

POTTER COUNTY, TEXAS

Comprehensive Annual Financial Report

**For the Year Ended
September 30, 2013**

**Prepared by: Office of County Auditor
Kerry Hood
County Auditor**

POTTER COUNTY, TEXAS
 Comprehensive Annual Financial Report
 Year Ended September 30, 2013

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INTRODUCTORY SECTION

County of Potter

State of Texas

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Amarillo, Texas 79101-3412



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County Auditor
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Fax: 806-349-4808

March 20, 2014

Honorable District Judges of Potter County
Honorable Members of the Potter County Commissioners' Court
Citizens of Potter County and the Financial Community:

The Comprehensive Annual Financial Report of Potter County, Texas (the County) for the year ended September 30, 2013 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, 2013, 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, 2013 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 123,008. This is up 1.25% over the 2010 census of 121,448 and 25.68% 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 of 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: District Attorney Crime Victim and Sheriff's Commissary.

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.

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 increased 1.11% from \$0.62707 in 2012 to \$0.63402 for 2013.

Major Initiatives

Some of the major initiatives in fiscal year 2014 include the construction of a new fire station in the Bushland community. Bushland, an unincorporated area of the county with a population estimated at 465, is 13 miles east of Amarillo along I-40. The current judicial administration computer system is an in-house software dating back to the early 1990s. Potter County is in the process of procuring new software that will be used by the courts, prosecutors and clerks.

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, 2012. This was the nineteenth 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 2013 Leadership Circle Gold Award by the Texas Comptroller of Public Accounts. The Leadership Circle recognizes local governments across Texas that are striving to meet a high standard for financial transparency online by opening their books to the public; providing 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

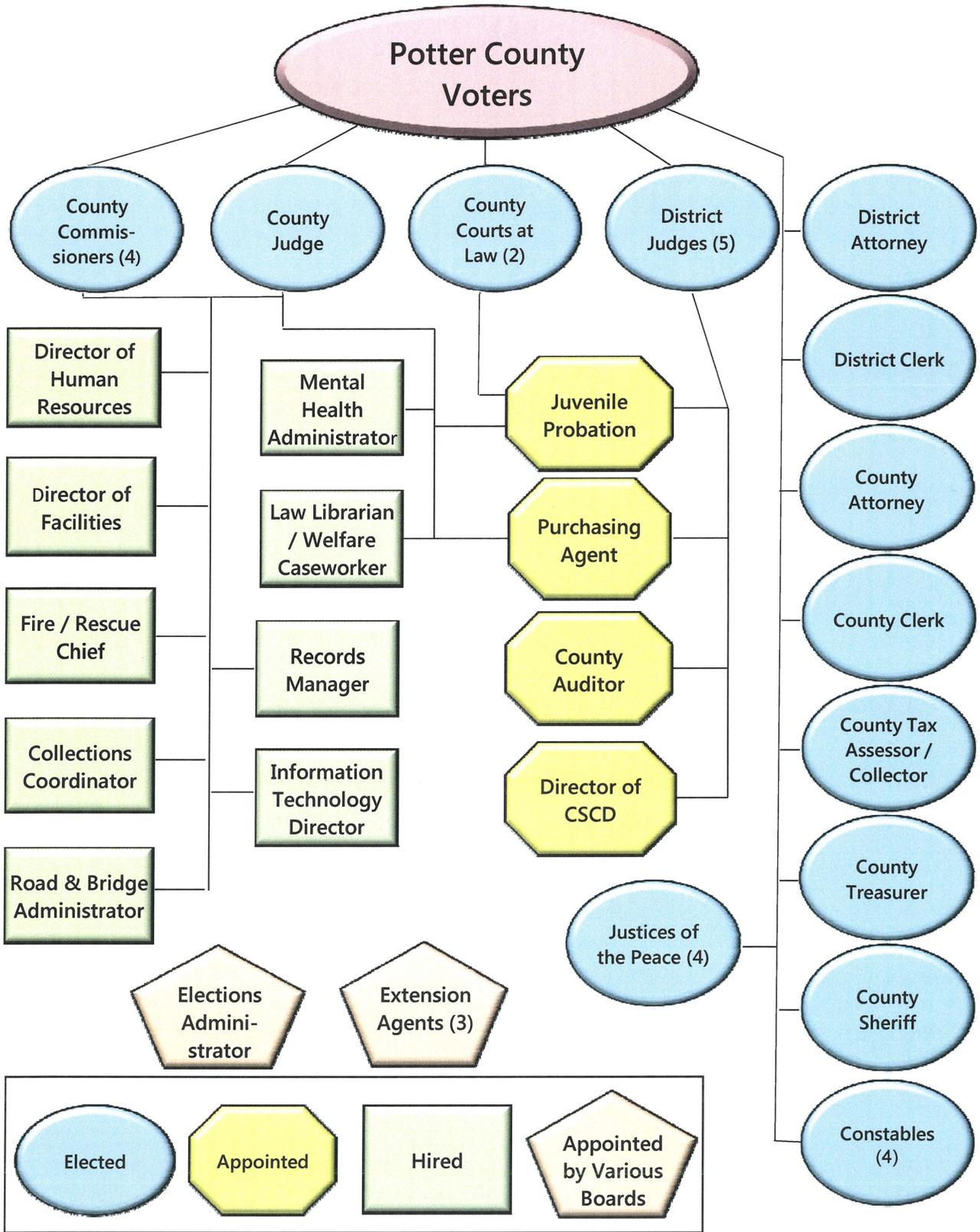
Potter County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

Potter County, Texas
Organization Chart



**Potter County, Texas
County Officials**

Arthur WareCounty Judge
H. R. KellyCommissioner, Precinct #1
Mercy MurguiaCommissioner, Precinct #2
Leon ChurchCommissioner, 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
Sherri AylorTax 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
Darryl WertzConstable, Precinct #1
Morice JacksonConstable, Precinct #2
Mike DuvalConstable, Precinct #3
Idella JacksonConstable, Precinct #4
David HarderPurchasing Agent
Kerry HoodCounty Auditor

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Potter County, Texas (the County), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements (including the budgetary comparison schedules for nonmajor funds) and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements (including the budgetary comparison schedules for nonmajor funds) and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Certified Public Accountants

Abilene, Texas
March 20, 2014

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, 2013. 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 \$89,858,979 (*net position*). Of this amount, \$25,100,759 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 \$2,423,716 due to decreased debt.
- At the close of the current fiscal year, Potter County's governmental funds reported combined fund balances of \$27,500,348 an increase of \$3,750,306 in comparison with the prior year. Approximately 53% of this amount (\$14,493,068) 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 \$17,195,590 or approximately 39% of total general fund expenditures.
- Potter County's total outstanding long-term debt decreased by \$1,710,000 during the current fiscal year.

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 12-13 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 43-95 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 \$89,858,979, at the close of the most recent fiscal year.

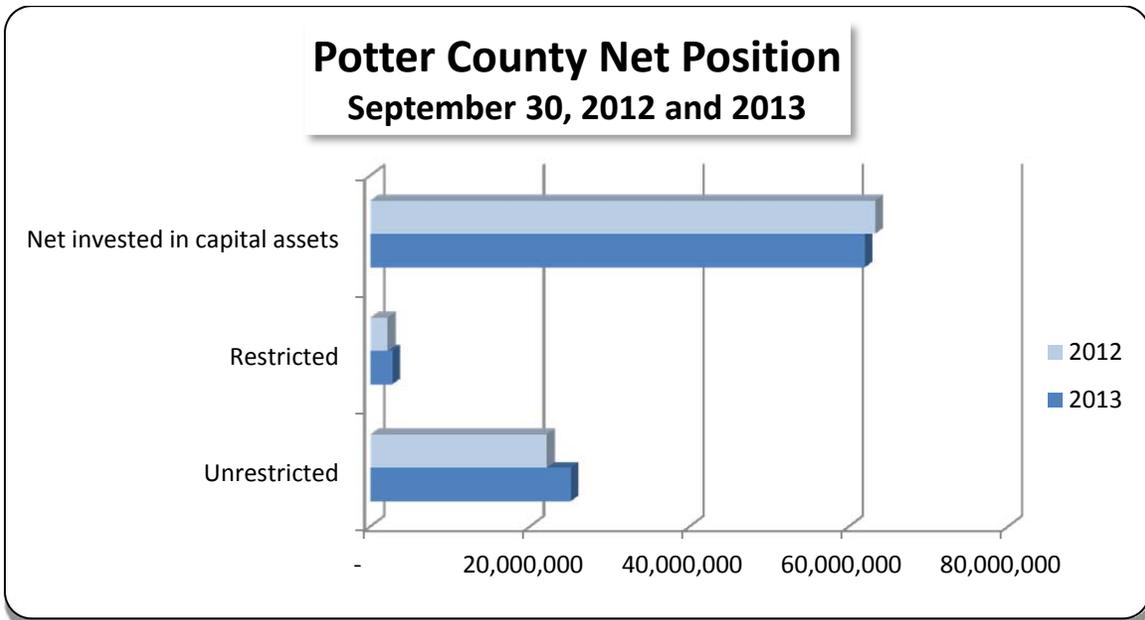
Potter County's Net Position

	Governmental Activities	
	2013	2012
Current and other assets	\$ 32,823,483	\$ 29,559,498
Capital assets	70,616,262	73,584,948
Total assets	\$ 103,439,745	\$ 103,144,446
Long-term liabilities outstanding	10,948,007	12,545,361
Other liabilities	2,632,759	3,163,822
Total liabilities	\$ 13,580,766	\$ 15,709,183
Net position:		
Net investment in capital assets	61,999,277	63,177,320
Restricted	2,758,943	2,178,182
Unrestricted	25,100,759	22,079,761
Total net position	\$ 89,858,979	\$ 87,435,263

By far, the largest portion of Potter County's net position (69%) 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 (3.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$25,100,759 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

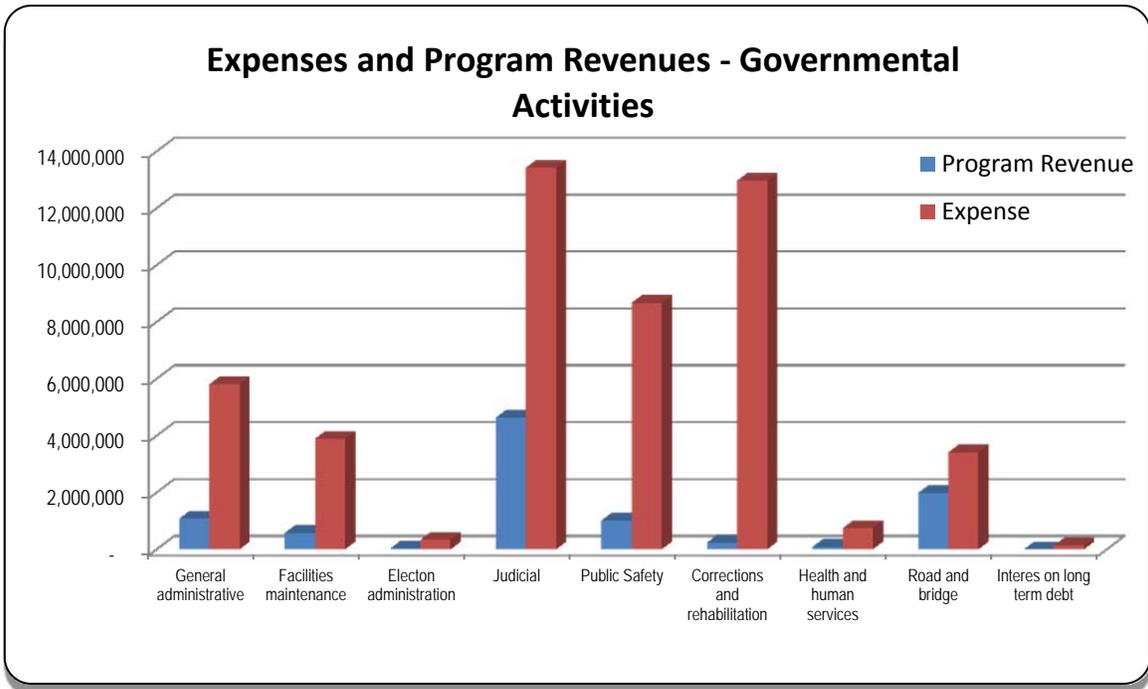
At the end of the current fiscal year, Potter County is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.



Governmental Activities. During the current fiscal year, net position for governmental activities increased \$2,423,716 from the prior fiscal year for an ending balance of \$89,858,979. 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	
	2013	2012
Charges for services	\$ 7,645,230	\$ 7,288,810
Operating grants and contributions	1,457,688	1,679,624
Capital grants and contributions	581,456	3,266,348
Property taxes	40,969,190	40,380,197
Other taxes	675,748	600,938
Other	547,368	89,425
Total revenues	\$ 51,876,680	\$ 53,305,342
General administrative	5,843,096	6,237,219
Facilities maintenance	3,891,407	3,106,581
Election administration	343,204	333,261
Judicial	13,432,209	13,705,026
Public safety	8,674,589	7,804,487
Corrections and rehabilitation	12,970,815	12,918,829
Health and human services	745,435	751,915
Road and bridge	3,413,410	3,790,135
Interest on long term debt	138,799	563,688
Total expenses	\$ 49,452,964	\$ 49,211,141
Increase (decrease) in net position	2,423,716	4,094,201
Net position – beginning (restated)	87,435,263	83,341,062
Net position – ending	\$ 89,858,979	\$ 87,435,263

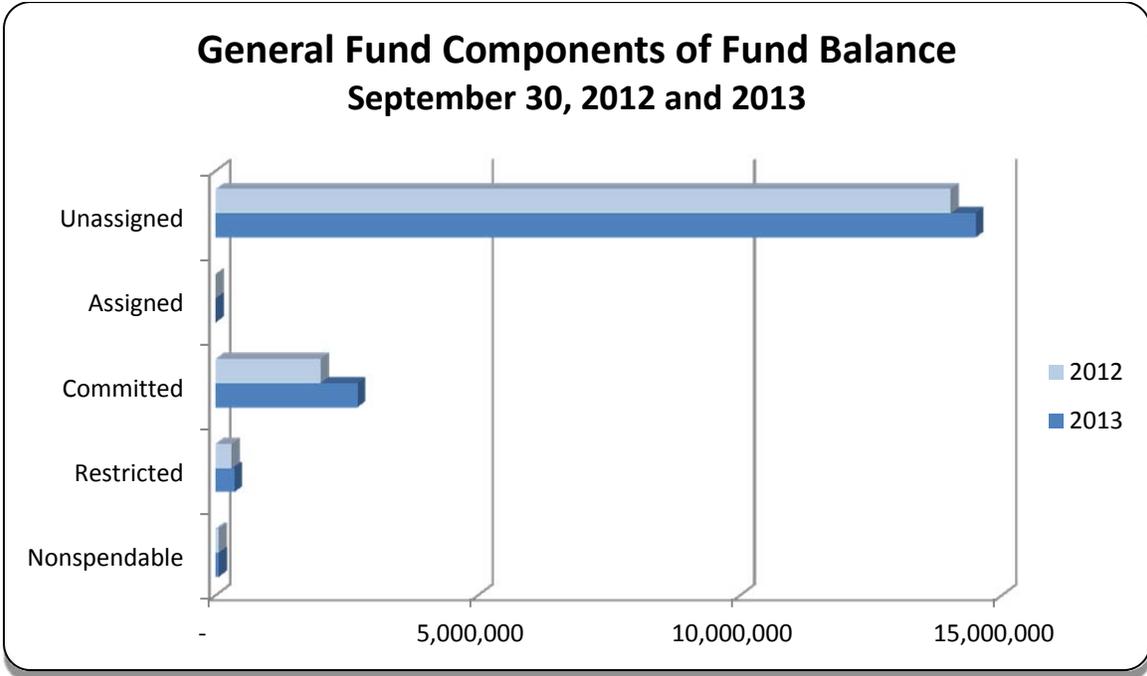


Financial Analysis of Governmental Funds

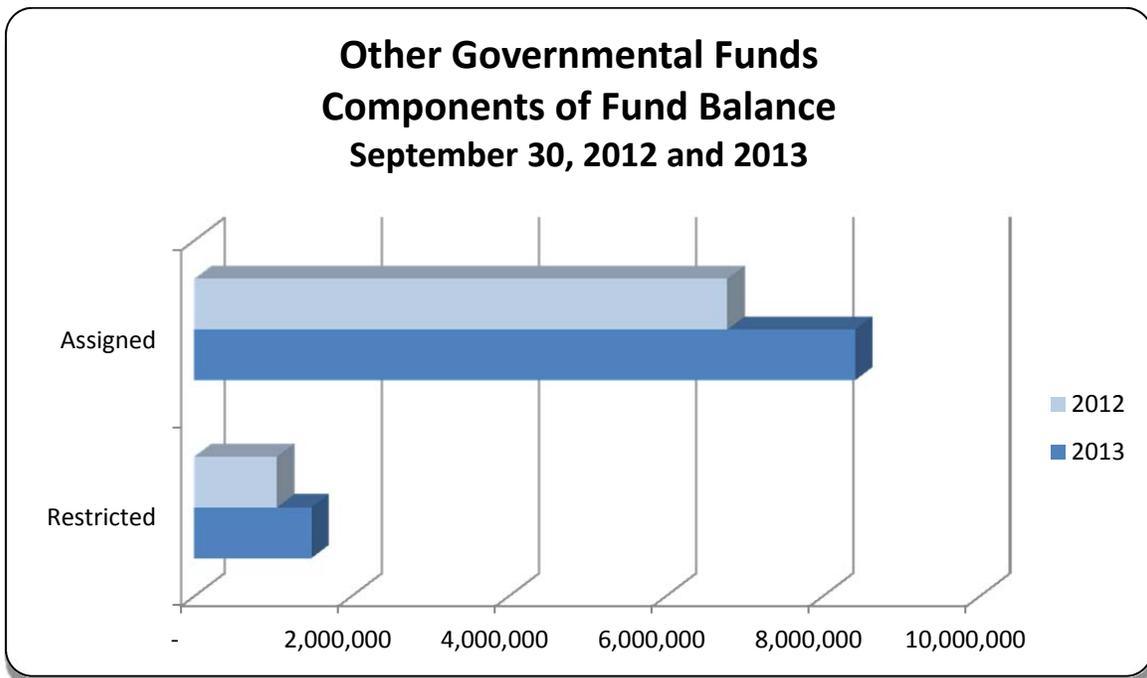
As noted earlier, Potter County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, 2013, Potter County’s governmental funds reported combined fund balances of \$27,500,348, an increase of \$3,750,306 in comparison with the prior year. Approximately 53% of this amount (\$14,493,068) 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 (\$53,134), 2) restricted for particular purposes (\$1,843,011), 3) committed for particular purposes (\$2,700,000), or 4) assigned for particular purposes (\$8,411,135).



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 \$14,495,590, while total fund balance increased to 17,601,834. 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 33 percent of total general fund expenditures, while total fund balance represents approximately 39.8 percent of that same amount.



The fund balance of Potter County’s general fund increased by \$1,219,560 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase was due to departments under spending budget appropriations.

The capital projects fund, a major governmental fund, had an increase of \$1,722,166 in fund balance during the current fiscal year for an ending fund balance of \$4,385,732. The majority of this fund comes from transfers from the general fund. The current year expenditures of \$284,107 provided consulting services for future projects related to our District Courts building, Sheriff’s administration offices, the Detention Center and the Bushland fire station. Continued transfers into the fund will lower the amount financed when the projects begin.

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 \$915,932. The increase in net position was \$97,737. The increase is a result of higher contributions to the fund and a change in the third party administrator.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, significant amendments to increase the original budgeted revenue resulted from an insurance recovery (\$880,000) to cover damage from a May hail storm and \$118,333 in unanticipated grant proceeds. Corresponding appropriations were added to the budget along with carryover for encumbrances from the prior year (\$152,000) and budgeting for records preservation expenditures from restricted fund balance (\$100,000). 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	\$ 39,442,800	\$ 39,335,127	\$ (107,673)
License and fees	4,163,800	4,387,206	223,406
Rents and recoveries	1,622,900	1,002,795	(620,105)

Although tax collections were slightly lower than anticipated, the overall current collection rate remains strong at 98.24% compared to 98.27% in the prior fiscal year. The election of 3 new Constables, filling vacant or inactive positions, boosted our license and fees collections. An increase in vehicle registrations following a severe hail storm in May, 2013, also increased the collection of fees. Rents and recoveries budget was increased after insurance proceeds were received in advance of claims payments for estimated property damage from the hail storm. Of the \$956,684 received, only \$80,470 was expensed in fiscal year 2013, leaving \$875,684 to be reclassified as unearned revenue.

