,139,166</u>	<u>\$ 1,121,754,485</u>	<u>\$ 1,200,020,393</u>	<u>\$ 1,275,013,447</u>	<u>\$ 1,336,456,875</u>	Total net debt applicable to the limit as a percentage of debt limit							2.04%	1.90%	1.68%	1.48%	1.32%
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>																																
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(1) 2003 was the first year of GASB 34 implementation

Note: Under state finance law, Potter County's outstanding general obligation debt should not exceed 25% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

POTTER COUNTY, TEXAS
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 14

Fiscal Year	Population	Personal Income	Per Capita Personal income	Unemployment Rate
2003	117,067	\$ 2,966,284,352	\$ 25,338	5.60%
2004	117,682	3,147,145,227	26,743	5.00%
2005	118,771	3,281,558,416	27,629	3.90%
2006	119,780	3,404,114,784	28,420	3.60%
2007	120,758	3,571,212,000	29,573	3.70%
2008	119,740	3,933,563,000	32,851	4.40%
2009	120,118	3,754,294,000	31,255	6.10%
2010	121,448	3,964,519,000	32,644	6.20%
2011	122,285	4,122,727,000	33,714	5.60%
2012 *	122,958	4,299,595,344	34,968	4.90%

Source: Texas Workforce Commission Tracer

*Estimates for 2012 are based on the average growth of the previous 8 years.

POTTER COUNTY, TEXAS
Principal Employers
Current Year and Nine Years Ago

Table 15

<u>Employer</u>	2012		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Amarillo ISD	4,298	1	3.23%
Tyson Foods	3,700	2	2.78%
BWXT Pantex	3,233	3	2.43%
Baptist St. Anthony's Health Care System	2,330	4	1.75%
City of Amarillo	2,045	5	1.54%
Northwest Texas Healthcare System	1,393	6	1.05%
Bell Helicopter Textron Inc.	1,270	7	0.96%
Texas Department of Criminal Justice	1,246	8	0.94%
Western National Life Insurance Company	1,002	9	0.75%
Excel Energy	1,002	10	0.75%
Total	21,519		16.19%

<u>Employer</u>	2003		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Amarillo ISD	N/A*	N/A*	N/A*
Tyson Foods	3,615	N/A*	3.11%
BWXT Pantex	3,311	N/A*	2.85%
Baptist St. Anthony's Health Care System	2,900	N/A*	2.49%
City of Amarillo	N/A*	N/A*	N/A*
Northwest Texas Healthcare System	1,375	N/A*	1.18%
Bell Helicopter Textron Inc.	N/A*	N/A*	N/A*
Texas Department of Criminal Justice	N/A*	N/A*	N/A*
Western National Life Insurance Company	1,100	N/A*	0.95%
Excel Energy	1,810	N/A*	1.56%
Total	14,111		12.14%

Source: Amarillo Chamber of Commerce

* Information was not tracked to provide stated information.

POTTER COUNTY, TEXAS
Full-time Equivalent County Employees by Function
Last Ten Fiscal Years (1)