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 \$1,385,372 as a result of employee turnover, contract services in the judicial section (court appointed attorney, investigators, court reporters, capital cases and visiting judges) were \$697,592 under budget, insurance claims were \$766,315 below estimates, county-wide building repairs and maintenance were expensed \$427,242 less than budget, and prisoner care had a remaining budget of \$110,468.

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, 2013, amounts to \$61,999,277 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads, and bridges. The total decrease in capital assets for the current fiscal year was approximately 2%.

Potter County’s Capital Assets (net of depreciation)

	Governmental activities	
	2013	2012
Land	\$ 5,019,608	\$ 5,019,608
Buildings and improvements	47,775,983	48,964,326
Streets and bridges	12,358,984	13,563,851
Furniture and equipment	4,941,186	5,623,043
Construction in progress	520,501	414,120
Total	\$70,616,262	\$ 73,584,948

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

- The continued evaluation and feasibility study on existing buildings with the major focus on the District Courts building, downtown Sheriff’s administration offices and Detention Center. Fiscal year expenditures were \$128,530.
- The purchase of various vehicles and equipment at a total cost of \$643,841.

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 \$8,360,000. This amount is primarily paid from ad valorem taxes.

Potter County’s Outstanding Debt

(net of depreciation)

	Governmental activities	
	2013	2012
General obligation, refunding bonds	\$ 1,140,000	\$ 2,850,000
Advanced GO, refunding bonds	7,220,000	7,220,000
Total	\$ 8,360,000	\$ 10,070,000

Potter County’s total debt decreased by \$1,710,000 (17 percent) during the current fiscal year. 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 percent of the assessed valuation of real property. The current debt limitation for Potter County is \$1,614,152,078, 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 2013-2014 fiscal year budget.

The unemployment rate for Potter County is currently 5.3%, which is a slight decrease from a rate of 5.6% a year ago. Potter County continues to remain below the national average of 7.2% and the state average of 6.3%.

Growth in the taxable assessed value used to budget for fiscal year 2014 was \$190,175,849 or 2.93% compared to fiscal year 2013.

Interest rates are expected to remain at record low levels throughout fiscal year 2014.

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.

At the end of the current fiscal year, the unassigned fund balance in the general fund was \$14,495,590. Potter County has appropriated \$464,999 of this amount for spending in the 2013-2014 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 Position

September 30, 2013

	<u>Governmental Activities</u>
ASSETS:	
Pooled cash and cash equivalents	\$ 13,034,014
Investments	13,997,272
Receivables (net of allowance for uncollectibles)	
Taxes	990,222
Other	2,583,591
Fines, fees, and court costs	1,110,462
Prepaid expenses	53,134
Restricted assets:	
Pooled cash and cash equivalents	911,465
Investments	30,721
Accounts receivable	112,602
Capital assets not being depreciated	5,540,109
Capital assets (net of accumulated depreciation)	<u>65,076,153</u>
 Total assets	 103,439,745
LIABILITIES:	
Accounts payable and other current liabilities	1,539,872
Payroll taxes and related items	-
Unearned revenues	929,563
Accrued interest payable	17,614
Claims payable from restricted assets	145,710
Noncurrent liabilities	
Net other postemployment benefit liability	988,975
Due within one year	2,040,071
Due in more than one year	<u>7,918,961</u>
 Total liabilities	 13,580,766
NET POSITION:	
Net investment in capital assets	61,999,277
Restricted for:	
Debt service	1,283,520
Insurance claims	915,932
Restricted for election administration	22,126
Restricted for drug court programs	40,482
Restricted for preservation and restoration of County records	425,860
Restricted for bail bond board	31,617
Restricted for victim assistance contributions	14,042
Restricted for other purposes	25,364
Unrestricted	<u>25,100,759</u>
 Total net position	 \$ <u><u>89,858,979</u></u>

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

POTTER COUNTY, TEXAS
Statement of Activities
For the Year Ended September 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General administrative	\$ 5,843,096	\$ 1,013,504	\$ 71,502	\$ -
Facilities maintenance	3,891,407	-	-	581,456
Election administration	343,204	233	37,309	-
Judicial	13,432,209	3,734,494	903,834	-
Public safety	8,674,589	813,947	206,085	-
Corrections and rehabilitation	12,970,815	74,628	165,358	-
Health and human services	745,435	18,301	73,600	-
Road and bridge	3,413,410	1,990,123	-	-
Interest on long term debt	138,799	-	-	-
Total governmental activities	<u>49,452,964</u>	<u>7,645,230</u>	<u>1,457,688</u>	<u>581,456</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 49,452,964</u>	<u>\$ 7,645,230</u>	<u>\$ 1,457,688</u>	<u>\$ 581,456</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
- Gain from disposition of assets
- Miscellaneous
- Total general revenues

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR (RESTATED)

NET POSITION AT END OF YEAR

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	
Governmental Activities	Total
\$ (4,758,090)	\$ (4,758,090)
(3,309,951)	(3,309,951)
(305,662)	(305,662)
(8,793,881)	(8,793,881)
(7,654,557)	(7,654,557)
(12,730,829)	(12,730,829)
(653,534)	(653,534)
(1,423,287)	(1,423,287)
(138,799)	(138,799)
<u>(39,768,590)</u>	<u>(39,768,590)</u>
<u>(39,768,590)</u>	<u>(39,768,590)</u>
38,770,264	38,770,264
2,198,926	2,198,926
435,541	435,541
28,997	28,997
211,210	211,210
88,932	88,932
90,150	90,150
368,286	368,286
<u>42,192,306</u>	<u>42,192,306</u>
2,423,716	2,423,716
<u>87,435,263</u>	<u>87,435,263</u>
<u>\$ 89,858,979</u>	<u>\$ 89,858,979</u>

POTTER COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2013

	General Fund	Capital Projects Fund
ASSETS		
Pooled cash and cash equivalents	\$ 6,185,564	\$ 2,900,282
Investments	11,421,166	1,532,579
Receivables (net of allowances for uncollectibles)		
Taxes	936,847	
Other	2,025,050	
Fines, fees, and court costs	1,110,462	
Due from other funds	401	
Prepaid items	53,134	
Total assets	<u>\$ 21,732,624</u>	<u>\$ 4,432,861</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable and other current liabilities	\$ 1,446,756	\$ 47,129
Due to other funds	6,854	
Unearned revenues	929,563	
Total liabilities	2,383,173	47,129
Deferred inflows of resources:		
Unavailable revenue - property taxes	780,038	
Unavailable revenue - fines, fees and court costs	967,579	
Total deferred inflows of resources	1,747,617	-
Fund balances:		
Nonspendable fund balances:		
Prepaid items	53,134	
Restricted fund balances:		
Restricted for debt service		
Restricted for election administration		
Restricted for drug court programs	40,482	
Restricted for preservation and restoration of County records	259,618	
Restricted for bail bond board	31,617	
Restricted for victim assistance contributions	14,042	
Restricted for other purposes	7,351	
Committed fund balances:		
Committed for capital replacement expenditures	2,700,000	
Assigned fund balances:		
Capital project funds assigned for specific purposes		4,385,732
Special revenue funds assigned for specific purposes		
Unassigned fund balance	14,495,590	
Total fund balances	<u>17,601,834</u>	<u>4,385,732</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 21,732,624</u>	<u>\$ 4,432,861</u>

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

	Other Governmental Funds		Total Governmental Funds
\$	3,948,168	\$	13,034,014
	1,043,527		13,997,272
	53,375		990,222
	558,541		2,583,591
			1,110,462
			401
			53,134
\$	<u>5,603,611</u>	\$	<u>31,769,096</u>
\$	45,987	\$	1,539,872
	401		7,255
			929,563
	46,388		2,476,690
	44,441		824,479
			967,579
	44,441		1,792,058
			53,134
	1,283,520		1,283,520
	22,126		22,126
			40,482
	166,242		425,860
			31,617
			14,042
	18,013		25,364
			2,700,000
	673,737		5,059,469
	3,351,666		3,351,666
	(2,522)		14,493,068
	<u>5,512,782</u>		<u>27,500,348</u>
\$	<u>5,603,611</u>	\$	<u>31,769,096</u>

POTTER COUNTY, TEXAS

Exhibit A-4

Reconciliation of the Balance Sheet of Governmental Funds
To The Statement of Net Position
September 30, 2013

Total Fund Balances - Governmental Fund Balance Sheet	\$ 27,500,348
Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
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 position.	70,616,262
The due to/from amounts on the governmental funds balance sheet are eliminated on the statement of net position in the amount of \$7,255. This causes no change to the net position.	-
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 position. The net effect is an increase to net position.	915,932
Certain assets, such as property taxes receivable and imposed fines receivable, are not available to pay for current-period expenditures and, therefore, are deferred inflows in the governmental funds. Unavailable revenue recognized in the government-wide financial statements results in a net increase to net position.	1,792,058
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 position.	(10,948,007)
Payables for bond interest which are not due in the current period are not reported in the funds.	<u>(17,614)</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>89,858,979</u></u>

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

POTTER COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2013

	General Fund	Capital Projects Fund
REVENUES:		
Taxes	\$ 39,335,127	\$
License and fees	4,387,206	
Intergovernmental	1,650,381	
Fines and forfeitures	1,232,042	
Charges for services	1,002,795	
Investment earnings	69,696	6,273
Miscellaneous	92,773	
	<u>47,770,020</u>	<u>6,273</u>
Total revenues		
EXPENDITURES:		
Current:		
General administrative	5,389,199	37,346
Facilities maintenance	2,592,756	
Election administration	325,489	
Judicial	12,351,907	
Public safety	7,913,777	
Corrections and rehabilitation	12,617,099	
Health and human services	743,590	
Road and bridge	1,966,392	
Debt service:		
Principal		
Interest and fiscal charges		
Capital outlay	<u>366,555</u>	<u>246,761</u>
Total expenditures	<u>44,266,764</u>	<u>284,107</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>3,503,256</u>	<u>(277,834)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	86,304	2,000,000
Transfers out	<u>(2,370,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,283,696)</u>	<u>2,000,000</u>
NET CHANGE IN FUND BALANCES	1,219,560	1,722,166
FUND BALANCES AT BEGINNING OF YEAR	<u>16,382,274</u>	<u>2,663,566</u>
FUND BALANCES AT END OF YEAR	<u>\$ 17,601,834</u>	<u>\$ 4,385,732</u>

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

	Other Governmental Funds		Total Governmental Funds
\$	2,204,616	\$	41,539,743
	758,051		5,145,257
	641,265		2,291,646
			1,232,042
	8,379		1,011,174
	10,647		86,616
	520,264		613,037
	<u>4,143,222</u>		<u>51,919,515</u>
	43,797		5,470,342
			2,592,756
	16,925		342,414
	954,576		13,306,483
	91,464		8,005,241
	117,634		12,734,733
			743,590
			1,966,392
	1,710,000		1,710,000
	244,883		244,883
	439,059		1,052,375
	<u>3,618,338</u>		<u>48,169,209</u>
	<u>524,884</u>		<u>3,750,306</u>
	370,000		2,456,304
	(86,304)		(2,456,304)
	<u>283,696</u>		<u>-</u>
	808,580		3,750,306
	<u>4,704,202</u>		<u>23,750,042</u>
\$	<u><u>5,512,782</u></u>	\$	<u><u>27,500,348</u></u>

POTTER COUNTY, TEXAS

Exhibit A-6

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, 2013

Net Change in Fund Balances - Total Government Funds	\$ 3,750,306
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>	
<p>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 position.</p>	1,052,375
<p>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 position.</p>	(4,021,243)
<p>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 gain on disposition of capital assets is to increase net position.</p>	182
<p>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 position.</p>	(78,436)
<p>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 position.</p>	1,710,000
<p>The net decrease in compensated absences payable is an increase to net position.</p>	84,522
<p>Internal service funds are used by management to charge the costs of self-insurance in individual funds. The change in net position of the internal service funds are included in governmental activities in the statement of activities. This results in an increase to net position.</p>	97,737
<p>Bond premiums 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.</p>	80,643
<p>The net increase in the obligation for other postemployment benefits is a decrease to net position.</p>	(277,811)
<p>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 decrease in accrual.</p>	<u>25,441</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$ <u><u>2,423,716</u></u>

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

POTTER COUNTY, TEXAS

Exhibit A-7

Statement of Net Position

Proprietary Funds

September 30, 2013

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets:	
Restricted assets:	
Pooled cash and cash equivalents	\$ 911,465
Investments	30,721
Accounts receivable:	
Other	112,602
Due from other funds	6,854
Total current assets	1,061,642
Total assets	1,061,642
LIABILITIES	
Current liabilities:	
Claims payable from restricted assets	145,710
Total current liabilities	145,710
Total liabilities	145,710
NET POSITION	
Restricted for insurance claims	915,932
Total net position	\$ 915,932

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

POTTER COUNTY, TEXAS
Statement of Revenues,
Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended September 30, 2013

Exhibit A-8

	Governmental Activities
	Internal Service Fund
<hr style="border-top: 3px double #000;"/>	
OPERATING REVENUES	
Insurance premiums	\$ 4,469,815
Charges for services	357,100
Total operating revenues	4,826,915
OPERATING EXPENSES	
Claims	3,546,169
Premiums	520,540
Administrative expenses	664,610
General Operating	175
Total operating expenses	4,731,494
OPERATING INCOME	95,421
NONOPERATING REVENUES	
Investment earnings	2,316
Total non-operating revenues	2,316
CHANGE IN NET POSITION	97,737
NET POSITION AT BEGINNING OF YEAR	818,195
NET POSITION AT END OF YEAR	\$ 915,932

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

POTTER COUNTY, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2013

Exhibit A-9

	<u>Governmental</u> <u>Activities</u> Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from participants	\$ 4,537,480
Cash received from recoveries and other	357,100
Cash payments for claims	(3,595,987)
Cash payments for administrative fees	(664,785)
Cash payments for insurance premiums	<u>(520,540)</u>
Net cash provided by operating activities	<u>113,268</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	2,316
Redemption of investments	<u>(30)</u>
Net cash provided by investing activities	<u>2,286</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	115,554
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>795,911</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 911,465</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES	
Operating income	\$ 95,421
Net change in:	
Accounts receivable	72,682
Due from other funds	(5,017)
Claims payable	<u>(49,818)</u>
Total adjustments	<u>17,847</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 113,268</u>

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

POTTER COUNTY, TEXAS
Statement of Fiduciary Net Position - Fiduciary Funds
September 30, 2013

Exhibit A-10

	<u>Agency Funds</u>
ASSETS	
Pooled cash and cash equivalents	\$ 5,632,720
Investments	429,580
Accounts receivable:	
Other	<u>103,466</u>
Total assets	<u>\$ 6,165,766</u>
 LIABILITIES	
Accounts payable and other current liabilities	\$ 285,061
Due to other governments	2,485,958
Due to trust beneficiaries	3,195,597
Due to other entities	134,150
Deposits	<u>65,000</u>
Total liabilities	<u>\$ 6,165,766</u>

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2013

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 position 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, 2013

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.

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.

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, 2013

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, 2013

Note 1: Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Inflows/Outflows of Revenues, and Net Position 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, County Common School District, the Village of Bishop Hills, and Underground Water Conversation District 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. The County uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed. 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, 2013

Note 1: Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Inflows and Outflows of Revenues, and Net Position 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, 2013

Note 1: Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Inflows and Outflows of Revenues and Net Position 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 position.

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 position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In fund financial statements, governmental fund types recognize bond premiums and discounts 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 Inflows of Resources

The County reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in current period. Deferred inflows of resources 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 deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Unearned Revenue

The County reports unearned revenue when potential revenue is received before it has legally been earned according to revenue recognition principles.

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, 2013

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, 2013, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$19,578,199 and the bank balance was \$19,922,701. The County's cash deposits at September 30, 2013, 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, 2013 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fair Value</u>	<u>Rating</u>
TexPool	40	\$ 6,406,311	AAAm
TexPool Prime	49	51,262	AAAm
CDARs	N/A	<u>8,000,000</u>	Non-rated
Total investments		<u>\$ 14,457,573</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, 2013

Note 2: Deposits and Investments (continued)

Investments (continued)

The County has investments with the following public funds investment pools as of September 30, 2013:

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 TexPool 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, 2013

Note 2: Deposits and Investments (continued)

E. Public Funds Investment Pools:

Public funds investment pools in Texas (the 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:

	<u>Governmental</u>			<u>Proprietary</u>	<u>Fiduciary</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Internal Service</u>	<u>Agency</u>
Receivables					
Taxes	\$ 2,008,745	\$	\$ 114,443	\$	\$
Fines, fees, and court costs	37,808,947				
Other	2,025,050		558,541	112,602	103,466
Total gross receivables	41,842,742	-	672,984	112,602	103,466
Less: Allowance for uncollectibles					
Taxes	(1,071,898)		(61,068)		
Fines, fees, and court costs	(36,698,485)				
Net total receivables	<u>\$ 4,072,359</u>	<u>\$ -</u>	<u>\$ 611,916</u>	<u>\$ 112,602</u>	<u>\$ 103,466</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2013

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,	
2014	\$ 89,550
2015	<u>52,238</u>
Total minimum rental	<u>\$ 141,788</u>
Rental expenditures in 2013	<u>\$ 116,976</u>

Note 5: Capital Assets

Capital asset activity for the period ended September 30, 2013 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 5,019,608	\$ -	\$ -	\$ 5,019,608
Construction in progress	<u>414,120</u>	<u>498,684</u>	<u>(392,303)</u>	<u>520,501</u>
Total capital assets not being depreciated	5,433,728	498,684	(392,303)	5,540,109
Capital assets being depreciated				
Streets and bridges	36,460,339	-	-	36,460,339
Buildings and improvements	71,726,344	392,303	-	72,118,647
Furniture and equipment	<u>13,175,468</u>	<u>643,841</u>	<u>(712,216)</u>	<u>13,107,093</u>
Total capital assets being depreciated	121,362,151	1,036,144	(712,216)	121,686,079
Less accumulated depreciation for:				
Streets and bridges	(22,896,488)	(1,204,867)	-	(24,101,355)
Buildings and improvements	(22,762,018)	(1,580,646)	-	(24,342,664)
Furniture and equipment	<u>(7,552,425)</u>	<u>(1,235,730)</u>	<u>622,248</u>	<u>(8,165,907)</u>
Total accumulated depreciation	(53,210,931)	(4,021,243)	622,248	(56,609,926)
Total capital assets being depreciated, net	<u>68,151,220</u>	<u>(2,985,099)</u>	<u>(89,968)</u>	<u>65,076,153</u>
Governmental activities capital assets, net	<u>\$ 73,584,948</u>	<u>\$ (2,486,415)</u>	<u>\$ (482,271)</u>	<u>\$ 70,616,262</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2013

Note 5: Capital Assets (continued)

Depreciation was charged to functions as follows:

General administrative	\$ 359,781
Road and bridge	1,443,526
Facilities maintenance	1,293,258
Judicial	96,367
Public safety	618,736
Correctional	<u>209,575</u>
Total depreciation expense	<u>\$ 4,021,243</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, 2013, 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	\$ 401	Short-term loans
Internal service fund	General fund	<u>6,854</u>	Short-term loans
	Total	<u>\$ 7,255</u>	

Transfers to and from Other Funds

Transfers to and from other funds at September 30, 2013, consisted of the following:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>	<u>Purpose</u>
General fund	Other governmental funds	\$ 370,000	Supplement other funds sources
General fund	Capital project fund	2,000,000	Capital acquisition projects
Other governmental funds	General fund	<u>86,304</u>	To close out fund assets
	Total	<u>\$ 2,456,304</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 \$50,000 to the Law Library Fund and \$320,000 to the Courthouse Security Fund to supplement those funds for anticipated expenditures. The District Attorney Welfare Fraud Fund transferred \$86,304 to the General Fund in order to close out this fund.

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, 2013

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.

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, 2013:

	Interest rates	Date of issue	Date of Maturity	Bonds Outstanding
General obligation, Series 2008 refunding bonds	3.50	2008	2014	\$ 1,140,000
General obligation, Series 2012 refunding bonds	2.00 - 3.00	2012	2018	7,220,000
Total general obligations debt				\$ 8,360,000

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

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
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	1,075,000	10,750	1,085,750
Totals	\$ 8,360,000	\$ 405,775	\$ 8,765,775

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2013

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 14. 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, 2013, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligations bonds	\$ 10,070,000	\$ -	\$ 1,710,000	\$ 8,360,000	\$ 1,705,000
Total bonds payable	10,070,000	-	1,710,000	8,360,000	1,705,000
Compensated absences	1,426,569	827,125	911,647	1,342,047	268,409
OPEB liability	711,164	339,243	61,432	988,975	-
Unamortized bond premium	337,628	-	80,643	256,985	66,662
Total Governmental Activities	<u>\$ 12,545,361</u>	<u>\$ 1,166,368</u>	<u>\$ 2,763,722</u>	<u>\$ 10,948,007</u>	<u>\$ 2,040,071</u>

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, 2013

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 12.10% for the months of the accounting year in 2012, and 12.97% for the months of the accounting year in 2013.

The contribution rate payable by the employee members for fiscal year 2013 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, 2013, the annual pension cost for the TCDRS plan for its employees was \$2,982,357 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, 2011, and December 31, 2012, the basis for determining the contribution rates for calendar years 2012 and 2013. The December 31, 2012 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>
9/30/11	2,459,371	100%	-
9/30/12	2,690,292	100%	-
9/30/13	2,982,357	100%	-

Actuarial Valuation Information

Actuarial valuation date	12/31/10	12/31/11	12/31/12
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 smoothed value ESF: Fund value	SAF: 10 year smoothed value ESF: Fund value	SAF: 10 year smoothed 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, 2013

Note 9: Pension Plan (continued)

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the plan was 81.43% funded. The actuarial accrued liability for benefits was \$104,921,798, and the actuarial value of assets was \$85,442,914, resulting in an unfunded actuarial accrued liability of \$19,478,884. The covered payroll (annual payroll of active employees covered by the plan) was \$27,005,912, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 72.13%.

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 \$600 per month, per employee. The County's liability is limited to \$125,000 per covered person per year (to \$175,000 for one claimant currently receiving special medical treatment) and an aggregate limit of \$4,566,072 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, 2011	\$ 188,517	\$ 3,736,375	\$ (3,503,158)	\$ 421,734
September 30, 2012	421,734	3,576,864	(3,803,070)	195,528
September 30, 2013	195,528	3,546,169	(3,595,987)	145,710

100% of claims and judgments are due within one year of September 30, 2013. 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, 2013

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.

Note 12: Fund Balance

The only fund deficit reported for the year ending September 30, 2013 was in the Law Library fund with a negative balance of \$(2,522). If it becomes necessary, the General Fund will transfer funds to supplement the Law Library's operations.

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, 2013, the nonspendable fund balance is composed of the following:

Prepaid items	\$ 53,134
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POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2013

Note 12: Fund Balance (continued)

Restricted Fund Balance

At September 30, 2013, the restricted fund balance is composed of the following:

Debt service	\$ 1,283,520
Election administration	22,126
Drug court programs	40,482
Preservation and restoration of County records	425,860
Bail bond board	31,617
Victim assistance contributions	14,042
Other purposes	25,364

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, 2013, the following amounts of fund balance are committed by a formal action of the Commissioners' Court:

Capital replacement expenditures	\$ 2,700,000
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Assigned Fund Balance

Pursuant to the County's adopted fund balance policy in accordance with GASB 54, the Commissioners' Court has delegated the authority to assign fund balance for specific purposes to the County Auditor and County Judge when it has been determined to be appropriate for fund balance to be assigned. At September 30, 2013, the following amounts of fund balance have been assigned:

Courthouse preservation	\$ 673,737
Other capital projects	4,385,732
Court security	66,213
Records management	172,232
Election administration	372,959
Technology	174,508
Forfeiture funds	1,842,821
Sheriff office commissary	238,332
Hot check funds	261,123
Other purposes	223,478

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, 2013

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, 2013, 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 2013, the County paid claims of \$71,849 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 \$144,739 through their required contribution of \$646 per month for retiree-only coverage and \$807 for retiree and spouse coverage.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2013

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	\$	355,292
Interest on net OPEB obligation		28,447
Adjustment to annual required contribution		<u>(44,496)</u>
Annual OPEB cost (expense)		339,243
Contributions made		<u>(61,432)</u>
Increase in net OPEB obligation		277,811
Net OPEB obligation - beginning of year		<u>711,164</u>
Net OPEB obligation - end of year	\$	<u><u>988,975</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 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, 2011	\$ 269,549	27.0 %	\$ 522,862
September 30, 2012	269,549	30.1	711,164
September 30, 2013	339,243	18.1	988,975

Funded Status and Funding Progress

The funded status of the plan, under GASB Statement No. 45 as of September 30, 2012 (most recent actuarial valuation) is as follows:

<u>Valuation Date as of October 1</u>	<u>Value of Assets (a)</u>	<u>Liability (AAL) (b)</u>	<u>AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>of Covered Payroll (b-a)/c</u>
2010	\$ -	\$ 2,400,350	\$ 2,400,350	0.0%	\$ 25,492,185	9.4%
2011	-	2,400,350	2,400,350	0.0%	26,196,785	9.2%
2012	-	2,998,158	2,998,158	0.0%	27,005,912	11.1%

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2013

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, 2012 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	26 years
Asset valuation method	N/A
Discount rate for valuing liabilities	4.0 %
Projected salary increases	N/A
Inflation rate	2.5 %
Health care cost trend rate	7.2 %
Ultimate health care cost trend rate	4.5 %
Year ultimate health care cost trend rate reached	2095

The projected future benefit payments are as follows:

<u>Year Ended September 30,</u>	<u>Payments</u>
2014	\$ 64,038
2015	71,987
2016	85,888
2017	95,913
2018	116,818
2019 to 2023	764,460
2024 to 2028	1,134,768
2029 to 2032	1,286,112

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2013

Note 15: Unearned Revenues and Deferred Inflows of Resources

Unearned revenues reported on the Balance Sheet-Governmental Funds consisted of the following at year-end:

Description	Fund	Deferred Amount
Insurance proceeds	General	\$ 875,684
County Attorney Seizures	General	53,879
		<u>\$ 929,563</u>

Deferred inflows of resources reported on the Balance Sheet-Governmental Funds consisted of the following at year-end:

Description	Fund	Deferred Amount
Property taxes	General	\$ 780,038
Property taxes	Series 2008 Refunding Bond	40,439
Property taxes	Series 2012 Refunding Bond	4,002
Fines, fees and court costs	General	967,579
		<u>\$ 1,792,058</u>

Note 16: Prior Period Adjustment

The County has determined in accordance with GASB Statement No. 65, *Items previously Reported as Assets and Liabilities* that Bond Issuance Costs previously recorded as an asset and amortized over the life of the respective bonds are expensed in the current year. As a result of this reclassification, the beginning net position decreased by \$106,342.

Note 17: Upcoming Accounting Pronouncements

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 this new statement prior to the effective dates for the statements listed above.

The impact of all other recently issued accounting pronouncements has been fully analyzed by the County and it is expected that the impact of these pronouncements will be insignificant to the County's basic financial statements.

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, 2013

Exhibit B-1
Page 1 of 11

	2013			Variance from Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 39,442,800	\$ 39,442,800	\$ 39,335,127	\$ (107,673)
License and fees	4,157,800	4,163,800	4,387,206	223,406
Intergovernmental	1,584,700	1,703,033	1,650,381	(52,652)
Fines and forfeitures	1,247,500	1,247,500	1,232,042	(15,458)
Rents and recoveries	732,900	1,622,900	1,002,795	(620,105)
Investment earnings	50,000	50,000	69,696	19,696
Miscellaneous	30,600	35,000	92,773	57,773
Total revenues	47,246,300	48,265,033	47,770,020	(495,013)
EXPENDITURES				
General administrative				
Current:				
County judge				
Salaries and fringe benefits	195,832	195,832	191,837	3,995
Travel	4,000	4,000	2,689	1,311
Contract services	1,000	1,000	-	1,000
General operations	2,550	2,900	2,565	335
Equipment/vehicle maintenance	600	750	744	6
	<u>203,982</u>	<u>204,482</u>	<u>197,835</u>	<u>6,647</u>
County commissioners				
Salaries and fringe benefits	202,162	202,162	180,883	21,279
Travel	12,000	12,000	7,163	4,837
General operations	3,700	4,600	4,400	200
	<u>217,862</u>	<u>218,762</u>	<u>192,446</u>	<u>26,316</u>
Human resources				
Salaries and fringe benefits	231,574	231,574	229,999	1,575
Travel	3,650	3,650	2,250	1,400
General operations	7,000	7,000	3,211	3,789
Equipment/vehicle maintenance	4,000	4,000	2,546	1,454
	<u>246,224</u>	<u>246,224</u>	<u>238,006</u>	<u>8,218</u>
Information technology				
Salaries and fringe benefits	632,278	632,278	615,898	16,380
Travel	30,000	30,000	27,981	2,019
Contract services	162,600	137,100	121,239	15,861
General operations	150,800	144,850	115,538	29,312
Equipment/vehicle maintenance	1,300	1,300	978	322
	<u>976,978</u>	<u>945,528</u>	<u>881,634</u>	<u>63,894</u>

POTTER COUNTY, TEXAS

General Fund

Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance from Final Budget
Information and records management				
Salaries and fringe benefits	\$ 383,676	\$ 383,676	\$ 381,916	\$ 1,760
Travel	4,200	4,200	2,175	2,025
Contract services	6,300	6,300	5,203	1,097
General operations	32,000	32,000	20,040	11,960
Equipment/vehicle maintenance	1,000	1,500	1,160	340
	<u>427,176</u>	<u>427,676</u>	<u>410,494</u>	<u>17,182</u>
General administrative				
Contract services	490,000	490,000	478,312	11,688
General operations	66,500	66,500	21,445	45,055
Equipment/vehicle maintenance	180,000	82,885	72,245	10,640
Miscellaneous	1,165,000	1,869,833	556,890	1,312,943
	<u>1,901,500</u>	<u>2,509,218</u>	<u>1,128,892</u>	<u>1,380,326</u>
County auditor				
Salaries and fringe benefits	467,450	467,450	394,378	73,072
Travel	9,000	9,000	5,386	3,614
Contract services	60,000	60,000	47,814	12,186
General operations	7,000	7,349	5,307	2,042
Equipment/vehicle maintenance	800	900	871	29
	<u>544,250</u>	<u>544,699</u>	<u>453,756</u>	<u>90,943</u>
County treasurer				
Salaries and fringe benefits	193,178	193,178	186,483	6,695
Travel	6,000	6,000	5,692	308
General operations	11,250	11,250	7,493	3,757
Equipment/vehicle maintenance	1,000	1,000	633	367
	<u>211,428</u>	<u>211,428</u>	<u>200,301</u>	<u>11,127</u>
Purchasing agent				
Salaries and fringe benefits	388,566	388,566	358,362	30,204
Travel	10,000	10,000	8,111	1,889
General operations	14,000	14,000	7,641	6,359
Equipment/vehicle maintenance	6,000	6,000	3,937	2,063
	<u>418,566</u>	<u>418,566</u>	<u>378,051</u>	<u>40,515</u>
Collections				
Salaries and fringe benefits	164,700	163,750	163,579	171
Travel	2,000	2,000	1,806	194
General operations	12,150	13,100	13,075	25
Equipment/vehicle maintenance	1,500	1,500	979	521
	<u>180,350</u>	<u>180,350</u>	<u>179,439</u>	<u>911</u>

POTTER COUNTY, TEXAS

General Fund

Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance from Final Budget
Tax assessor/collector				
Salaries and fringe benefits	\$ 1,066,632	\$ 1,066,632	\$ 994,000	\$ 72,632
Travel	9,000	9,000	8,243	757
Contract services	21,000	21,000	15,976	5,024
General operations	102,850	112,450	105,575	6,875
Equipment/vehicle maintenance	4,200	4,600	4,551	49
	<u>1,203,682</u>	<u>1,213,682</u>	<u>1,128,345</u>	<u>85,337</u>
Total general administrative	<u>6,531,998</u>	<u>7,120,615</u>	<u>5,389,199</u>	<u>1,731,416</u>
Facilities maintenance				
Facilities maintenance department				
Salaries and fringe benefits	1,327,008	1,327,008	1,220,345	106,663
Travel	17,800	17,800	12,033	5,767
General operations	56,671	91,941	53,733	38,208
Equipment/vehicle maintenance	14,880	20,880	17,463	3,417
	<u>1,416,359</u>	<u>1,457,629</u>	<u>1,303,574</u>	<u>154,055</u>
Courthouse				
Building repair/maintenance	224,650	224,650	147,117	77,533
	<u>224,650</u>	<u>224,650</u>	<u>147,117</u>	<u>77,533</u>
Courts building				
General operations	2,000	2,000	500	1,500
Building repair/maintenance	284,268	335,268	278,080	57,188
	<u>286,268</u>	<u>337,268</u>	<u>278,580</u>	<u>58,688</u>
Library building				
Building repair/maintenance	10,750	10,750	9,629	1,121
	<u>10,750</u>	<u>10,750</u>	<u>9,629</u>	<u>1,121</u>
Extension service building				
Building repair/maintenance	25,200	25,200	21,144	4,056
	<u>25,200</u>	<u>25,200</u>	<u>21,144</u>	<u>4,056</u>
React building				
Building repair/maintenance	1,300	1,300	826	474
	<u>1,300</u>	<u>1,300</u>	<u>826</u>	<u>474</u>
Santa Fe building				
Building repair/maintenance	874,831	910,053	736,958	173,095
	<u>874,831</u>	<u>910,053</u>	<u>736,958</u>	<u>173,095</u>

POTTER COUNTY, TEXAS

General Fund

Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance from Final Budget
Baseball Stadium				
Building repair/maintenance	\$ 12,000	\$ 43,000	\$ 42,641	\$ 359
	<u>12,000</u>	<u>43,000</u>	<u>42,641</u>	<u>359</u>
JP#3 Office				
Building repair/maintenance	20,500	20,500	17,803	2,697
	<u>20,500</u>	<u>20,500</u>	<u>17,803</u>	<u>2,697</u>
Bowie Annex				
Building repair/maintenance	26,000	34,000	26,866	7,134
	<u>26,000</u>	<u>34,000</u>	<u>26,866</u>	<u>7,134</u>
Leased Building (Lessee)				
Building repair/maintenance	10,000	10,000	7,618	2,382
	<u>10,000</u>	<u>10,000</u>	<u>7,618</u>	<u>2,382</u>
Total facilities maintenance	<u>2,907,858</u>	<u>3,074,350</u>	<u>2,592,756</u>	<u>481,594</u>
Election administration				
Elections				
Salaries and fringe benefits	334,332	334,332	274,424	59,908
Travel	2,000	2,000	1,921	79
Contract services	40,000	40,000	19,334	20,666
General operations	31,100	33,006	25,004	8,002
Equipment/vehicle maintenance	500	500	171	329
	<u>407,932</u>	<u>409,838</u>	<u>320,854</u>	<u>88,984</u>
Voter registration				
Travel	1,000	1,000	956	44
General operations	41,000	41,000	3,679	37,321
	<u>42,000</u>	<u>42,000</u>	<u>4,635</u>	<u>37,365</u>
Total election administration	<u>449,932</u>	<u>451,838</u>	<u>325,489</u>	<u>126,349</u>
Judicial				
County clerk				
Salaries and fringe benefits	907,912	907,912	828,341	79,571
Travel	3,500	3,500	1,363	2,137
Contract services	-	100,000	-	100,000
General operations	52,850	44,550	33,300	11,250
Equipment/vehicle maintenance	20,000	20,000	2,941	17,059
	<u>984,262</u>	<u>1,075,962</u>	<u>865,945</u>	<u>210,017</u>

POTTER COUNTY, TEXAS

General Fund

Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance from Final Budget
District clerk				
Salaries and fringe benefits	\$ 1,058,228	\$ 1,058,228	\$ 1,016,198	\$ 42,030
Travel	5,000	5,000	4,324	676
Contract services	2,000	2,000	1,261	739
General operations	56,700	56,700	47,218	9,482
Equipment/vehicle maintenance	7,500	7,500	3,938	3,562
Miscellaneous	4,125	4,125	2,912	1,213
	<u>1,133,553</u>	<u>1,133,553</u>	<u>1,075,851</u>	<u>57,702</u>
Court of appeals				
Salaries and fringe benefits	10,982	10,982	10,925	57
	<u>10,982</u>	<u>10,982</u>	<u>10,925</u>	<u>57</u>
Bail bond board				
Travel	2,000	2,000	0	2,000
General operations	550	550	67	483
	<u>2,550</u>	<u>2,550</u>	<u>67</u>	<u>2,483</u>
47th district court				
Salaries and fringe benefits	292,682	292,682	279,019	13,663
Travel	8,800	8,800	4,432	4,368
General operations	10,000	10,000	4,698	5,302
Equipment/vehicle maintenance	1,500	1,500	817	683
	<u>312,982</u>	<u>312,982</u>	<u>288,966</u>	<u>24,016</u>
108th district court				
Salaries and fringe benefits	298,722	298,722	288,776	9,946
Travel	11,750	11,750	7,580	4,170
General operations	9,000	9,000	6,370	2,630
Equipment/vehicle maintenance	1,400	1,400	1,159	241
	<u>320,872</u>	<u>320,872</u>	<u>303,885</u>	<u>16,987</u>
181st district court				
Salaries and fringe benefits	289,642	289,642	282,396	7,246
Travel	8,800	8,800	3,461	5,339
General operations	10,000	10,000	6,188	3,812
Equipment/vehicle maintenance	1,500	1,500	515	985
	<u>309,942</u>	<u>309,942</u>	<u>292,560</u>	<u>17,382</u>
251st district court				
Salaries and fringe benefits	289,642	289,642	279,142	10,500
Travel	8,800	8,800	3,678	5,122
General operations	10,000	10,000	1,795	8,205
Equipment/vehicle maintenance	1,500	1,500	538	962
	<u>309,942</u>	<u>309,942</u>	<u>285,153</u>	<u>24,789</u>