Table 16
Page 1 of 2

Budgeted Full-time Equivalent Employees as of September 30,										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
County Judge	3	3	3	3	3	3	3	3	3	3
County Commissioners	4	4	4	4	4	4	4	4	4	4
Human Resources	3	3	3	3.5	4	4	4	4	4	4
Information Technology	8	8	6	6	6	7	7	7	8	8
Information and Records Mgmt	6	6	6	6	6	6	6	7	7	7
County Auditor	7	7	6	6	6	6	6	6	6	6
County Treasurer	2	2	2	3	2	3	3	3	3	3
Purchasing Agent	5	5	5	5.5	5.5	6	6	6	6	6
Collections	-	-	-	3	3	3	3	3	3.5	3.5
Tax Assessor/Collector	21	21	21	21	21	21	21	21	21	21
Facilities Maintenance	27	27	26	26	26	26	26	26	26	26
Elections Administrator	-	-	-	-	-	-	-	4	4.5	4.5
County Clerk	20.5	20.5	21.5	22.5	22.5	22.5	21.5	18	17.5	17.5
District Clerk	20.0	19.5	20.5	21.5	21.5	21.5	21.5	21.5	21.5	22
Court of Appeals	4	4	4	4	4	4	4	4	4	4
47th District Court	4	4	4	4	4	4	4	4	4	4
108th District Court	4	4	4	4	4	4	4	4	4	4
181st District Court	4	4	4	4	4	4	4	4	4	4
251st District Court	4	4	4	4	4	4	4	4	4	4
320th District Court	4	4	4	4	4	4	4	4	4	4
County Court at Law #1	5	5	5	5	5	5	5	5	5	5
County Court at Law #2	5	5	5	5	4	5	5	5	5	5
Justice of the Peace, #1	4	4	4	4	4	4	4	4	4	4
Justice of the Peace, #2	3	3	3	3	3	3	3	3	3	3
Justice of the Peace, #3	4	4	4	4	4	4	4	4	4	4
Justice of the Peace, #4	3	3	3	3	3	3	3	3	3	3
Jury and Jury Related	4	4	4	3.5	3.5	3.5	3.5	3.5	3.5	4
County Attorney	26	26	25.5	25.5	25.5	28.5	28.5	29.5	27	27
Family Crime Unit	2	2	2	2	2	2	2	2	2	1
District Attorney	27	27	27	27	28	32	32	32	32	32
Forensic Science Lab	1	1	1	1	1	1	1	1	1	1
Constables	3	3	4	3	3	4	4	4	3	3
Sheriff	80	80	80	80.5	81.5	81	81	80	80	80
Fire/Rescue Department	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Detention Center	118.2	118.2	120.2	121.2	121.2	122.2	122.2	123	123	123
County Extension Services	6	5	5	5	5	5	5	5	5	5
Welfare	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Victim Assistance	3	3	3	3	3	3	3	3	3	3
Road and Bridge	21	20	20	19	19	19	19	19	19	19
Total General Fund	469.7	467.2	467.7	473.7	474.2	486.2	485.2	487.5	485.5	485.5

Source: Potter County employee records

(1) 2003 was the first year of GASB 34 implementation

POTTER COUNTY, TEXAS
 Full-time Equivalent County Employees by Function
 Last Ten Fiscal Years (1)

Table 16
 Page 2 of 2

Budgeted Full-time Equivalent Employees as of September 30,										
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Other Governmental Funds										
Law Library	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Courthouse Security	1	1	1	1	1	1	2	4	5	5
County Clerk Record Mgmt	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1
Court Records Management	1	2.5	4	4	4	2.5	2	1	1	1
Juvenile Probation	22	22	22	22	22	22	22	22	22	22
Sheriff Commissary	1.6	1.6	1.3	1.3	1.3	1.3	1.3	1	-	-
County Attorney Check	5.5	5.5	6	6	4	3	3.5	3.5	2	2.5
County Attorney Forfeiture Release	-	-	-	-	-	-	-	-	3	3
District Attorney State Payroll	-	-	1	2	1	0.5	-	-	-	-
District Attorney Forfeiture Release	-	-	-	-	1	-	-	2	2	2.5
District Attorney Welfare Fraud	-	-	0.5	-	-	-	0.5	0.5	-	-
Local Law Enforcement Block Grant	1	1	1	1	-	-	-	-	-	-
Total Other Governmental Funds	<u>34.1</u>	<u>35.6</u>	<u>38.8</u>	<u>39.3</u>	<u>36.3</u>	<u>32.3</u>	<u>33.3</u>	<u>36</u>	<u>37</u>	<u>37.5</u>
Total Governmental Funds	<u>503.8</u>	<u>502.8</u>	<u>506.5</u>	<u>513</u>	<u>510.5</u>	<u>518.5</u>	<u>518.5</u>	<u>523.5</u>	<u>522.5</u>	<u>523</u>