POTTER COUNTY, TEXAS

General Fund

Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance from Final Budget
320th district court				
Salaries and fringe benefits	\$ 299,882	\$ 299,882	\$ 248,991	\$ 50,891
Travel	11,750	11,750	3,054	8,696
General operations	10,600	11,800	5,860	5,940
Equipment/vehicle maintenance	1,400	1,400	812	588
	<u>323,632</u>	<u>324,832</u>	<u>258,717</u>	<u>66,115</u>
County court at law #1				
Salaries and fringe benefits	509,216	509,216	507,485	1,731
Travel	8,650	8,650	5,147	3,503
General operations	5,000	7,250	3,799	3,451
Equipment/vehicle maintenance	400	600	578	22
	<u>523,266</u>	<u>525,716</u>	<u>517,009</u>	<u>8,707</u>
County court at law #2				
Salaries and fringe benefits	533,406	533,406	459,724	73,682
Travel	8,650	8,650	3,099	5,551
General operations	8,000	9,750	6,389	3,361
Equipment/vehicle maintenance	400	400	256	144
	<u>550,456</u>	<u>552,206</u>	<u>469,468</u>	<u>82,738</u>
Justice of the Peace, precinct #1				
Salaries and fringe benefits	237,792	237,792	223,895	13,897
Travel	3,500	3,500	2,762	738
General operations	11,750	11,750	8,428	3,322
Equipment/vehicle maintenance	1,600	1,600	1,371	229
	<u>254,642</u>	<u>254,642</u>	<u>236,456</u>	<u>18,186</u>
Justice of the Peace, precinct #2				
Salaries and fringe benefits	187,296	187,296	186,575	721
Travel	3,500	3,505	3,503	2
General operations	8,180	8,175	7,791	384
Equipment/vehicle maintenance	400	650	635	15
	<u>199,376</u>	<u>199,626</u>	<u>198,504</u>	<u>1,122</u>
Justice of the Peace, precinct #3				
Salaries and fringe benefits	233,404	233,404	218,175	15,229
Travel	3,500	3,500	2,683	817
General operations	11,750	11,425	9,880	1,545
Equipment/vehicle maintenance	1,600	1,925	1,901	24
	<u>250,254</u>	<u>250,254</u>	<u>232,639</u>	<u>17,615</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance from Final Budget
Justice of the Peace, precinct #4				
Salaries and fringe benefits	\$ 187,296	\$ 187,296	\$ 184,637	\$ 2,659
Travel	3,500	3,500	2,241	1,259
General operations	8,180	8,080	7,323	757
Equipment/vehicle maintenance	400	1,100	1,081	19
	<u>199,376</u>	<u>199,976</u>	<u>195,282</u>	<u>4,694</u>
Jury and jury related				
Salaries and fringe benefits	179,150	179,150	168,754	10,396
Contract services	128,800	128,800	91,957	36,843
General operations	45,000	95,150	45,627	49,523
Equipment/vehicle maintenance	4,500	4,500	4,331	169
	<u>357,450</u>	<u>407,600</u>	<u>310,669</u>	<u>96,931</u>
County attorney				
Salaries and fringe benefits	1,963,798	1,986,000	1,923,979	62,021
Travel	30,000	30,000	21,661	8,339
Contract services	15,000	15,000	9,454	5,546
General operations	51,500	51,100	43,206	7,894
Equipment/vehicle maintenance	14,000	14,400	14,364	36
	<u>2,074,298</u>	<u>2,096,500</u>	<u>2,012,664</u>	<u>83,836</u>
District attorney				
Salaries and fringe benefits	2,709,248	2,715,373	2,605,094	110,279
Travel	25,000	26,675	16,128	10,547
Contract services	115,500	115,500	93,657	21,843
General operations	57,100	61,200	42,954	18,246
Equipment/vehicle maintenance	13,600	13,600	11,753	1,847
	<u>2,920,448</u>	<u>2,932,348</u>	<u>2,769,586</u>	<u>162,762</u>
General judicial				
Salaries and fringe benefits	23,894	23,894	17,205	6,689
Travel	3,000	3,000	1,162	1,838
Contract services	2,210,000	2,210,000	1,832,160	377,840
General operations	84,810	84,810	55,353	29,457
Miscellaneous	460,500	410,350	71,521	338,829
	<u>2,782,204</u>	<u>2,732,054</u>	<u>1,977,401</u>	<u>754,653</u>
Indigent defense				
Salaries and fringe benefits	50,316	50,316	50,160	156
	<u>50,316</u>	<u>50,316</u>	<u>50,160</u>	<u>156</u>
Total judicial	<u>13,870,803</u>	<u>14,002,855</u>	<u>12,351,907</u>	<u>1,650,948</u>

POTTER COUNTY, TEXAS

General Fund

Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance from Final Budget
Public safety				
Forensic science lab				
Contract services	\$ 395,000	\$ 395,000	\$ 352,960	\$ 42,040
	<u>395,000</u>	<u>395,000</u>	<u>352,960</u>	<u>42,040</u>
Constable, precinct #1				
Salaries and fringe benefits	40,910	41,260	41,111	149
Travel	2,000	2,000	1,851	149
General operations	5,950	1,600	1,446	154
Equipment/vehicle maintenance	2,100	6,800	6,394	406
	<u>50,960</u>	<u>51,660</u>	<u>50,802</u>	<u>858</u>
Constable, precinct #2				
Salaries and fringe benefits	65,964	65,964	65,323	641
Travel	1,750	4,250	2,692	1,558
General operations	5,200	2,700	370	2,330
Equipment/vehicle maintenance	2,100	2,600	2,309	291
	<u>75,014</u>	<u>75,514</u>	<u>70,694</u>	<u>4,820</u>
Constable, precinct #3				
Salaries and fringe benefits	42,710	42,710	41,092	1,618
Travel	2,000	2,000	1,575	425
General operations	5,950	5,450	5,128	322
Equipment/vehicle maintenance	3,100	6,600	4,673	1,927
	<u>53,760</u>	<u>56,760</u>	<u>52,468</u>	<u>4,292</u>
Constable, precinct #4				
Salaries and fringe benefits	40,910	40,910	40,468	442
Travel	2,000	5,000	4,965	35
General operations	5,950	5,700	2,403	3,297
Equipment/vehicle maintenance	2,100	2,350	2,335	15
	<u>50,960</u>	<u>53,960</u>	<u>50,171</u>	<u>3,789</u>
Sheriff				
Salaries and fringe benefits	5,625,668	5,625,668	5,497,887	127,781
Travel	92,000	92,000	91,904	96
Contract services	68,185	70,685	70,659	26
General operations	137,460	157,705	127,683	30,022
Equipment/vehicle maintenance	288,000	366,500	349,804	16,696
	<u>6,211,313</u>	<u>6,312,558</u>	<u>6,137,937</u>	<u>174,621</u>

POTTER COUNTY, TEXAS

General Fund

Exhibit B-1
Page 9 of 11

Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance from Final Budget
Special crimes unit				
General operations	\$ 750	\$ 750	\$ 102	\$ 648
	<u>750</u>	<u>750</u>	<u>102</u>	<u>648</u>
Sheriff offices				
Building repairs/maintenance	54,000	55,000	44,888	10,112
	<u>54,000</u>	<u>55,000</u>	<u>44,888</u>	<u>10,112</u>
Public service				
Building repair/maintenance	2,000	2,000	-	2,000
Miscellaneous	537,015	537,015	453,135	83,880
	<u>539,015</u>	<u>539,015</u>	<u>453,135</u>	<u>85,880</u>
Fire / rescue department				
Salaries and fringe benefits	292,236	292,236	285,653	6,583
Travel	49,500	58,564	54,978	3,586
Contract services	200	200	-	200
General operations	112,600	117,000	108,882	8,118
Equipment/vehicle maintenance	213,500	213,500	198,994	14,506
Building repair/maintenance	56,500	56,500	52,113	4,387
	<u>724,536</u>	<u>738,000</u>	<u>700,620</u>	<u>37,380</u>
Total public safety	<u>8,155,308</u>	<u>8,278,217</u>	<u>7,913,777</u>	<u>364,440</u>
Corrections and rehabilitation				
Detention center				
Salaries and fringe benefits	7,869,174	7,869,174	7,703,876	165,298
Contract services	33,500	45,685	33,782	11,903
General operations	55,650	60,750	50,163	10,587
Prisoner care	1,002,200	973,700	870,336	103,364
Equipment/vehicle maintenance	31,000	31,000	21,435	9,565
Building repairs/maintenance	534,000	570,607	511,610	58,997
	<u>9,525,524</u>	<u>9,550,916</u>	<u>9,191,202</u>	<u>359,714</u>
Community supervision and corrections				
General operations	10,500	10,500	9,886	614
Equipment/vehicle maintenance	15,000	15,000	14,452	548
	<u>25,500</u>	<u>25,500</u>	<u>24,338</u>	<u>1,162</u>

POTTER COUNTY, TEXAS

General Fund

Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance from Final Budget
Juvenile probation	\$ 3,401,559	\$ 3,401,559	\$ 3,401,559	\$ -
	<u>3,401,559</u>	<u>3,401,559</u>	<u>3,401,559</u>	<u>-</u>
Total corrections and rehabilitation	<u>12,952,583</u>	<u>12,977,975</u>	<u>12,617,099</u>	<u>360,876</u>
Health and human services				
Mental health - community service				
Salaries and fringe benefits	56,514	56,514	56,332	182
Travel	1,000	1,000	-	1,000
Contract services	105,000	105,000	83,810	21,190
General operations	200	200	124	76
	<u>162,714</u>	<u>162,714</u>	<u>140,266</u>	<u>22,448</u>
County extension services				
Salaries and fringe benefits	181,234	181,234	169,446	11,788
Travel	10,500	10,500	9,607	893
General operations	12,550	11,050	10,022	1,028
Equipment/vehicle maintenance	17,000	18,500	16,464	2,036
Miscellaneous	3,200	3,200	2,118	1,082
	<u>224,484</u>	<u>224,484</u>	<u>207,657</u>	<u>16,827</u>
Welfare				
Salaries and fringe benefits	10,122	10,022	9,522	500
Contract services	35,000	42,000	42,000	-
General operations	1,000	1,100	1,076	24
Equipment/vehicle maintenance	400	400	356	44
	<u>46,522</u>	<u>53,522</u>	<u>52,954</u>	<u>568</u>
Family crime unit				
Salaries and fringe benefits	170,626	170,626	157,658	12,968
Travel	1,500	1,500	-	1,500
General operations	7,000	7,000	4,526	2,474
Equipment/vehicle maintenance	3,000	3,000	1,584	1,416
	<u>182,126</u>	<u>182,126</u>	<u>163,768</u>	<u>18,358</u>
Victim assistance - VOCA				
Salaries and fringe benefits	120,994	120,994	120,716	278
Travel	3,000	3,000	664	2,336
	<u>123,994</u>	<u>123,994</u>	<u>121,380</u>	<u>2,614</u>
Victim assistance - VCLG				
Salaries and fringe benefits	59,174	59,174	57,565	1,609
Travel	1,500	1,500	-	1,500
	<u>60,674</u>	<u>60,674</u>	<u>57,565</u>	<u>3,109</u>
Total health and human services	<u>800,514</u>	<u>807,514</u>	<u>743,590</u>	<u>63,924</u>

POTTER COUNTY, TEXAS

General Fund

Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance from Final Budget
Road and bridge expenditures				
Salaries and fringe benefits	\$ 1,211,896	\$ 1,211,896	\$ 1,091,019	\$ 120,877
Travel	10,000	10,000	7,408	2,592
Contract services	10,000	28,000	27,556	444
General operations	673,000	640,750	526,576	114,174
Equipment/vehicle maintenance	293,500	308,500	265,940	42,560
Building repairs/maintenance	58,600	58,600	47,893	10,707
Total road and bridge expenditures	<u>2,256,996</u>	<u>2,257,746</u>	<u>1,966,392</u>	<u>291,354</u>
Capital outlay	91,000	387,575	366,555	21,020
Total expenditures	<u>48,016,992</u>	<u>49,358,685</u>	<u>44,266,764</u>	<u>5,091,921</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(770,692)	(1,093,652)	3,503,256	4,596,908
OTHER FINANCING SOURCES (USES)				
Transfers in	90,000	90,000	86,304	(3,696)
Transfers out	<u>(2,305,000)</u>	<u>(2,305,000)</u>	<u>(2,370,000)</u>	<u>(65,000)</u>
Total other financing sources (uses)	<u>(2,215,000)</u>	<u>(2,215,000)</u>	<u>(2,283,696)</u>	<u>(68,696)</u>
NET CHANGE IN FUND BALANCE	(2,985,692)	(3,308,652)	1,219,560	4,528,212
FUND BALANCE AT BEGINNING OF YEAR	<u>16,382,274</u>	<u>16,382,274</u>	<u>16,382,274</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 13,396,582</u>	<u>\$ 13,073,622</u>	<u>\$ 17,601,834</u>	<u>\$ 4,528,212</u>

POTTER COUNTY, TEXAS
 Required Supplementary Information
 Schedule of Funding Progress, Texas County and District Retirement System
 For the Year Ended September 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAAL as a Percentage of Covered Payroll
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	98,557,811	17,810,730	81.93%	26,196,785	67.99%
12/31/2012	85,442,914	104,921,798	19,478,884	81.43%	27,005,912	72.13%

POTTER COUNTY, TEXAS
 Required Supplementary Information
 Schedule of Funding Progress, Other Postretirement Benefits (1)
 For the Year Ended September 30, 2013

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%
10/1/2012	-	2,998,158	2,998,158	0.00%	27,005,912	11.10%

(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, 2013

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, 2013, 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, 2013

Exhibit C-1

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Funds
ASSETS				
Pooled cash and cash equivalents	\$ 2,659,118	\$ 1,266,110	\$ 22,940	\$ 3,948,168
Investments	865,951		177,576	1,043,527
Accounts receivable				
Taxes		53,375		53,375
Other	50,564	8,476	499,501	558,541
Total assets	\$ 3,575,633	\$ 1,327,961	\$ 700,017	\$ 5,603,611
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$ 19,707	\$	\$ 26,280	\$ 45,987
Due to other funds	401			401
Total liabilities	20,108	-	26,280	46,388
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	44,441	-	44,441
Total deferred inflows of resources	-	44,441	-	44,441
Fund balances				
Restricted fund balances:				
Restricted for records management	166,242			166,242
Restricted for other purposes	18,013			18,013
Restricted for election administration	22,126			22,126
Restricted for debt service		1,283,520		1,283,520
Assigned:				
Capital project funds assigned for specific purposes			673,737	673,737
Special revenue funds	3,351,666			3,351,666
Unassigned	(2,522)			(2,522)
Total fund balance	3,555,525	1,283,520	673,737	5,512,782
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,575,633	\$ 1,327,961	\$ 700,017	\$ 5,603,611

POTTER COUNTY, TEXAS

Exhibit C-2

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2013

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Funds
REVENUES				
Taxes	\$	\$ 2,204,616	\$	\$ 2,204,616
License and fees	758,051			758,051
Intergovernmental	59,809		581,456	641,265
Charges for services	8,379			8,379
Investment earnings	6,359	3,565	723	10,647
Miscellaneous	520,264			520,264
Total revenues	<u>1,352,862</u>	<u>2,208,181</u>	<u>582,179</u>	<u>4,143,222</u>
EXPENDITURES				
Current:				
General administrative	42,797	1,000		43,797
Election administration	16,925			16,925
Judicial	954,576			954,576
Public safety	91,464			91,464
Corrections and rehabilitation	117,634			117,634
Debt service				
Principal		1,710,000		1,710,000
Interest and fiscal charges		244,883		244,883
Capital outlay	96,708		342,351	439,059
Total expenditures	<u>1,320,104</u>	<u>1,955,883</u>	<u>342,351</u>	<u>3,618,338</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	32,758	252,298	239,828	524,884
OTHER FINANCING SOURCES				
Transfers in	370,000			370,000
Transfers out	(86,304)			(86,304)
Total other financing sources (uses)	<u>283,696</u>	<u>-</u>	<u>-</u>	<u>283,696</u>
NET CHANGE IN FUND BALANCES	316,454	252,298	239,828	808,580
FUND BALANCES AT BEGINNING OF YEAR	<u>3,239,071</u>	<u>1,031,222</u>	<u>433,909</u>	<u>4,704,202</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,555,525</u>	<u>\$ 1,283,520</u>	<u>\$ 673,737</u>	<u>\$ 5,512,782</u>

SPECIAL REVENUE FUNDS

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2013

	210 Vehicle Inventory Tax Interest	215 Law Library	220 Courthouse Security	221 Justice Courts Building Security
ASSETS				
Pooled cash and cash equivalents	\$	\$	\$ 30,095	\$ 29,360
Investments	175,171			
Accounts receivable (net)				
Other		9,437	6,928	307
Total assets	\$ 175,171	\$ 9,437	\$ 37,023	\$ 29,667
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$ 11,614	\$ 29	\$
Due to other funds		345		
Total liabilities	-	11,959	29	-
Fund balance				
Restricted				448
Assigned	175,171		36,994	29,219
Unassigned		(2,522)		
Total fund balance	175,171	(2,522)	36,994	29,667
TOTAL LIABILITIES AND FUND BALANCE	\$ 175,171	\$ 9,437	\$ 37,023	\$ 29,667

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
\$ 1,499	\$ 12,294	\$ 94,383	\$ 372,959	\$ 13,275	\$ 44,393	\$ 179,236	\$ 173,325
<u>32</u>	<u>190</u>	<u>11,349</u>		<u>8,851</u>	<u>5,194</u>	<u>3,919</u>	<u>1,287</u>
<u>\$ 1,531</u>	<u>\$ 12,484</u>	<u>\$ 105,732</u>	<u>\$ 372,959</u>	<u>\$ 22,126</u>	<u>\$ 49,587</u>	<u>\$ 183,155</u>	<u>\$ 174,612</u>
\$	\$	\$	\$	\$	\$	\$	\$ 104
-	-	-	-	-	-	-	104
1,531	12,484	105,732	372,959	22,126	15,797 33,790	44,713 138,442	11,870 162,638
<u>1,531</u>	<u>12,484</u>	<u>105,732</u>	<u>372,959</u>	<u>22,126</u>	<u>49,587</u>	<u>183,155</u>	<u>174,508</u>
<u>\$ 1,531</u>	<u>\$ 12,484</u>	<u>\$ 105,732</u>	<u>\$ 372,959</u>	<u>\$ 22,126</u>	<u>\$ 49,587</u>	<u>\$ 183,155</u>	<u>\$ 174,612</u>

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2013

	<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	\$ 17,089	\$ 130,376	\$ 312,787	\$ 130,803
Investments				
Accounts receivable (net)				
Other	<u>476</u>	<u> </u>	<u> </u>	<u>180</u>
Total assets	<u>\$ 17,565</u>	<u>\$ 130,376</u>	<u>\$ 312,787</u>	<u>\$ 130,983</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$	\$ 2,863	\$ 180
Due to other funds	<u> </u>	<u>28</u>	<u> </u>	<u>28</u>
Total liabilities	-	28	2,863	208
Fund balance				
Restricted	5,695			
Assigned	11,870	130,348	309,924	130,775
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>17,565</u>	<u>130,348</u>	<u>309,924</u>	<u>130,775</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 17,565</u>	<u>\$ 130,376</u>	<u>\$ 312,787</u>	<u>\$ 130,983</u>

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
\$ 4,985	\$ 520,739 690,780	\$ -	\$ 28,563	\$ 2	\$ 296,508	\$ 125	\$ 23,212
<u>619</u>					<u>1,795</u>		
<u>\$ 5,604</u>	<u>\$ 1,211,519</u>	<u>\$ -</u>	<u>\$ 28,563</u>	<u>\$ 2</u>	<u>\$ 298,303</u>	<u>\$ 125</u>	<u>\$ 23,212</u>
\$	\$	\$	\$	\$	\$ 139	\$	\$
-	-	-	-	-	139	-	-
5,604	1,211,519	-	28,563	2	298,164	125	23,212
<u>5,604</u>	<u>1,211,519</u>	<u>-</u>	<u>28,563</u>	<u>2</u>	<u>298,164</u>	<u>125</u>	<u>23,212</u>
<u>\$ 5,604</u>	<u>\$ 1,211,519</u>	<u>\$ -</u>	<u>\$ 28,563</u>	<u>\$ 2</u>	<u>\$ 298,303</u>	<u>\$ 125</u>	<u>\$ 23,212</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2013

	<u>274</u> <u>Sheriff</u> <u>Office</u> <u>Commissary</u>	<u>Total</u> <u>Nonmajor</u> <u>Special</u> <u>Revenue</u> <u>Funds</u>
ASSETS		
Pooled cash and cash equivalents	\$ 243,110	\$ 2,659,118
Investments		865,951
Accounts receivable (net)		
Other		<u>50,564</u>
 Total assets	 <u>\$ 243,110</u>	 <u>\$ 3,575,633</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and other current liabilities	\$ 4,778	\$ 19,707
Due to other funds		<u>401</u>
 Total liabilities	 4,778	 20,108
 Fund balance		
Restricted		206,381
Assigned	238,332	3,351,666
Unassigned		<u>(2,522)</u>
 Total fund balance	 <u>238,332</u>	 <u>3,555,525</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 243,110</u>	 <u>\$ 3,575,633</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2013

	210 Vehicle Inventory Tax Interest	215 Law Library	220 Courthouse Security	221 Justice Court Building Security
REVENUES				
Licenses and fees	\$	\$ 79,172	\$ 59,509	\$ 4,372
Intergovernmental				
Charges for services		2,684		
Investment earnings	1,214		499	
Miscellaneous				
Total revenues	<u>1,214</u>	<u>81,856</u>	<u>60,008</u>	<u>4,372</u>
Expenditures:				
Current:				
General administrative	621			
Election administration				
Judicial		154,877	440,499	3,924
Public safety				
Corrections				
Capital outlay			11,200	
Total expenditures	<u>621</u>	<u>154,877</u>	<u>451,699</u>	<u>3,924</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>593</u>	<u>(73,021)</u>	<u>(391,691)</u>	<u>448</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		50,000	320,000	
Transfers out				
Total other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>320,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	593	(23,021)	(71,691)	448
FUND BALANCES AT BEGINNING OF YEAR	<u>174,578</u>	<u>20,499</u>	<u>108,685</u>	<u>29,219</u>
FUND BALANCES AT END OF YEAR	<u>\$ 175,171</u>	<u>\$ (2,522)</u>	<u>\$ 36,994</u>	<u>\$ 29,667</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
\$ 361	\$ 2,411	\$ 119,902	\$ 4,631	\$ 18,666	\$ 62,416	\$ 44,713	\$ 19,032
		124	915	46		396	
		16,372					
<u>361</u>	<u>2,411</u>	<u>136,398</u>	<u>24,189</u>	<u>18,712</u>	<u>62,416</u>	<u>45,109</u>	<u>19,032</u>
					42,176		
		31,567		16,925			7,162
		3,901			4,443		
<u>-</u>	<u>-</u>	<u>35,468</u>	<u>-</u>	<u>16,925</u>	<u>46,619</u>	<u>-</u>	<u>7,162</u>
<u>361</u>	<u>2,411</u>	<u>100,930</u>	<u>24,189</u>	<u>1,787</u>	<u>15,797</u>	<u>45,109</u>	<u>11,870</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>361</u>	<u>2,411</u>	<u>100,930</u>	<u>24,189</u>	<u>1,787</u>	<u>15,797</u>	<u>45,109</u>	<u>11,870</u>
<u>1,170</u>	<u>10,073</u>	<u>4,802</u>	<u>348,770</u>	<u>20,339</u>	<u>33,790</u>	<u>138,046</u>	<u>162,638</u>
<u>\$ 1,531</u>	<u>\$ 12,484</u>	<u>\$ 105,732</u>	<u>\$ 372,959</u>	<u>\$ 22,126</u>	<u>\$ 49,587</u>	<u>\$ 183,155</u>	<u>\$ 174,508</u>

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended September 30, 2013

	251 County Clerk / District Clerk Technology	255 County Attorney Hot Check	256 County Attorney Forfeiture	260 District Attorney Hot Check
REVENUES				
Licenses and fees	\$	\$ 75,822	\$	\$ 2,407
Intergovernmental				
Charges for services	5,695			
Investment earnings				
Miscellaneous			337,890	
Total revenues	<u>5,695</u>	<u>75,822</u>	<u>337,890</u>	<u>2,407</u>
Expenditures:				
Current:				
General administrative				
Election administration				
Judicial		57,499	201,716	3,129
Public safety				
Corrections				
Capital outlay		9,975	9,975	
Total expenditures	<u>-</u>	<u>67,474</u>	<u>211,691</u>	<u>3,129</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>5,695</u>	<u>8,348</u>	<u>126,199</u>	<u>(722)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	5,695	8,348	126,199	(722)
FUND BALANCES AT BEGINNING OF YEAR	<u>11,870</u>	<u>122,000</u>	<u>183,725</u>	<u>131,497</u>
FUND BALANCES AT END OF YEAR	<u>\$ 17,565</u>	<u>\$ 130,348</u>	<u>\$ 309,924</u>	<u>\$ 130,775</u>

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
\$ 22,500	\$	\$	\$	\$	\$	\$	\$
	1,972	10	27	7	613	58	42
	32,127		2,285		125,650		1,679
<u>22,500</u>	<u>34,099</u>	<u>10</u>	<u>2,312</u>	<u>7</u>	<u>126,263</u>	<u>58</u>	<u>1,721</u>
22,500	24,517		150	7,036	41,617	43,157	6,690
					26,769		30,445
<u>22,500</u>	<u>24,517</u>	<u>-</u>	<u>150</u>	<u>7,036</u>	<u>68,386</u>	<u>43,157</u>	<u>37,135</u>
<u>-</u>	<u>9,582</u>	<u>10</u>	<u>2,162</u>	<u>(7,029)</u>	<u>57,877</u>	<u>(43,099)</u>	<u>(35,414)</u>
		(86,304)					
<u>-</u>	<u>-</u>	<u>(86,304)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>9,582</u>	<u>(86,294)</u>	<u>2,162</u>	<u>(7,029)</u>	<u>57,877</u>	<u>(43,099)</u>	<u>(35,414)</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>\$ 1,211,519</u>	<u>\$ -</u>	<u>\$ 28,563</u>	<u>\$ 2</u>	<u>\$ 298,164</u>	<u>\$ 125</u>	<u>\$ 23,212</u>

POTTER COUNTY, TEXAS

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended September 30, 2013

Exhibit C-4

Page 3 of 3

	274 Sheriff Office Commissary	Total Nonmajor Special Revenue Funds
REVENUES		
Licenses and fees	\$ 283,303	\$ 758,051
Intergovernmental		59,809
Charges for services		8,379
Investment earnings	436	6,359
Miscellaneous	4,261	520,264
Total revenues	<u>288,000</u>	<u>1,352,862</u>
Expenditures:		
Current:		
General administrative		42,797
Election administration		16,925
Judicial		954,576
Public safety		91,464
Corrections	117,634	117,634
Capital outlay		<u>96,708</u>
Total expenditures	<u>117,634</u>	<u>1,320,104</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>170,366</u>	<u>32,758</u>
OTHER FINANCING SOURCES (USES)		
Transfers in		370,000
Transfers out		<u>(86,304)</u>
Total other financing sources (uses)	<u>-</u>	<u>283,696</u>
NET CHANGE IN FUND BALANCE	170,366	316,454
FUND BALANCES AT BEGINNING OF YEAR	<u>67,966</u>	<u>3,239,071</u>
FUND BALANCES AT END OF YEAR	<u>\$ 238,332</u>	<u>\$ 3,555,525</u>

POTTER COUNTY, TEXAS
 Vehicle Inventory Tax Interest Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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	\$ -	\$ -	\$ 1,214	\$ 1,214
Total revenues	<u>-</u>	<u>-</u>	<u>1,214</u>	<u>1,214</u>
EXPENDITURES				
Current				
General administrative				
General operations	<u>1,000</u>	<u>1,000</u>	<u>621</u>	<u>379</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>621</u>	<u>379</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,000)	(1,000)	593	1,593
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)	593	1,593
FUND BALANCE AT BEGINNING OF YEAR	<u>174,578</u>	<u>174,578</u>	<u>174,578</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 173,578</u>	<u>\$ 173,578</u>	<u>\$ 175,171</u>	<u>\$ 1,593</u>

POTTER COUNTY, TEXAS
 Law Library Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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	\$ 81,400	\$ 81,400	\$ 79,172	\$ (2,228)
Charges for services	2,300	2,300	2,684	384
Total revenues	<u>83,700</u>	<u>83,700</u>	<u>81,856</u>	<u>(1,844)</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	40,221	40,221	38,084	2,137
Travel	500	500	-	500
General operations	105,000	105,000	116,793	(11,793)
Total expenditures	<u>145,721</u>	<u>145,721</u>	<u>154,877</u>	<u>(9,156)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(62,021)	(62,021)	(73,021)	(11,000)
OTHER FINANCING SOURCES				
Transfers in	50,000	50,000	50,000	-
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(12,021)	(12,021)	(23,021)	(11,000)
FUND BALANCE AT BEGINNING OF YEAR	<u>20,499</u>	<u>20,499</u>	<u>20,499</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,478</u>	<u>\$ 8,478</u>	<u>\$ (2,522)</u>	<u>\$ (11,000)</u>

POTTER COUNTY, TEXAS
Courthouse Security Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

Exhibit C-7

	<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	\$ 59,000	\$ 59,000	\$ 59,509	\$ 509
Investment earnings	350	350	499	149
Total revenue	<u>59,350</u>	<u>59,350</u>	<u>60,008</u>	<u>658</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	442,647	442,647	439,461	3,186
General operations	5,000	1,730	1,038	692
Building repairs and maintenance	2,000	-	-	-
Capital outlay	<u>6,000</u>	<u>11,270</u>	<u>11,200</u>	<u>70</u>
Total expenditures	<u>455,647</u>	<u>455,647</u>	<u>451,699</u>	<u>3,948</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(396,297)	(396,297)	(391,691)	4,606
OTHER FINANCING SOURCES (USES)				
Transfers in	320,000	320,000	320,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(76,297)	(76,297)	(71,691)	4,606
FUND BALANCE AT BEGINNING OF YEAR	<u>108,685</u>	<u>108,685</u>	<u>108,685</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 32,388</u>	<u>\$ 32,388</u>	<u>\$ 36,994</u>	<u>\$ 4,606</u>

POTTER COUNTY, TEXAS
 Justice Court Building Security Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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	\$ 4,800	\$ 4,800	\$ 4,372	\$ (428)
Total revenues	<u>4,800</u>	<u>4,800</u>	<u>4,372</u>	<u>(428)</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	12,732	12,732	-	12,732
Travel	1,000	1,000	-	1,000
General operations	5,000	5,000	3,524	1,476
Building repairs and maintenance	5,000	5,000	400	4,600
Total expenditures	<u>23,732</u>	<u>23,732</u>	<u>3,924</u>	<u>19,808</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(18,932)	(18,932)	448	19,380
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(18,932)	(18,932)	448	19,380
FUND BALANCE AT BEGINNING OF YEAR	<u>29,219</u>	<u>29,219</u>	<u>29,219</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 10,287</u>	<u>\$ 10,287</u>	<u>\$ 29,667</u>	<u>\$ 19,380</u>

POTTER COUNTY, TEXAS
Graffiti Eradication Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

Exhibit C-9

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Graffiti eradication fee	\$ 300	\$ 300	\$ 361	\$ 61
Total revenues	<u>300</u>	<u>300</u>	<u>361</u>	<u>61</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	(200)	(200)	361	561
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	(200)	(200)	361	561
FUND BALANCE AT BEGINNING OF YEAR	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 970</u>	<u>\$ 970</u>	<u>\$ 1,531</u>	<u>\$ 561</u>

POTTER COUNTY, TEXAS
 Child Abuse Prevention Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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	\$ 2,200	\$ 2,200	\$ 2,411	\$ 211
Total revenues	<u>2,200</u>	<u>2,200</u>	<u>2,411</u>	<u>211</u>
EXPENDITURES				
Current:				
General administrative				
General operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,200	2,200	2,411	211
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	2,200	2,200	2,411	211
FUND BALANCE AT BEGINNING OF YEAR	<u>10,073</u>	<u>10,073</u>	<u>10,073</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 12,273</u>	<u>\$ 12,273</u>	<u>\$ 12,484</u>	<u>\$ 211</u>

POTTER COUNTY, TEXAS
 County Clerk Records Management Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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	\$ 114,000	\$ 114,000	\$ 119,902	\$ 5,902
Investment earnings	150	150	124	(26)
Miscellaneous	-	-	16,372	16,372
Total revenues	<u>114,150</u>	<u>114,150</u>	<u>136,398</u>	<u>22,248</u>
EXPENDITURES				
Current:				
Judicial				
Travel	2,000	2,000	-	2,000
Contract services	100,000	100,000	22,797	77,203
General operations	6,400	6,400	5,941	459
Equipment/vehicle maintenance	8,000	8,000	2,829	5,171
Capital outlay	25,000	25,000	3,901	21,099
Total expenditures	<u>141,400</u>	<u>141,400</u>	<u>35,468</u>	<u>105,932</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(27,250)</u>	<u>(27,250)</u>	<u>100,930</u>	<u>128,180</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(27,250)</u>	<u>(27,250)</u>	<u>100,930</u>	<u>128,180</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>4,802</u>	<u>4,802</u>	<u>4,802</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (22,448)</u>	<u>\$ (22,448)</u>	<u>\$ 105,732</u>	<u>\$ 128,180</u>

POTTER COUNTY, TEXAS
Election Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

Exhibit C-12

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Licenses and fees	\$ -	\$ -	\$ 4,631	\$ 4,631
Intergovernmental	-	-	18,643	18,643
Investment earnings	650	650	915	265
	<u>650</u>	<u>650</u>	<u>24,189</u>	<u>23,539</u>
EXPENDITURES				
Current:				
Election administration				
Travel	5,000	5,000	-	5,000
Contract services	40,000	40,000	-	40,000
General operations	27,745	27,745	-	27,745
Equipment/vehicle maintenance	25,000	25,000	-	25,000
Building repairs and maintenance	5,000	5,000	-	5,000
Capital outlay	70,000	70,000	-	70,000
	<u>172,745</u>	<u>172,745</u>	<u>-</u>	<u>172,745</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(172,095)	(172,095)	24,189	196,284
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	-	-	-	-
NET CHANGE IN FUND BALANCE	(172,095)	(172,095)	24,189	196,284
FUND BALANCE AT BEGINNING OF YEAR	348,770	348,770	348,770	-
FUND BALANCE AT END OF YEAR	<u>\$ 176,675</u>	<u>\$ 176,675</u>	<u>\$ 372,959</u>	<u>\$ 196,284</u>

POTTER COUNTY, TEXAS
Voter Registration Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

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	\$ -	\$ 7,560	\$ 18,666	\$ 11,106
Investment earnings	100	100	46	(54)
Total revenues	<u>100</u>	<u>7,660</u>	<u>18,712</u>	<u>11,052</u>
EXPENDITURES				
Current:				
Election administration				
Travel	6,000	1,150	515	635
General operations	3,000	16,410	16,410	-
Miscellaneous	1,000	-	-	-
Total expenditures	<u>10,000</u>	<u>17,560</u>	<u>16,925</u>	<u>635</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,900)	(9,900)	1,787	11,687
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)	1,787	11,687
FUND BALANCE AT BEGINNING OF YEAR	<u>20,339</u>	<u>20,339</u>	<u>20,339</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 10,439</u>	<u>\$ 10,439</u>	<u>\$ 22,126</u>	<u>\$ 11,687</u>

POTTER COUNTY, TEXAS
Court Records Management Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

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	\$ 61,800	\$ 61,800	\$ 62,416	\$ 616
Total revenues	<u>61,800</u>	<u>61,800</u>	<u>62,416</u>	<u>616</u>
EXPENDITURES				
Current:				
General administrative				
Salaries and fringe benefits	42,376	42,376	42,176	200
Travel	2,000	2,000	-	2,000
General operations	11,570	11,570	-	11,570
Capital outlay	<u>4,780</u>	<u>4,780</u>	<u>4,443</u>	<u>337</u>
Total expenditures	<u>60,726</u>	<u>60,726</u>	<u>46,619</u>	<u>14,107</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,074	1,074	15,797	14,723
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	1,074	1,074	15,797	14,723
FUND BALANCE AT BEGINNING OF YEAR	<u>33,790</u>	<u>33,790</u>	<u>33,790</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 34,864</u>	<u>\$ 34,864</u>	<u>\$ 49,587</u>	<u>\$ 14,723</u>

POTTER COUNTY, TEXAS
 District Clerk Records Management Fund
 Budgetary Comparison Fund
 For the Year Ended September 30, 2013

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	\$ 42,000	\$ 42,000	\$ 44,713	\$ 2,713
Investment earnings	200	200	396	196
Total revenues	<u>42,200</u>	<u>42,200</u>	<u>45,109</u>	<u>2,909</u>
EXPENDITURES				
Current:				
Judicial				
Travel	2,000	2,000	-	2,000
General operations	4,000	4,000	-	4,000
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENCITURES	31,200	31,200	45,109	13,909
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	31,200	31,200	45,109	13,909
FUND BALANCE AT BEGINNING OF YEAR	<u>138,046</u>	<u>138,046</u>	<u>138,046</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 169,246</u>	<u>\$ 169,246</u>	<u>\$ 183,155</u>	<u>\$ 13,909</u>

POTTER COUNTY, TEXAS
 Justice Court Technology Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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	\$ 20,600	\$ 20,600	\$ 19,032	\$ (1,568)
Total revenues	<u>20,600</u>	<u>20,600</u>	<u>19,032</u>	<u>(1,568)</u>
EXPENDITURES				
Current:				
Judicial				
General operations	30,000	30,000	4,708	25,292
Equipment/vehicle maintenance	2,000	2,000	-	2,000
Building repairs/maintenance	10,000	10,000	-	10,000
Travel	10,000	10,000	2,454	7,546
Total expenditures	<u>52,000</u>	<u>52,000</u>	<u>7,162</u>	<u>44,838</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(31,400)	(31,400)	11,870	43,270
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(31,400)	(31,400)	11,870	43,270
FUND BALANCE AT BEGINNING OF YEAR	<u>162,638</u>	<u>162,638</u>	<u>162,638</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 131,238</u>	<u>\$ 131,238</u>	<u>\$ 174,508</u>	<u>\$ 43,270</u>

POTTER COUNTY, TEXAS
 County Clerk / District Clerk Technology Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

Exhibit C-17

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Charges for services	\$ 4,100	\$ 4,100	\$ 5,695	\$ 1,595
Total revenues	<u>4,100</u>	<u>4,100</u>	<u>5,695</u>	<u>1,595</u>
EXPENDITURES				
Current:				
Judicial				
General operations	4,000	4,000	-	4,000
Contract services	2,000	2,000	-	2,000
Equipment/vehicle maintenance	2,000	2,000	-	2,000
Building repairs/maintenance	2,000	2,000	-	2,000
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,900)	(7,900)	5,695	13,595
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	(7,900)	(7,900)	5,695	13,595
FUND BALANCE AT BEGINNING OF YEAR	<u>11,870</u>	<u>11,870</u>	<u>11,870</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,970</u>	<u>\$ 3,970</u>	<u>\$ 17,565</u>	<u>\$ 13,595</u>

POTTER COUNTY, TEXAS
 County Attorney Hot Check Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

Exhibit C-18

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
REVENUES				
Licenses and fees	\$ 101,000	\$ 101,000	\$ 75,822	\$ (25,178)
Total revenues	<u>101,000</u>	<u>101,000</u>	<u>75,822</u>	<u>(25,178)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	52,803	62,803	56,610	6,193
Travel expenses	2,000	2,000	-	2,000
General operations	5,000	5,000	889	4,111
Capital outlay	<u>-</u>	<u>10,000</u>	<u>9,975</u>	<u>25</u>
Total expenditures	<u>59,803</u>	<u>79,803</u>	<u>67,474</u>	<u>12,329</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	41,197	21,197	8,348	(12,849)
OTHER FINANCING SOURCES				
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	41,197	21,197	8,348	(12,849)
FUND BALANCE AT BEGINNING OF YEAR	<u>122,000</u>	<u>122,000</u>	<u>122,000</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 163,197</u>	<u>\$ 143,197</u>	<u>\$ 130,348</u>	<u>\$ (12,849)</u>

POTTER COUNTY, TEXAS
 County Attorney Forfeiture Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

Exhibit C-19

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
REVENUES				
Miscellaneous	\$ 2,000	\$ 32,000	\$ 337,890	\$ 305,890
Total revenues	<u>2,000</u>	<u>32,000</u>	<u>337,890</u>	<u>305,890</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	201,732	201,732	146,967	54,765
Travel expenses	5,300	2,550	1,269	1,281
General operations	17,500	33,000	32,871	129
Equipment/vehicle maintenance	15,000	22,250	20,609	1,641
Capital outlay	<u>-</u>	<u>10,000</u>	<u>9,975</u>	<u>25</u>
Total expenditures	<u>239,532</u>	<u>269,532</u>	<u>211,691</u>	<u>57,841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(237,532)	(237,532)	126,199	363,731
OTHER FINANCING SOURCES				
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	(237,532)	(237,532)	126,199	363,731
FUND BALANCE AT BEGINNING OF YEAR	<u>183,725</u>	<u>183,725</u>	<u>183,725</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (53,807)</u>	<u>\$ (53,807)</u>	<u>\$ 309,924</u>	<u>\$ 363,731</u>