Source: Potter County employee records

(1) 2003 was the first year of GASB 34 implementation

POTTER COUNTY, TEXAS
Operating Indicators by Function
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Function	2003	2004	2005	2006
General Government				
Tax Office				
Auto titles issued ⁽¹⁾	N/A	34,115	34,778	34,473
Auto registrations ⁽²⁾	N/A	98,126	100,734	101,842
County Clerk ⁽³⁾				
Marriage license applications	1,773	1,730	1,730	1,685
Registered voters	55,936	53,904	55,519	52,467
Real property documents filed	27,690	26,810	25,870	24,660
Elections Administration				
Registered voters	-	-	-	-
Administration of Justice ⁽⁴⁾				
District Court Level				
Civil cases filed	3,874	2,995	3,234	3,404
Civil case dispositions	3,884	2,996	2,930	3,119
Criminal cases filed	2,638	2,647	2,713	2,968
Criminal case dispositions	2,500	2,859	2,674	2,891
County Court Level				
Civil cases filed	332	1,080	1,137	1,460
Civil case dispositions	343	1,055	1,019	1,074
Criminal cases filed	4,481	4,435	4,264	4,369
Criminal case dispositions	4,393	5,293	4,247	4,834
Justice of the Peace Court Level				
Civil cases filed	6,914	6,592	6,305	5,258
Civil case dispositions	6,406	6,145	5,907	5,146
Criminal cases filed	6,622	6,937	7,946	8,740
Criminal case dispositions	7,554	7,431	6,781	8,528
Public Safety and Correctional				
Sheriff ⁽⁵⁾				
Average daily jail population	534	512	530	543
Average daily prisoner cost	\$ 33.64	\$ 36.64	\$ 39.79	\$ 36.16
Human Services				
County Extension				
Number of programs	473	319	355	421
Number of contacts at programs	10,210	10,298	11,272	14,677
Number of individual, newsletter, and volunteer contacts	37,880	20,640	24,016	23,138

(1) Source: TxDOT Registration & Title Bulletins - based on fiscal year ending August 31.

(2) Source: TxDOT Registration & Title Bulletins - based on calendar year

(3) Source: Potter County Clerk

(4) Source: Office of Court Administration

(5) Source: Potter County Sheriff

2007	2008	2009	2010	2011	2012
33,226	34,621	30,168	30,180	31,083	30,820
101,611	102,910	99,845	104,539	101,487	101,571
1,661	1,582	1,458	1,431	1,424	1,606
52,590	55,144	56,451	49,053	-	-
22,373	23,793	23,734	21,537	19,393	20,315
-	-	-	-	49,689	48,265
3,361	2,910	3,031	3,441	3,548	3,412
3,295	3,128	2,995	2,730	3,851	3,578
2,817	2,753	2,475	2,043	2,474	2,111
2,768	2,677	2,533	2,136	2,450	2,371
1,197	1,042	1,052	1,047	1,109	1,070
1,454	1,212	962	962	1,133	1,134
3,282	3,267	2,930	3,206	3,103	3,319
3,853	3,158	2,557	2,943	3,151	3,339
2,259	2,521	2,293	2,281	1,819	2,045
2,034	2,376	2,096	2,356	4,249	2,324
11,079	10,241	10,298	8,753	7,420	8,316
11,053	9,516	9,561	10,078	9,176	8,508
550	545	488	522	529	471
\$ 40	\$ 41	\$ 46.42	\$ 45.05	\$ 45.86	\$ 52.72
531	523	305	350	508	390
44,876	21,533	22,038	7,198	12,997	10,290
42,080	47,967	31,595	45,562	55,590	28,775

POTTER COUNTY, TEXAS
Capital Assets by Function
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Table 18

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Office buildings / courthouses	4	4	4	5	6	6	6	6	7	7
Public safety and correctional										
Constables										
Patrol vehicles	1	1	2	2	3	3	3	3	2	2
Sheriff										
Enforcement vehicles	29	29	29	29	29	29	29	29	29	31
Corrections vehicles	9	9	9	9	9	9	11	11	11	11
Fire / Rescue										
Fire stations	7	7	7	7	7	7	7	7	7	7
Transportation										
County roads (miles)	227	227	234	220	233	261	299	301	301	283
Bridges	1	1	1	1	1	2	2	2	2	2

Source: Various County departments and County fixed asset reports.