POTTER COUNTY, TEXAS
 District Attorney Hot Check Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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	\$ 2,500	\$ 2,500	\$ 2,407	\$ (93)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>2,407</u>	<u>(93)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	15,000	15,000	-	15,000
Travel expenses	3,000	3,000	800	2,200
General operations	55,000	55,000	2,329	52,671
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>83,000</u>	<u>83,000</u>	<u>3,129</u>	<u>79,871</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(80,500)	(80,500)	(722)	79,778
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	(80,500)	(80,500)	(722)	79,778
FUND BALANCE AT BEGINNING OF YEAR	<u>131,497</u>	<u>131,497</u>	<u>131,497</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 50,997</u>	<u>\$ 50,997</u>	<u>\$ 130,775</u>	<u>\$ 79,778</u>

POTTER COUNTY, TEXAS
District Attorney Payroll Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

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	\$ -	\$ 22,500	\$ 22,500	\$ -
Total revenues	<u>-</u>	<u>22,500</u>	<u>22,500</u>	<u>-</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	-	22,500	22,500	-
Total expenditures	<u>-</u>	<u>22,500</u>	<u>22,500</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	<u>5,604</u>	<u>5,604</u>	<u>5,604</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 5,604</u>	<u>\$ 5,604</u>	<u>\$ 5,604</u>	<u>\$ -</u>

POTTER COUNTY, TEXAS
 District Attorney Forfeiture Release Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

Exhibit C-22

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Investment earnings	\$ 1,500	\$ 1,500	\$ 1,972	\$ 472
Miscellaneous	85,000	85,000	32,127	(52,873)
Total revenues	<u>86,500</u>	<u>86,500</u>	<u>34,099</u>	<u>(52,401)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	226,168	226,168	12,503	213,665
Travel	7,500	7,500	5,516	1,984
General operations	519,000	519,000	4,998	514,002
Equipment/vehicle maintenance	2,000	2,000	-	2,000
Miscellaneous	10,000	10,000	1,500	8,500
Capital outlay	100,000	100,000	-	100,000
Total expenditures	<u>864,668</u>	<u>864,668</u>	<u>24,517</u>	<u>840,151</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(778,168)	(778,168)	9,582	787,750
OTHER FINANCING SOURCES				
Transfers out	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(778,168)	(778,168)	9,582	787,750
FUND BALANCE AT BEGINNING OF YEAR	<u>1,201,937</u>	<u>1,201,937</u>	<u>1,201,937</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 423,769</u>	<u>\$ 423,769</u>	<u>\$ 1,211,519</u>	<u>\$ 787,750</u>

POTTER COUNTY, TEXAS
 District Attorney Welfare Fraud
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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				
Investment earnings	\$ -	\$ -	\$ 10	\$ 10
Total revenues	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
EXPENDITURES				
Current:				
Judicial				
General operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	10	10
OTHER FINANCING SOURCES				
Transfers out	<u>(86,304)</u>	<u>(86,304)</u>	<u>(86,304)</u>	<u>-</u>
Total other financing sources	<u>(86,304)</u>	<u>(86,304)</u>	<u>(86,304)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(86,304)	(86,304)	(86,294)	10
FUND BALANCE AT BEGINNING OF YEAR	<u>86,294</u>	<u>86,294</u>	<u>86,294</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (10)</u>	<u>\$ (10)</u>	<u>\$ -</u>	<u>\$ 10</u>

POTTER COUNTY, TEXAS
 District Attorney Federal Forfeiture Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

Exhibit C-24

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Intergovernmental	\$ 750	\$ 750	\$ -	\$ (750)
Investment earnings	50	50	7	(43)
Total revenues	<u>800</u>	<u>800</u>	<u>7</u>	<u>(793)</u>
EXPENDITURES				
Current:				
Judicial				
Travel	5,700	4,200	701	3,499
General operations	5,000	6,500	6,335	165
Total expenditures	<u>10,700</u>	<u>10,700</u>	<u>7,036</u>	<u>3,664</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,900)	(9,900)	(7,029)	2,871
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)	(7,029)	2,871
FUND BALANCE AT BEGINNING OF YEAR	<u>7,031</u>	<u>7,031</u>	<u>7,031</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (2,869)</u>	<u>\$ (2,869)</u>	<u>\$ 2</u>	<u>\$ 2,871</u>

POTTER COUNTY, TEXAS
Sheriff Federal Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

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	\$ 100	\$ 100	\$ 613	\$ 513
Miscellaneous	20,000	20,000	125,650	105,650
Total revenues	<u>20,100</u>	<u>20,100</u>	<u>126,263</u>	<u>106,163</u>
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	7,000	5,000	-	5,000
Travel	20,000	17,000	4,024	12,976
General operations	33,000	29,500	21,400	8,100
Equipment/vehicle maintenance	5,000	16,600	16,193	407
Capital outlay	30,000	26,900	26,769	131
Total expenditures	<u>95,000</u>	<u>95,000</u>	<u>68,386</u>	<u>26,614</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(74,900)	(74,900)	57,877	132,777
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(74,900)	(74,900)	57,877	132,777
FUND BALANCE AT BEGINNING OF YEAR	<u>240,287</u>	<u>240,287</u>	<u>240,287</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 165,387</u>	<u>\$ 165,387</u>	<u>\$ 298,164</u>	<u>\$ 132,777</u>

POTTER COUNTY, TEXAS
 Law Enforcement Grants Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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	\$ 38,000	\$ 38,000	\$ -	\$ (38,000)
Investment earnings	-	-	58	58
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>58</u>	<u>(37,942)</u>
EXPENDITURES				
Current:				
Public safety				
Travel	30,000	36,200	36,191	9
General operations	8,100	6,990	6,966	24
Capital outlay	-	-	-	-
Total expenditures	<u>38,100</u>	<u>43,190</u>	<u>43,157</u>	<u>33</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(100)	(5,190)	(43,099)	(37,909)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(100)	(5,190)	(43,099)	(37,909)
FUND BALANCE AT BEGINNING OF YEAR	<u>43,224</u>	<u>43,224</u>	<u>43,224</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 43,124</u>	<u>\$ 38,034</u>	<u>\$ 125</u>	<u>\$ (37,909)</u>

POTTER COUNTY, TEXAS
 Sheriff Office Forfeiture Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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	\$ -	\$ -	\$ 42	\$ 42
Miscellaneous	2,100	2,100	1,679	(421)
Total revenues	<u>2,100</u>	<u>2,100</u>	<u>1,721</u>	<u>(379)</u>
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	6,500	6,500	2,240	4,260
Travel	5,000	5,000	-	5,000
General operations	16,000	15,000	3,499	11,501
Equipment/vehicle maintenance	2,500	2,500	951	1,549
Capital outlay	<u>20,000</u>	<u>31,000</u>	<u>30,445</u>	<u>555</u>
Total expenditures	<u>50,000</u>	<u>60,000</u>	<u>37,135</u>	<u>22,865</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(47,900)	(57,900)	(35,414)	22,486
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	(47,900)	(57,900)	(35,414)	22,486
FUND BALANCE AT BEGINNING OF YEAR	<u>58,626</u>	<u>58,626</u>	<u>58,626</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 10,726</u>	<u>\$ 726</u>	<u>\$ 23,212</u>	<u>\$ 22,486</u>

DEBT SERVICE FUNDS

POTTER COUNTY, TEXAS
Nonmajor Debt Service Funds
Combining Balance Sheet
September 30, 2013

Exhibit C-28

	<u>340</u>	<u>345</u>	<u>Total</u>
	Series 2008	Series 2012	Nonmajor
	Refunding	Refunding	Debt
	Bond	Bond	Service
	<u>Bond</u>	<u>Bond</u>	<u>Funds</u>
ASSETS			
Pooled cash and cash equivalents	\$ 1,072,064	\$ 194,046	\$ 1,266,110
Receivables (net)			
Taxes	48,568	4,807	53,375
Other	<u>7,713</u>	<u>763</u>	<u>8,476</u>
 Total assets	 <u>\$ 1,128,345</u>	 <u>\$ 199,616</u>	 <u>\$ 1,327,961</u>
 DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Unavailable revenue - property taxes			
Taxes	<u>\$ 40,439</u>	<u>\$ 4,002</u>	<u>\$ 44,441</u>
 Total deferred inflows of resources	 40,439	 4,002	 44,441
 Fund Balances:			
Restricted:			
Restricted for debt service	<u>1,087,906</u>	<u>195,614</u>	<u>1,283,520</u>
 Total fund balances	 <u>1,087,906</u>	 <u>195,614</u>	 <u>1,283,520</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 <u><u>\$ 1,128,345</u></u>	 <u><u>\$ 199,616</u></u>	 <u><u>\$ 1,327,961</u></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, 2013

	340 Series 2008 Refunding Bond	345 Series 2012 Refunding Bond	Total Nonmajor Debt Service Funds
REVENUES			
Taxes	\$ 2,006,525	\$ 198,091	\$ 2,204,616
Investment earnings	2,931	634	3,565
Total revenues	<u>2,009,456</u>	<u>198,725</u>	<u>2,208,181</u>
EXPENDITURES			
General administrative			
General operations	500	500	1,000
Debt service:			
Principal	1,710,000	-	1,710,000
Interest and fiscal charges	69,825	175,058	244,883
Total expenditures	<u>1,780,325</u>	<u>175,558</u>	<u>1,955,883</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>229,131</u>	<u>23,167</u>	<u>252,298</u>
NET CHANGE IN FUND BALANCE	229,131	23,167	252,298
FUND BALANCES			
AT BEGINNING OF YEAR	<u>858,775</u>	<u>172,447</u>	<u>1,031,222</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,087,906</u>	<u>\$ 195,614</u>	<u>\$ 1,283,520</u>

POTTER COUNTY, TEXAS
Series 2008 Refunding Bond
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

Exhibit C-30

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,778,625	\$ 1,778,625	\$ 2,006,525	\$ 227,900
Investment earnings	2,000	2,000	2,931	931
Total revenues	<u>1,780,625</u>	<u>1,780,625</u>	<u>2,009,456</u>	<u>228,831</u>
EXPENDITURES				
Current:				
General administrative				
General operations	1,000	1,000	500	500
Debt service	<u>1,779,825</u>	<u>1,779,825</u>	<u>1,779,825</u>	<u>-</u>
Total expenditures	<u>1,780,825</u>	<u>1,780,825</u>	<u>1,780,325</u>	<u>500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(200)	(200)	229,131	229,331
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	(200)	(200)	229,131	229,331
FUND BALANCE AT BEGINNING OF YEAR	<u>858,775</u>	<u>858,775</u>	<u>858,775</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 858,575</u>	<u>\$ 858,575</u>	<u>\$ 1,087,906</u>	<u>\$ 229,331</u>

POTTER COUNTY, TEXAS
Series 2012 Refunding Bond
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

Exhibit C-31

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 176,060	\$ 176,060	\$ 198,091	\$ 22,031
Investment earnings	200	200	634	434
Total revenues	<u>176,260</u>	<u>176,260</u>	<u>198,725</u>	<u>22,465</u>
EXPENDITURES				
General administrative				
General operations	1,000	1,000	500	500
Debt service:				
Interest and fiscal charges	<u>175,058</u>	<u>175,058</u>	<u>175,058</u>	<u>-</u>
Total expenditures	<u>176,058</u>	<u>176,058</u>	<u>175,558</u>	<u>500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>202</u>	<u>202</u>	<u>23,167</u>	<u>22,965</u>
NET CHANGE IN FUND BALANCE	202	202	23,167	22,965
FUND BALANCE AT BEGINNING OF YEAR	<u>172,447</u>	<u>172,447</u>	<u>172,447</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 172,649</u>	<u>\$ 172,649</u>	<u>\$ 195,614</u>	<u>\$ 22,965</u>

CAPITAL PROJECT FUNDS

POTTER COUNTY, TEXAS
Nonmajor Capital Projects Funds
Combining Balance Sheet
September 30, 2013

Exhibit C-32

	<u>410</u>	<u>Total</u>
	Courthouse	Nonmajor
	Preservation	Capital
	Fund	Projects
	<u>Funds</u>	<u>Funds</u>
ASSETS		
Pooled cash and cash equivalents	\$ 22,940	\$ 22,940
Investments	177,576	177,576
Receivables (net of allowances for uncollectibles)		
Other	<u>499,501</u>	<u>499,501</u>
Total assets	<u>\$ 700,017</u>	<u>\$ 700,017</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and other current liabilities	<u>\$ 26,280</u>	<u>\$ 26,280</u>
Total liabilities	26,280	26,280
Fund Balances:		
Assigned		
Assigned for capital projects	<u>673,737</u>	<u>673,737</u>
Total fund balances	<u>673,737</u>	<u>673,737</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 700,017</u>	<u>\$ 700,017</u>

POTTER COUNTY, TEXAS

Exhibit C-33

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended September 30, 2013

	410 Courthouse Preservation Fund	Total Nonmajor Capital Projects Funds
REVENUES		
Intergovernmental	\$ 581,456	\$ 581,456
Investment earnings	723	723
Total revenues	<u>582,179</u>	<u>582,179</u>
EXPENDITURES		
Current:		
Capital outlay	<u>342,351</u>	<u>342,351</u>
Total expenditures	<u>342,351</u>	<u>342,351</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>239,828</u>	<u>239,828</u>
NET CHANGE IN FUND BALANCE	239,828	239,828
FUND BALANCES AT BEGINNING OF YEAR	<u>433,909</u>	<u>433,909</u>
FUND BALANCES AT END OF YEAR	<u>\$ 673,737</u>	<u>\$ 673,737</u>

POTTER COUNTY, TEXAS
Courthouse Preservation Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

Exhibit C-34

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 581,456	\$ 581,456
Investment earnings	-	-	723	723
Total revenues	-	-	582,179	582,179
EXPENDITURES				
Capital outlay	-	549,100	342,351	206,749
Total expenditures	-	549,100	342,351	206,749
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(549,100)	239,828	788,928
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
NET CHANGE IN FUND BALANCE	-	(549,100)	239,828	788,928
FUND BALANCE AT BEGINNING OF YEAR	433,909	433,909	433,909	-
FUND BALANCE AT END OF YEAR	\$ 433,909	\$ (115,191)	\$ 673,737	\$ 788,928

POTTER COUNTY, TEXAS
2003 Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

Exhibit C-35

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 2,000	\$ 2,000	\$ 6,273	\$ 4,273
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>6,273</u>	<u>4,273</u>
EXPENDITURES				
Current:				
General administrative				
General operations	-	-	37,346	(37,346)
Capital outlay	<u>3,355,000</u>	<u>3,355,000</u>	<u>246,761</u>	<u>3,108,239</u>
Total expenditures	<u>3,355,000</u>	<u>3,355,000</u>	<u>284,107</u>	<u>3,070,893</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,353,000)</u>	<u>(3,353,000)</u>	<u>(277,834)</u>	<u>3,075,166</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	-
Total other financing sources	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	-
NET CHANGE IN FUND BALANCE	(1,353,000)	(1,353,000)	1,722,166	3,075,166
FUND BALANCE AT BEGINNING OF YEAR	<u>2,663,566</u>	<u>2,663,566</u>	<u>2,663,566</u>	-
FUND BALANCE AT END OF YEAR	<u>\$ 1,310,566</u>	<u>\$ 1,310,566</u>	<u>\$ 4,385,732</u>	<u>\$ 3,075,166</u>

AGENCY FUNDS

POTTER COUNTY, TEXAS
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
September 30, 2013

	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	\$ 523,339	\$ 1,486,770	\$ 65,000	\$ (53,768)	\$ 2,719,657	\$ 385,481
Investments		429,580				
Accounts receivable						
Other	<u>8,972</u>	<u>225</u>	<u> </u>	<u>88,212</u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 532,311</u>	<u>\$ 1,916,575</u>	<u>\$ 65,000</u>	<u>\$ 34,444</u>	<u>\$ 2,719,657</u>	<u>\$ 385,481</u>
LIABILITIES:						
Accounts payable and other current liabilities	\$ 127,218	\$	\$	\$ 5,867	\$	\$
Due to other governments	405,093	1,916,575		28,577		
Due to trust beneficiaries					2,719,657	385,481
Due to other entities						
Deposits			<u>65,000</u>			
TOTAL LIABILITIES	<u>\$ 532,311</u>	<u>\$ 1,916,575</u>	<u>\$ 65,000</u>	<u>\$ 34,444</u>	<u>\$ 2,719,657</u>	<u>\$ 385,481</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>
\$ 76,537	\$ 7,865	\$ 135,713	\$ 133,476	\$ 18,500	\$ 134,150	\$ 5,632,720
						429,580
<u>6,057</u>						<u>103,466</u>
<u>\$ 82,594</u>	<u>\$ 7,865</u>	<u>\$ 135,713</u>	<u>\$ 133,476</u>	<u>\$ 18,500</u>	<u>\$ 134,150</u>	<u>\$ 6,165,766</u>
\$	\$	\$	\$ 133,476	\$ 18,500	\$	\$ 285,061
		135,713				2,485,958
82,594	7,865					3,195,597
					134,150	134,150
						<u>65,000</u>
<u>\$ 82,594</u>	<u>\$ 7,865</u>	<u>\$ 135,713</u>	<u>\$ 133,476</u>	<u>\$ 18,500</u>	<u>\$ 134,150</u>	<u>\$ 6,165,766</u>

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2013

	Balance 10/1/2012	Additions	Deductions	Balance 9/30/2013
STATE & COUNTY COLLECTIONS				
ASSETS				
Cash and cash equivalents	\$ 485,635	\$ 5,546,179	\$ 5,508,475	\$ 523,339
Accounts receivable	9,560	12,194	12,782	8,972
Total assets	<u>\$ 495,195</u>	<u>\$ 5,558,373</u>	<u>\$ 5,521,257</u>	<u>\$ 532,311</u>
LIABILITIES				
Accounts payable	\$ 131,520	\$ 536,854	\$ 541,156	\$ 127,218
Due to other governments	363,675	768,818	727,400	405,093
Total liabilities	<u>\$ 495,195</u>	<u>\$ 1,305,672</u>	<u>\$ 1,268,556</u>	<u>\$ 532,311</u>
TAX ASSESSOR/COLLECTOR				
ASSETS				
Cash and cash equivalents	\$ 1,320,229	\$ 168,154,317	\$ 167,987,776	\$ 1,486,770
Investments	479,803	709,062	759,285	429,580
Accounts receivable	225	-	-	225
Total assets	<u>\$ 1,800,257</u>	<u>\$ 168,863,379</u>	<u>\$ 168,747,061</u>	<u>\$ 1,916,575</u>
LIABILITIES				
Due to other governments	\$ 1,800,257	\$ 168,863,378	\$ 168,747,060	\$ 1,916,575
Deposits	-	-	-	-
Total liabilities	<u>\$ 1,800,257</u>	<u>\$ 168,863,378</u>	<u>\$ 168,747,060</u>	<u>\$ 1,916,575</u>
BAIL SECURITY FUND				
ASSETS				
Cash and cash equivalents	\$ 65,000	-	-	\$ 65,000
Total assets	<u>\$ 65,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,000</u>
LIABILITIES				
Deposits	\$ 65,000	-	-	\$ 65,000
Total liabilities	<u>\$ 65,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,000</u>

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2013

Exhibit C-37
Page 2 of 4

	Balance 10/1/2012	Additions	Deductions	Balance 9/30/2013
STATE COURT COSTS				
ASSETS				
Cash and cash equivalents	\$ 202,464	\$ 1,123,285	\$ 1,379,517	\$ (53,768)
Accounts receivable	87,076	88,212	87,076	88,212
Total assets	\$ 289,540	\$ 1,211,497	\$ 1,466,593	\$ 34,444
LIABILITIES				
Accounts payable	\$ 255,591	\$ 1,000,556	\$ 1,250,280	\$ 5,867
Due to other governments	33,949	28,577	33,949	28,577
Total liabilities	\$ 289,540	\$ 1,029,133	\$ 1,284,229	\$ 34,444
DISTRICT CLERK REGISTRY FUND				
ASSETS				
Cash and cash equivalents	\$ 2,631,676	\$ 1,923,866	\$ 1,835,885	\$ 2,719,657
Total assets	\$ 2,631,676	\$ 1,923,866	\$ 1,835,885	\$ 2,719,657
LIABILITIES				
Due to trust beneficiaries	\$ 2,631,676	\$ 1,923,866	\$ 1,835,885	\$ 2,719,657
Total liabilities	\$ 2,631,676	\$ 1,923,866	\$ 1,835,885	\$ 2,719,657
COUNTY CLERK REGISTRY FUND				
ASSETS				
Cash and cash equivalents	\$ 740,365	\$ 164,770	\$ 519,654	\$ 385,481
Total assets	\$ 740,365	\$ 164,770	\$ 519,654	\$ 385,481
LIABILITIES				
Due to trust beneficiaries	\$ 740,365	\$ 164,770	\$ 519,654	\$ 385,481
Total liabilities	\$ 740,365	\$ 164,770	\$ 519,654	\$ 385,481
COUNTY ATTORNEY RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 85,778	\$ 697,024	\$ 706,265	\$ 76,537
Accounts receivable	2,663	6,057	2,663	6,057
Total assets	\$ 88,441	\$ 703,081	\$ 708,928	\$ 82,594
LIABILITIES				
Due to trust beneficiaries	\$ 88,441	\$ 700,418	\$ 706,265	\$ 82,594
Total liabilities	\$ 88,441	\$ 700,418	\$ 706,265	\$ 82,594