OTHER SUPPLEMENTARY INFORMATION

This section includes financial information and disclosures not required by the Government Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

**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 Judge and
Members of the Commissioners' Court
Potter County, Texas:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Potter County, Texas (the County), as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 21, 2013. 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.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

This report is intended solely for the information and use of the Commissioners' Court, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis Kinard & Co., PC

Certified Public Accountants

Abilene, Texas
March 21, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Judge and
Members of the Commissioners' Court
Potter County, Texas:

Compliance

We have audited the compliance of Potter County, Texas (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Commissioners' Court, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dennis Kinard & Co. PC
Certified Public Accountants

Abilene, Texas
March 21, 2013

POTTER COUNTY, TEXAS
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2012

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material Weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material Weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Major Federal Programs:

Grantor Agency:	U.S. Department of Health and Human Services passed through Texas Department of Protective and Regulatory Services Foster Care - Title IV-E
Program: CFDA No.	93.658
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$300,000
Low Risk Auditee	The County was classified as a low-risk auditee in the context of OMB Circular A-133.

B. Findings Required to be Reported in Accordance with Government Auditing Standards

None

C. Findings and Questioned Costs for Federal Awards Required to be Reported Under OMB Circular A-133

None

POTTER COUNTY, TEXAS
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2012

Status of Prior Year's Finding/Noncompliance

None

POTTER COUNTY, TEXAS
Corrective Action Plan
Year Ended September 30, 2012

N/A There were no findings reported in the current year.

POTTER COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2012

Exhibit D-1

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Justice Assistance Grant - Adult Drug Court Program	16.585	2010-DC-BX-0102	\$ 92,302
Justice Assistance Grant - DEA Overtime Reimbursement	16.595	3111036183	10,271
Total direct U.S. Department of Justice			<u>102,573</u>
Passed through City of Amarillo:			
Justice Assistance Grant	16.804	2009-DJ-BX-1375	74,514
Justice Assistance Grant	16.804	2010-DJ-BX-0424	54,153
Total Passed through City of Amarillo			<u>128,667</u>
Passed through Office of the Governor - Criminal Justice Division			
Victim Assistance Program (VOCA)	16.575	VA-09-V3-02093302	45,000
Total Passed through Office of the Governor - Criminal Justice Division			<u>45,000</u>
Passed through Office of the Attorney General			
Victim Information & Notification Everyday (V.I.N.E.)	16.740	1012749	30,710
Total Passed Through Office of the Attorney General			<u>30,710</u>
Total U.S. Department of Justice			<u>306,950</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through Texas Department of Family and Protective Services			
Title IV-E-Legal Reimbursement	93.658	23379137	36,854
Total Passed Through Texas Department of Family and Protective Services			<u>36,854</u>
Passed Through Texas Juvenile Probation Commission			
Title IV-E-Administrative & Foster Care Reimbursement Program	93.658	TJPC-E-11-188	222,768
Total Passed Through Texas Juvenile Probation Commission			<u>222,768</u>
Passed Through the Texas Health and Human Services Commission			
Child Support Enforcement - Title IV-D	93.563	04-C0150	102,429
Total Passed Through the Texas Health and Human Services Commission			<u>102,429</u>
Total U.S. Department of Health and Human Services			<u>362,051</u>
<u>ELECTION ASSISTANCE COMMISSION</u>			
Pass Through State of Texas:			
General HAVA Compliance	90.401	78663	65,812
Total Election Assistance Commission			<u>65,812</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>734,813</u>

The accompanying notes are an integral part of this schedule

POTTER COUNTY, TEXAS
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2012

Note 1: Summary of Accounting Policies

The County utilizes the General Fund and Special Revenue Funds to account and report for federal awards. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

In the fund financial statements, all governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds in the fund financial statements are accounted for using the modified accrual basis of accounting. Expenditures are recognized when the related fund liability is incurred. Grant revenues in the special revenue funds are recognized at the time expenditures are incurred in a particular grant, in an amount proportionate to the percentage of federal participation in the expenditures incurred. Cash received from the grantor agencies is treated as deferred revenue until the time it is "earned" or "applied" as revenue. Revenues in the general fund are recognized at the time they become available and measurable.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received; they are recorded as deferred revenues until earned. The period of availability for federal grant funds, for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, is in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.

Amounts reported in the Schedule of Expenditures of Federal Awards may not agree with the amounts reported in the related federal financial reports filed with grantor agencies because of accruals which would be included in the next report filed with the agencies.