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2013

	Balance 10/1/2012	Additions	Deductions	Balance 9/30/2013
DISTRICT ATTORNEY RESTITUTION ASSETS				
Cash and cash equivalents	\$ 8,045	\$ 4,111	\$ 4,291	\$ 7,865
Total assets	<u>\$ 8,045</u>	<u>\$ 4,111</u>	<u>\$ 4,291</u>	<u>\$ 7,865</u>
LIABILITIES				
Due to trust beneficiaries	\$ 8,045	\$ 13,141	\$ 13,321	\$ 7,865
Total liabilities	<u>\$ 8,045</u>	<u>\$ 13,141</u>	<u>\$ 13,321</u>	<u>\$ 7,865</u>
DISTRICT ATTORNEY SEIZURE ASSETS				
Cash and cash equivalents	\$ 84,386	\$ 136,132	\$ 84,805	\$ 135,713
Total assets	<u>\$ 84,386</u>	<u>\$ 136,132</u>	<u>\$ 84,805</u>	<u>\$ 135,713</u>
LIABILITIES				
Due to other governments	\$ 84,386	\$ 134,824	\$ 83,497	\$ 135,713
Total liabilities	<u>\$ 84,386</u>	<u>\$ 134,824</u>	<u>\$ 83,497</u>	<u>\$ 135,713</u>
DETENTION CENTER INMATE TRUST FUND ASSETS				
Cash and cash equivalents	\$ 108,066	\$ 814,586	\$ 789,176	\$ 133,476
Total assets	<u>\$ 108,066</u>	<u>\$ 814,586</u>	<u>\$ 789,176</u>	<u>\$ 133,476</u>
LIABILITIES				
Accounts payable	\$ 108,066	\$ 814,586	\$ 789,176	\$ 133,476
Total liabilities	<u>\$ 108,066</u>	<u>\$ 814,586</u>	<u>\$ 789,176</u>	<u>\$ 133,476</u>

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2013

Exhibit C-37
Page 4 of 4

	Balance 10/1/2012	Additions	Deductions	Balance 9/30/2013
DETENTION CENTER BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 15,500	\$ 103,491	\$ 100,491	\$ 18,500
Total assets	<u>\$ 15,500</u>	<u>\$ 103,491</u>	<u>\$ 100,491</u>	<u>\$ 18,500</u>
LIABILITIES				
Accounts payable	\$ 15,500	\$ 103,491	\$ 100,491	\$ 18,500
Total liabilities	<u>\$ 15,500</u>	<u>\$ 103,491</u>	<u>\$ 100,491</u>	<u>\$ 18,500</u>
UNCLAIMED PROPERTY				
ASSETS				
Cash and cash equivalents	\$ 133,831	\$ 3,604	\$ 3,285	\$ 134,150
Total assets	<u>\$ 133,831</u>	<u>\$ 3,604</u>	<u>\$ 3,285</u>	<u>\$ 134,150</u>
LIABILITIES				
Due to other entities	\$ 133,831	\$ 5,900	\$ 5,581	\$ 134,150
Total liabilities	<u>\$ 133,831</u>	<u>\$ 5,900</u>	<u>\$ 5,581</u>	<u>\$ 134,150</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 5,880,975	\$ 178,671,365	\$ 178,919,620	\$ 5,632,720
Investments	479,803	709,062	759,285	429,580
Accounts receivable	99,524	106,463	102,521	103,466
Total assets	<u>\$ 6,460,302</u>	<u>\$ 179,486,890</u>	<u>\$ 179,781,426</u>	<u>\$ 6,165,766</u>
LIABILITIES				
Accounts payable	\$ 510,677	\$ 2,455,487	\$ 2,681,103	\$ 285,061
Due to other governments	2,282,267	169,795,597	169,591,906	2,485,958
Due to trust beneficiaries	3,468,527	2,802,195	3,075,125	3,195,597
Due to other entities	133,831	5,900	5,581	134,150
Deposits	65,000	-	-	65,000
Total liabilities	<u>\$ 6,460,302</u>	<u>\$ 175,059,179</u>	<u>\$ 175,353,715</u>	<u>\$ 6,165,766</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.	101
Revenue Capacity These schedules contain information to help the reader assess the County's most significant revenue source, property taxes.	106
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.	111
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.	115
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.	117

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

	Fiscal Year				
	2004	2005	2006	2007 (1)	2008
Governmental activities					
Invested in capital assets, net of related debt	\$ 19,783,243	\$ 20,838,913	\$ 23,277,642	\$ 42,548,919	\$ 42,873,285
Restricted	4,338,543	4,639,899	6,147,112	816,179	1,074,466
Unrestricted	9,658,708	12,500,690	14,565,134	23,603,860	26,736,887
Total governmental activities net position	<u>\$ 33,780,494</u>	<u>\$ 37,979,502</u>	<u>\$ 43,989,888</u>	<u>\$ 66,968,958</u>	<u>\$ 70,684,638</u>
Primary government					
Invested in capital assets, net of related debt	\$ 19,783,243	\$ 20,838,913	\$ 23,277,642	\$ 42,548,919	\$ 42,873,285
Restricted	4,338,543	4,639,899	6,147,112	816,179	1,074,466
Unrestricted	9,658,708	12,500,690	14,565,134	23,603,860	26,736,887
Total primary government net position	<u>\$ 33,780,494</u>	<u>\$ 37,979,502</u>	<u>\$ 43,989,888</u>	<u>\$ 66,968,958</u>	<u>\$ 70,684,638</u>

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

Source: County financial statements

Fiscal Year				
2009	2010	2011	2012	2013
\$ 43,565,161	\$ 49,746,604	\$ 56,126,465	\$ 63,177,320	\$ 61,999,277
1,447,462	2,049,256	2,439,212	2,178,182	2,758,943
29,552,344	28,372,058	24,775,385	22,079,761	25,100,759
<u>\$ 74,564,967</u>	<u>\$ 80,167,918</u>	<u>\$ 83,341,062</u>	<u>\$ 87,435,263</u>	<u>\$ 89,858,979</u>
\$ 43,565,161	\$ 49,746,604	\$ 56,126,465	\$ 63,177,320	\$ 61,999,277
1,447,462	2,049,256	2,439,212	2,178,182	2,758,943
29,552,344	28,372,058	24,775,385	22,079,761	25,100,759
<u>\$ 74,564,967</u>	<u>\$ 80,167,918</u>	<u>\$ 83,341,062</u>	<u>\$ 87,435,263</u>	<u>\$ 89,858,979</u>

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

	Fiscal Year				
	2004	2005	2006	2007 (1) (2)	2008
Expenses					
Governmental activities					
General administrative	\$ 2,629,082	\$ 2,437,719	\$ 3,437,095	\$ 4,417,536	\$ 4,716,743
Public Service	677,676	1,102,041	1,351,979	-	-
Transportation	1,445,458	1,696,712	1,649,715	-	-
Tax & Recording Offices	2,923,005	3,140,570	3,244,832	-	-
Facilities maintenance	3,123,650	2,638,555	2,773,718	2,806,032	3,233,525
Election administration	-	-	-	354,817	212,444
Judicial	4,493,529	4,762,003	5,018,228	11,230,890	11,586,395
Legal	3,809,953	3,851,467	4,044,715	-	-
Public safety	13,902,623	14,774,989	15,172,800	7,017,487	7,107,000
Corrections and rehabilitation	-	-	-	10,957,800	11,177,365
Health and human services	-	-	-	591,621	579,078
Road and bridge	-	-	-	2,931,038	3,073,675
Interest and fiscal charges	984,366	948,762	888,024	825,966	750,445
Non-capital expenditures	713,868	178,685	-	-	-
Total governmental activities expenses	<u>34,703,210</u>	<u>35,531,503</u>	<u>37,581,106</u>	<u>41,133,187</u>	<u>42,436,670</u>
Program Revenues					
Governmental activities					
Charges for services					
General administrative	383,929	305,466	334,102	1,103,936	1,089,631
Public Service	3,381	17,050	319,012	-	-
Transportation	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	1,776,205	2,284,793	2,227,546	4,023,808	3,634,570
Legal	925,664	499,992	409,525	-	-
Public safety	791,960	780,068	686,467	1,092,913	747,184
Corrections and rehabilitation	-	-	-	65,390	87,677
Health and human services	-	-	-	9,044	8,213
Road and bridge	-	-	-	1,923,258	1,999,896
Operating grants and contributions	1,016,377	708,182	1,861,802	1,812,703	1,420,446
Capital grants and contributions	-	-	-	51,339	56,445
Total governmental activities program revenues	<u>7,364,120</u>	<u>8,267,962</u>	<u>9,595,831</u>	<u>10,103,619</u>	<u>9,044,062</u>
Net (expense) revenue					
Governmental activities	(27,339,090)	(27,263,541)	(27,985,275)	(31,029,568)	(33,392,608)
Total primary government government net expense	<u>\$ (27,339,090)</u>	<u>\$ (27,263,541)</u>	<u>\$ (27,985,275)</u>	<u>\$ (31,029,568)</u>	<u>\$ (33,392,608)</u>

Fiscal Year				
2009	2010	2011	2012	2013
\$ 4,878,648	\$ 4,894,116	\$ 5,327,965	\$ 6,237,219	\$ 5,843,096
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,880,638	3,049,154	3,227,551	3,106,581	3,891,407
252,589	311,674	335,654	333,261	343,204
12,088,428	12,505,640	12,958,440	13,705,026	13,432,209
-	-	-	-	-
7,531,800	7,904,306	7,846,797	7,804,487	8,674,589
11,463,293	11,504,942	12,136,464	12,918,829	12,970,815
595,105	602,072	659,153	751,915	745,435
2,810,403	2,898,176	3,289,488	3,790,135	3,413,410
543,890	500,346	445,151	563,688	138,799
-	-	-	-	-
<u>43,044,794</u>	<u>44,170,426</u>	<u>46,226,663</u>	<u>49,211,141</u>	<u>49,452,964</u>
979,641	1,121,886	779,092	855,609	1,013,504
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	203	233
3,276,434	3,579,564	3,632,345	3,578,840	3,734,494
-	-	-	-	-
748,658	763,450	738,341	891,934	813,947
56,579	53,917	37,384	37,536	74,628
8,167	8,280	8,614	9,650	18,301
1,986,477	1,757,544	1,823,296	1,915,038	1,990,123
1,509,675	1,597,284	1,637,501	1,679,624	1,457,688
191,617	2,177,997	1,886,767	3,266,348	581,456
<u>8,757,248</u>	<u>11,059,922</u>	<u>10,543,340</u>	<u>12,234,782</u>	<u>9,684,374</u>
(34,287,546)	(33,110,504)	(35,683,323)	(36,976,359)	(39,768,590)
<u>\$ (34,287,546)</u>	<u>\$ (33,110,504)</u>	<u>\$ (35,683,323)</u>	<u>\$ (36,976,359)</u>	<u>\$ (39,768,590)</u>

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

	Fiscal Year				
	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes, levied for general purposes	\$ 25,493,152	\$ 27,859,717	\$ 29,475,437	\$ 31,012,054	\$ 32,885,969
Property taxes, levied for debt purposes	2,151,799	2,162,980	2,228,072	2,156,007	2,151,785
Property taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Mixed drink tax	321,932	328,808	365,165	387,175	396,055
Vehicle inventory tax	9,074	1,077	21,093	1,396	2,603
Bingo tax proceeds	157,639	160,735	179,852	189,217	195,213
Investment income	221,549	582,029	1,247,371	1,645,416	1,079,408
Gain (loss) on sale of capital assets	(56,829)	-	-	-	(83,303)
Miscellaneous	448,769	367,203	258,259	48,640	480,558
Total governmental activities	<u>28,747,085</u>	<u>31,462,549</u>	<u>33,775,249</u>	<u>35,439,905</u>	<u>37,108,288</u>
Total primary government	<u>\$ 28,747,085</u>	<u>\$ 31,462,549</u>	<u>\$ 33,775,249</u>	<u>\$ 35,439,905</u>	<u>\$ 37,108,288</u>
Changes in Net Position					
Governmental activities	\$ 1,407,995	\$ 4,199,008	\$ 5,789,974	\$ 4,410,337	\$ 3,715,680
Total primary government	<u>\$ 1,407,995</u>	<u>\$ 4,199,008</u>	<u>\$ 5,789,974</u>	<u>\$ 4,410,337</u>	<u>\$ 3,715,680</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

Fiscal Year				
2009	2010	2011	2012	2013
\$ 34,717,944	\$ 34,927,427	\$ 35,437,310	\$ 38,071,717	\$ 38,770,264
2,269,041	2,316,528	2,331,124	2,308,480	2,198,926
-	-	-	-	-
-	-	-	-	-
406,726	404,397	428,519	387,758	435,541
7,925	10,920	11,047	2,852	28,997
206,297	208,384	207,010	210,328	211,210
379,686	218,336	71,349	89,425	88,932
53,110	(3,759)	-	-	90,150
127,146	631,222	370,108	-	368,286
<u>38,167,875</u>	<u>38,713,455</u>	<u>38,856,467</u>	<u>41,070,560</u>	<u>42,192,306</u>
\$ <u>38,167,875</u>	\$ <u>38,713,455</u>	\$ <u>38,856,467</u>	\$ <u>41,070,560</u>	\$ <u>42,192,306</u>
\$ 3,880,329	\$ 5,602,951	\$ 3,173,144	\$ 4,094,201	\$ 2,423,716
\$ <u>3,880,329</u>	\$ <u>5,602,951</u>	\$ <u>3,173,144</u>	\$ <u>4,094,201</u>	\$ <u>2,423,716</u>

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

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund					
Reserved	\$ 562,094	\$ 137,109	\$ 273,861	\$ 489,157	\$ 116,685
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unreserved/Unassigned	<u>7,376,571</u>	<u>10,465,366</u>	<u>12,054,462</u>	<u>14,986,535</u>	<u>16,047,905</u>
Total General Fund	<u><u>\$ 7,938,665</u></u>	<u><u>\$ 10,602,475</u></u>	<u><u>\$ 12,328,323</u></u>	<u><u>\$ 15,475,692</u></u>	<u><u>\$ 16,164,590</u></u>
All Other Governmental Funds					
Reserved					
Debt service funds	\$ 243,997	\$ 293,427	\$ 358,463	\$ 440,461	\$ 534,661
Special revenue funds	37,297	-	-	-	-
Capital projects funds	302,859	-	-	-	-
Encumbrances	-	-	-	611,403	1,253,119
Restricted					
Debt service funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Assigned					
Capital projects funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	1,895,233	3,244,048	2,249,575	2,707,338	2,781,788
Capital projects funds	3,577,009	2,947,173	4,897,559	5,223,091	6,767,146
Total all other governmental funds	<u><u>\$ 6,056,395</u></u>	<u><u>\$ 6,484,648</u></u>	<u><u>\$ 7,505,597</u></u>	<u><u>\$ 8,982,293</u></u>	<u><u>\$ 11,336,714</u></u>

Source: County financial statements.

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

Fiscal Year				
2009	2010	2011 (1)	2012	2013
\$ 131,550	\$ 425,469	\$ -	\$ -	\$ -
-	-	62,109	52,004	53,134
-	-	297,123	308,426	353,110
-	-	3,000,000	2,000,000	2,700,000
-	-	-	-	-
<u>16,918,011</u>	<u>16,817,279</u>	<u>12,607,617</u>	<u>14,021,844</u>	<u>14,495,590</u>
<u>\$ 17,049,561</u>	<u>\$ 17,242,748</u>	<u>\$ 15,966,849</u>	<u>\$ 16,382,274</u>	<u>\$ 17,601,834</u>
\$ 732,268	\$ 989,366	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
395,122	479,476	-	-	-
-	-	1,260,106	1,031,222	1,283,520
-	-	20,216	20,339	206,381
-	-	5,129,931	3,097,475	5,059,469
-	-	3,351,928	3,218,732	3,351,666
2,721,110	2,952,805	-	-	(2,522)
8,860,744	7,228,505	-	-	-
<u>\$ 12,709,244</u>	<u>\$ 11,650,152</u>	<u>\$ 9,762,181</u>	<u>\$ 7,367,768</u>	<u>\$ 9,898,514</u>

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

	Fiscal Year				
	2004	2005	2006	2007	2008
Revenue					
Taxes	\$ 28,212,654	\$ 30,369,822	\$ 31,836,208	\$ 33,868,870	\$ 35,373,010
Licenses and fees	3,776,054	5,061,842	5,184,202	3,964,127	4,782,390
Intergovernmental	1,738,676	1,540,524	2,041,654	1,986,215	1,672,104
Fines and forfeitures	1,561,156	1,375,307	1,685,287	1,729,089	1,630,752
Charges for services	802,396	773,552	864,540	1,115,763	1,042,421
Investment earnings	218,037	578,787	1,210,448	1,588,175	1,058,154
Miscellaneous	217,045	106,382	244,873	1,494,943	664,826
Total revenues	<u>36,526,018</u>	<u>39,806,216</u>	<u>43,067,212</u>	<u>45,747,182</u>	<u>46,223,657</u>
Expenditures					
General administrative	2,422,855	2,265,546	3,345,715	4,215,460	4,620,124
Public service	680,487	1,029,982	1,133,020		
Transportation	1,324,149	1,546,858	1,492,074		
Facilities maintenance	2,472,290	2,073,163	1,939,474	2,403,939	2,741,042
Tax and recording offices	2,962,470	3,115,983	3,297,289		
Election administration				200,820	212,444
Judicial	4,491,559	4,770,699	5,070,663	11,095,322	11,624,598
Legal	3,812,673	3,867,421	4,112,711		
Public safety and correctional	13,258,939	14,195,983	15,142,030	6,536,554	6,807,111
Corrections and rehabilitation				10,585,748	11,031,909
Health and human services				570,136	583,017
Road and bridge				1,669,391	1,707,486
Debt service					
Principal	1,140,000	1,276,282	1,332,905	1,414,773	1,460,900
Interest and fiscal charges	1,028,026	953,125	896,708	835,988	816,721
Capital outlay	1,291,825	2,078,369	2,557,826	1,832,684	1,663,975
Total expenditures	<u>34,885,273</u>	<u>37,173,411</u>	<u>40,320,415</u>	<u>41,360,815</u>	<u>43,269,327</u>
Excess of revenues over (under) expenditures	<u>1,640,745</u>	<u>2,632,805</u>	<u>2,746,797</u>	<u>4,386,367</u>	<u>2,954,330</u>
Other financing sources (uses)					
Refunding bonds issued	-	-	-	-	9,120,000
Premium on refunding bonds	-	-	-	-	151,329
Payment to refunded bond escrow agent	-	-	-	-	(9,182,340)
Transfers in	42,050	1,460,000	2,602,000	2,192,046	3,713,937
Transfers out	(42,050)	(1,460,000)	(2,602,000)	(2,192,046)	(3,713,937)
Capital leases	-	459,258	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>459,258</u>	<u>-</u>	<u>-</u>	<u>88,989</u>
Net change in fund balances	<u>\$ 1,640,745</u>	<u>\$ 3,092,063</u>	<u>\$ 2,746,797</u>	<u>\$ 4,386,367</u>	<u>\$ 3,043,319</u>
Debt service as a percentage of noncapital expenditures	6.45%	6.38%	5.89%	5.78%	5.52%

Source: Statement of Activities from County CAFRs

		Fiscal Year				
		2009	2010	2011	2012	2013
\$	37,220,666	\$ 37,617,375	\$ 38,143,874	\$ 40,803,354	\$ 41,539,743	
	4,744,096	4,724,465	4,824,188	4,921,922	5,145,257	
	1,701,292	3,983,665	3,636,198	3,314,546	2,291,646	
	1,386,758	1,410,844	1,414,392	1,215,965	1,232,042	
	946,385	887,002	817,292	882,704	1,011,174	
	374,434	216,028	68,799	87,376	86,616	
	329,658	844,620	355,451	403,384	613,037	
	<u>46,703,289</u>	<u>49,683,999</u>	<u>49,260,194</u>	<u>51,629,251</u>	<u>51,919,515</u>	
	4,769,440	4,845,930	5,083,324	5,266,137	5,470,342	
	2,142,823	2,385,538	2,549,165	2,062,923	2,592,756	
	252,124	312,223	334,758	326,743	342,414	
	12,022,407	12,480,138	12,887,673	13,368,693	13,306,483	
	7,186,687	7,546,648	7,280,056	7,501,439	8,005,241	
	11,267,983	11,322,711	11,895,403	12,479,813	12,734,733	
	593,662	603,442	657,032	735,533	743,590	
	1,843,461	1,904,364	1,851,470	1,905,658	1,966,392	
	1,559,400	1,540,000	1,595,000	1,650,000	1,710,000	
	572,206	517,817	462,955	392,210	244,883	
	1,470,595	7,091,093	7,827,228	7,397,913	1,052,375	
	<u>43,680,788</u>	<u>50,549,904</u>	<u>52,424,064</u>	<u>53,087,062</u>	<u>48,169,209</u>	
	<u>3,022,501</u>	<u>(865,905)</u>	<u>(3,163,870)</u>	<u>(1,457,811)</u>	<u>3,750,306</u>	
	-	-	-	7,220,000	-	
	-	-	-	306,365	-	
	-	-	-	(8,047,542)	-	
	2,316,262	3,285,291	3,785,747	3,627,173	2,456,304	
	(2,316,262)	(3,285,291)	(3,785,747)	(3,627,173)	(2,456,304)	
	-	-	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(521,177)</u>	<u>-</u>	
\$	<u>3,022,501</u>	<u>(865,905)</u>	<u>(3,163,870)</u>	<u>(1,978,988)</u>	<u>3,750,306</u>	
	5.13%	4.80%	4.60%	4.46%	4.15%	

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
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
2013	40,969,190	435,541	28,997	211,210	41,644,938

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	
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
2013	6,690,462	6,935,556	1,631,586	1,631,586	8,322,048	8,567,142	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					
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
2013	0.627070	0.320090	1.170000	0.199500	1.350000
TAX LEVIES					
2004	27,216,547	20,826,736	86,596,550	11,355,776	2,911,260
2005	29,636,469	21,750,688	91,058,090	12,160,168	2,838,675
2006	31,425,558	22,519,911	96,100,576	12,674,152	3,406,168
2007	32,576,226	23,716,402	91,871,378	14,765,939	3,410,302
2008	34,619,979	25,933,600	78,410,389	14,765,939	2,887,797
2009	36,435,657	29,389,553	82,799,146	17,559,424	3,256,371
2010	36,838,767	30,409,776	84,747,604	18,097,381	3,232,985
2011	37,151,855	30,639,878	84,952,351	18,750,415	3,343,292
2012	39,788,918	32,159,248	86,551,375	19,104,456	3,196,600
2013	40,409,642	35,664,674	92,236,536	21,056,459	3,225,043

<u>Underground Water Conservation District</u>	<u>County Common School District</u>	<u>Bishop Hills</u>	<u>Total</u>
<u>TAX RATES / \$100 ASSESSED VALUATION</u>			
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
0.016410	2.943600	0.080000	6.70667
<u>TAX LEVIES</u>			
966,671	17,928,229	10,452	167,812,221
1,021,472	18,997,047	11,372	177,473,981
740,097	22,392,381	12,717	189,271,560
650,438	18,846,813	13,457	185,850,955
944,815	18,798,589	13,584	176,374,692
945,480	19,804,234	14,021	190,203,886
965,641	13,148,440	13,848	187,454,442
967,811	20,539,625	13,517	196,358,744
998,634	21,596,596	13,645	203,409,472
1,036,591	24,191,894	14,248	217,835,087

POTTER COUNTY, TEXAS

Principal Taxpayers

September 30, 2013

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2012 Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Southwestern Public Service (Xcel)	Electric Utility	\$ 276,921,870	1	4.27%
BNSF Railway Company	Railroad	106,173,788	2	1.64%
BSA Hospital LLC	Healthcare	96,358,178	3	1.48%
Northwest Texas Healthcare	Healthcare	88,858,955	4	1.37%
Tyson Fresh Meats Inc.	Food Distribution	88,751,310	5	1.37%
Asarco Inc.	Copper Refinery	85,078,202	6	1.31%
Amarillo Mall, LLC	Shopping Mall	60,680,565	7	0.93%
Linde Gas North America	Helium	53,395,426	8	0.82%
Pioneer Natural Resources	Natural Gas Utility	47,860,840	9	0.74%
Wal Mart Real Estate	Retailer	<u>46,084,482</u>	10	0.71%
		\$ <u>950,163,616</u>		<u>14.64%</u>
Iowa Beef Processors, Inc.	Beef Processors			
UHS of Amarillo	Healthcare			
Amarillo Partners, LP	Real Estate			
Southwestern Bell Telephone Company	Telephone			
Amarillo National Bank	Banking			

	2003 Valuation	Rank	Percentage of Total Assessed Valuation
\$	333,333,574	1	5.89%
	44,969,329	7	80.00%
	50,716,765	6	0.90%
	98,482,815	2	1.74%
	24,950,193	9	0.44%
	86,473,558	3	1.53%
	73,077,966	4	1.29%
	51,756,471	5	0.92%
	35,243,357	8	0.62%
	<u>24,512,792</u>	10	0.43%
\$	<u><u>823,516,820</u></u>		<u><u>16.13%</u></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
2004	\$ 27,216,547	\$ 26,130,672	96.01%	\$ 1,018,103	\$ 27,148,775	99.75%
2005	29,636,469	28,973,425	97.76%	580,599	29,554,024	99.72%
2006	31,425,558	30,388,380	96.70%	950,296	31,338,676	99.72%
2007	32,576,226	31,984,967	98.18%	490,661	32,475,628	99.69%
2008	34,619,979	34,022,680	98.27%	457,801	34,480,481	99.60%
2009	36,435,657	35,668,444	97.89%	592,036	36,260,480	99.52%
2010	36,838,767	35,810,722	97.21%	817,437	36,628,159	99.43%
2011	37,151,855	36,511,897	98.28%	335,521	36,847,418	99.18%
2012	39,788,918	39,101,638	98.27%	78,946	39,180,584	98.47%
2013	40,409,642	39,698,578	98.24%	-	39,698,578	98.24%

Source: Potter County Tax Office

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

Table 10

Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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	0.24%	82
2013	8,360,000	-	8,360,000	0.19%	68

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) 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)
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
2013	8,360,000	1,283,520	7,076,480	83%	58

(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 115.

Source: Potter County financial records

POTTER COUNTY, TEXAS

Table 12

Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds
September 30, 2013

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	\$ 147,586,465	55.42%	\$ 81,792,419
Amarillo College District	71,477,610	51.36%	36,710,900
River Road Independent School District	13,692,617	100.00%	13,692,617
Highland Park Independent School District	10,739,997	100.00%	10,739,997
Bushland Independent School District	26,025,000	90.71%	23,607,278
City of Amarillo	35,739,347	51.21%	<u>18,302,120</u>
Subtotal, overlapping debt			184,845,330
Potter County, Texas	8,360,000	100.00%	<u>8,360,000</u>
Total direct and overlapping debt			<u>\$ 193,205,330</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>6,490,048,313</u>			
Legal debt margin					
Debt limitation - 25% of total assessed value		\$ 1,622,512,078			
Debt applicable to limitation:					
Total bonded debt	8,360,000				
Less: debt service funds	<u>(1,283,520)</u>				
Total debt applicable to limitation		<u>7,076,480</u>			
Legal debt margin		\$ <u>1,615,435,598</u>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 1,143,494,755	\$ 1,220,531,966	\$ 1,294,214,984	\$ 1,354,276,414	1,450,379,526
Total net debt applicable to limit	<u>21,740,270</u>	<u>20,511,573</u>	<u>19,201,537</u>	<u>17,819,539</u>	<u>16,355,339</u>
Legal debt margin	<u>\$ 1,121,754,485</u>	<u>\$ 1,200,020,393</u>	<u>\$ 1,275,013,447</u>	<u>\$ 1,336,456,875</u>	<u>\$ 1,434,024,187</u>
Total net debt applicable to the limit as a percentage of debt limit	1.90%	1.68%	1.48%	1.32%	1.13%
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 1,534,760,979	\$ 1,530,300,861	\$ 1,551,927,676	\$ 1,583,938,228	\$ 1,622,512,078
Total net debt applicable to limit	<u>14,672,732</u>	<u>12,875,634</u>	<u>11,009,894</u>	<u>9,038,778</u>	<u>7,076,480</u>
Legal debt margin	<u>\$ 1,520,088,247</u>	<u>\$ 1,517,425,227</u>	<u>\$ 1,540,917,782</u>	<u>\$ 1,574,899,450</u>	<u>\$ 1,615,435,598</u>
Total net debt applicable to the limit as a percentage of debt limit	0.96%	0.84%	0.71%	0.57%	0.44%

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
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	122,335	4,192,197,000	34,268	4.90%
2013	123,008 *	4,372,073,344 *	35,543 *	5.30%

Source: Texas Workforce Commission Tracer

*Estimates for 2013 are based on the average growth of the previous 8 years.

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

Table 15

2013			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Amarillo ISD	4,298	1	3.23%
Tyson Foods	3,750	2	2.82%
BWXT Pantex	3,233	3	2.43%
Baptist St. Anthony's Health Care System	3,150	4	2.37%
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	22,389		16.84%
2004			
<u>Employer</u>	<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*
Excel Energy	1,810	N/A*	1.18%
Northwest Texas Healthcare System	1,375	N/A*	N/A*
Western National Life Insurance Company	1,100	N/A*	N/A*
Texas Department of Criminal Justice	N/A*	N/A*	0.95%
Walmart Supercenters	825	N/A*	1.56%
Total	14,936		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,										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	3.5	4	4	4	4	4	4	4
Information Technology	8	6	6	6	7	7	7	8	8	8
Information and Records Mgmt	6	6	6	6	6	6	7	7	7	7
County Auditor	7	6	6	6	6	6	6	6	6	6
County Treasurer	2	2	3	2	3	3	3	3	3	3
Purchasing Agent	5	5	5.5	5.5	6	6	6	6	6	6
Collections	-	-	3	3	3	3	3	3.5	3.5	3.5
Tax Assessor/Collector	21	21	21	21	21	21	21	21	21	21
Facilities Maintenance	27	26	26	26	26	26	26	26	26	27
Elections Administrator	-	-	-	-	-	-	4	4.5	4.5	4.5
County Clerk	20.5	21.5	22.5	22.5	22.5	21.5	18	17.5	17.5	17.5
District Clerk	19.5	20.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5
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	4	5	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	3.5	3.5	3.5	3.5	3.5	3.5	4	3.5
County Attorney	26	25.5	25.5	25.5	28.5	28.5	29.5	27	27	27
Family Crime Unit	2	2	2	2	2	2	2	2	1	1
District Attorney	27	27	27	28	32	32	32	32	32	32
Forensic Science Lab	1	1	1	1	1	1	1	1	1	1
Constables	3	4	3	3	4	4	4	3	3	4
Sheriff	80	80	80.5	81.5	81	81	80	80	80	79
Fire/Rescue Department	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4
Detention Center	118.2	120.2	121.2	121.2	122.2	122.2	123	123	123	126
County Extension Services	5	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	20	20	19	19	19	19	19	19	19	19
Total General Fund	467.2	467.7	473.7	474.2	486.2	485.2	487.5	485.5	485.0	489.0

Source: Potter County employee records

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>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>	<u>2013</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	2	4	5	5	5
County Clerk Record Mgmt	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1	1
Court Records Management	2.5	4	4	4	2.5	2	1	1	1	1
Juvenile Probation	22	22	22	22	22	22	22	22	22	22
Sheriff Commissary	1.6	1.3	1.3	1.3	1.3	1.3	1	0	0	0
County Attorney Check	5.5	6	6	4	3	3.5	3.5	2	2.5	2.5
County Attorney Forfeiture Release	-	-	-	-	-	-	-	3	3	3
District Attorney State Payroll	-	1	2	1	0.5	-	-	-	-	-
District Attorney Forfeiture Release	-	-	-	1	-	-	2	2	2.5	2.5
District Attorney Welfare Fraud	-	0.5	-	-	-	0.5	0.5	-	-	-
Local Law Enforcement Block Grant	1	1	1	-	-	-	-	-	-	-
Total Other										
Governmental Funds	<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>	<u>37.5</u>
Total Governmental Funds	<u>502.8</u>	<u>506.5</u>	<u>513.0</u>	<u>510.5</u>	<u>518.5</u>	<u>518.5</u>	<u>523.5</u>	<u>522.5</u>	<u>522.5</u>	<u>526.5</u>

Source: Potter County employee records

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

Function	2004	2005	2006	2007	2008
General Government					
Tax Office					
Auto titles issued ⁽¹⁾	34,115	34,778	34,473	33,226	34,621
Auto registrations ⁽²⁾	98,126	100,734	101,842	101,611	102,910
County Clerk ⁽³⁾					
Marriage license applications	1,730	1,730	1,685	1,661	1,582
Registered voters	26,810	25,870	24,660	22,373	23,793
Real property documents filed	53,904	55,519	52,467	52,590	55,144
Elections Administration					
Registered voters	-	-	-	-	-
Administration of Justice ⁽⁴⁾					
District Court Level					
Civil cases filed	2,995	3,234	3,404	3,361	2,910
Civil case dispositions	2,996	2,930	3,119	3,295	3,128
Criminal cases filed	2,647	2,713	2,968	2,817	2,753
Criminal case dispositions	2,859	2,674	2,891	2,768	2,677
County Court Level					
Civil cases filed	1,080	1,137	1,460	1,197	1,042
Civil case dispositions	1,055	1,019	1,074	1,454	1,212
Criminal cases filed	4,435	4,264	4,369	3,282	3,267
Criminal case dispositions	5,293	4,247	4,834	3,853	3,158
Justice of the Peace Court Level					
Civil cases filed	6,592	6,305	5,258	2,259	2,521
Civil case dispositions	6,145	5,907	5,146	2,034	2,376
Criminal cases filed	6,937	7,946	8,740	11,079	10,241
Criminal case dispositions	7,431	6,781	8,528	11,053	9,516
Public Safety and Correctional					
Sheriff ⁽⁵⁾					
Average daily jail population	512	530	543	550	545
Average daily prisoner cost	\$ 36.64	\$ 39.79	\$ 36.16	\$ 40.15	\$ 41.00
Human Services					
County Extension					
Number of programs	319	355	421	531	523
Number of contacts at programs	10,298	11,272	14,677	44,876	21,533
Number of individual, newsletter, and volunteer contacts	20,640	24,016	23,138	42,080	47,967

(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

2009	2010	2011	2012	2013
30,168	30,180	31,083	30,820	32,260
99,845	104,539	101,487	101,571	102,890
1,458	1,431	1,424	1,606	1,476
23,734	21,537	19,393	20,315	21,359
56,451	49,053	-	-	-
-	-	49,689	48,265	51,003
3,031	3,441	3,548	3,412	3,426
2,995	2,730	3,851	3,578	3,259
2,475	2,043	2,474	2,111	2,202
2,533	2,136	2,450	2,371	2,151
1,052	1,047	1,109	1,070	922
962	962	1,133	1,134	876
2,930	3,206	3,103	3,319	3,011
2,557	2,943	3,151	3,339	3,200
2,293	2,281	1,819	2,045	2,117
2,096	2,356	4,249	2,324	2,058
10,298	8,753	7,420	8,316	8,038
9,561	10,078	9,176	8,508	8,374
488	522	529	471	491
\$ 46.42	\$ 45.05	\$ 45.86	\$ 52.72	\$ 52.55
305	350	508	390	375
22,038	7,198	12,997	10,290	8,017
31,595	45,562	55,590	28,775	10,786

POTTER COUNTY, TEXAS

Table 18

Capital Assets by Function
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Office buildings / courthouses	5	5	6	7	7	7	7	7	7	7
Public safety and correctional										
Constables										
Patrol vehicles	1	2	2	3	3	3	3	2	2	4
Sheriff										
Enforcement vehicles	29	29	29	29	29	29	29	29	41	43
Corrections vehicles	9	9	9	9	9	11	11	11	11	10
Fire / Rescue										
Fire stations	7	7	7	7	7	7	7	7	7	7
Transportation										
County roads (miles)	227	233.8	220	233	260.7	299.3	300.8	301.1	282.6	283
Bridges	2	2	2	2	2	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.

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

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

We have audited 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 20, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Dennis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 20, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Potter County, Texas' (the County) compliance 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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Davis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 20, 2014

POTTER COUNTY, TEXAS
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2013

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
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	Unmodified
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
Program:	Foster Care - Title IV-E
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, 2013

Status of Prior Year's Finding/Noncompliance

None

POTTER COUNTY, TEXAS
Corrective Action Plan
Year Ended September 30, 2013

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, 2013

Exhibit D-1

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipient Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Justice Assistance Grant - Adult Drug Court Program	16.585	2010-DC-BX-0102	\$ 83,493	\$ -
Justice Assistance Grant - DEA Overtime Reimbursement	16.595	3111036183	7,045	-
Justice Assistance Grant - SSTF Overtime Reimbursement	16.595	N/A	9,398	-
Justice Assistance Grant - SCAAP Award	16.606	N/A	41,292	-
Total Direct U.S. Department of Justice			141,228	-
Passed through City of Amarillo:				
Justice Assistance Grant	16.804	2012-H1216-TX-DJ	43,157	-
Total Passed Through City of Amarillo			43,157	-
Passed through Office of the Governor - Criminal Justice Division				
Victim Assistance Program	16.575	2093302	45,000	-
DJ-Edward Byrne Memorial Justice Assistance Grant	16.738	DJ-11-A10-25887-01	57,287	-
Total Passed Through Office of the Governor - Criminal Justice Division			102,287	-
Passed through Office of the Attorney General				
Victim Information & Notification Everyday (V.I.N.E.)	16.740	1012749	29,174	-
Total Passed Through Office of the Attorney General			29,174	-
Passed through the City of Dallas				
Internet Crimes Against Children Task Force	16.543	2010-MC-CX-K037	16,463	-
Total Passed Through the City of Dallas			16,463	-
Total U.S. Department of Justice			332,309	-
<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	42,284	-
Total Passed Through Texas Department of Protective and Regulatory Services			42,284	-
Passed through Texas Juvenile Probation Commission				
Title IV-E-Administrative & Foster Care Reimbursement Program	93.658	TJPC-E-10-188	212,320	-
Total Passed Through Texas Juvenile Probation Commission			212,320	-
Passed through the Office of the Attorney General				
Child Support Enforcement - Title IV-D	93.563	13-C0075	85,504	-
Total Passed Through Office of the Attorney General:			85,504	-
Total U.S. Department of Health and Human Services			340,108	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed through Texas Department of Public Safety Emergency Management Division				
FEMA-2913 - 2011 Stone Ridge Fire	97.046	N/A	86,656	62,879
Total Passed Through Texas Department of Public Safety Emergency Management Division			86,656	62,879
<u>ELECTION ASSISTANCE COMMISSION</u>				
Passed through State of Texas				
Help Americans Vote Act	90.401	78663	18,643	-
Total Election Assistance Commission			18,643	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 777,716	\$ 62,879

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, 2013

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.