

POTTER COUNTY, TEXAS

Comprehensive Annual Financial Report

For the Year Ended
September 30, 2010

Prepared by: Office of County Auditor
Kerry Hood
County Auditor

POTTER COUNTY, TEXAS
Comprehensive Annual Financial Report
Year Ended September 30, 2010

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INTRODUCTORY SECTION

County of Potter

State of Texas

900 S. Polk, Suite 716

Amarillo, Texas 79101-3412



Kerry Hood
County Auditor
aukeh@co.potter.tx.us

806-349-4800
Fax: 806-349-4808

March 16, 2011

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

The Comprehensive Annual Financial Report of Potter County, Texas (the County) for the year ended September 30, 2010 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, 2010, 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, 2010 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

Potter County, created in 1876 from Bexar District, was organized in 1887 and named for a Republic of Texas leader, Robert Potter. The County's population continues to grow and is currently estimated to be 122,140. This is up 7.3% over the 2000 census of 113,746 and 24% over the 1980 census of 98,637. The County consists of approximately 591,577 acres of mostly level plain, broken by the Canadian River and its tributaries.

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

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

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

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

Local Economy

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

Although Potter County's economy has greatly diversified, the Amarillo area was created as an agricultural servicing center and a significant portion of its economy is still based upon this important economic activity. Because of the temperate weather conditions and the availability of irrigation water, it is one of the most unique and diversified agricultural areas in the world. In addition to agriculture, today, our economy includes business and industries ranging from energy research and development to beef processing, copper refining, wholesale distribution, garment finishing, fiberglass production, defense contracting, aviation maintenance, metal machining and finishing, and oil and gas production.

Long-term Financial Planning and Relevant Financial Policies

As a sound financial management practice, members of the Commissioners' Court emphasize maintaining a sufficient undesignated fund balance level to meet first quarter obligations, thus assisting in maintaining financial stability and retaining or enhancing the County's bond ratings. Potter County has achieved this goal since fiscal year 2004. At that time, the court evaluated the county's physical and financial condition and chose to begin an annual transfer of funds to capital project funds to reduce the amount that will need to be borrowed to finance future construction. The current Commissioners' Court has also made every effort to hold steady or reduce the tax rate. The rate decreased from \$0.59674 in 2009 to \$0.59627 for 2010.

Major Initiatives

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

In addition to the County's contribution to the TIRZ, we have been awarded a grant to restore our courthouse, further enhancing the downtown area. With grant funds and funds the Commissioners' Court continues to transfer into capital project funds, the \$16,000,000 project should be accomplished without the need to issue debt.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Potter County for its comprehensive annual financial report for the fiscal year ended September 30, 2009. 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.

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

Respectfully submitted,



Kerry Hood
Potter County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Potter County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

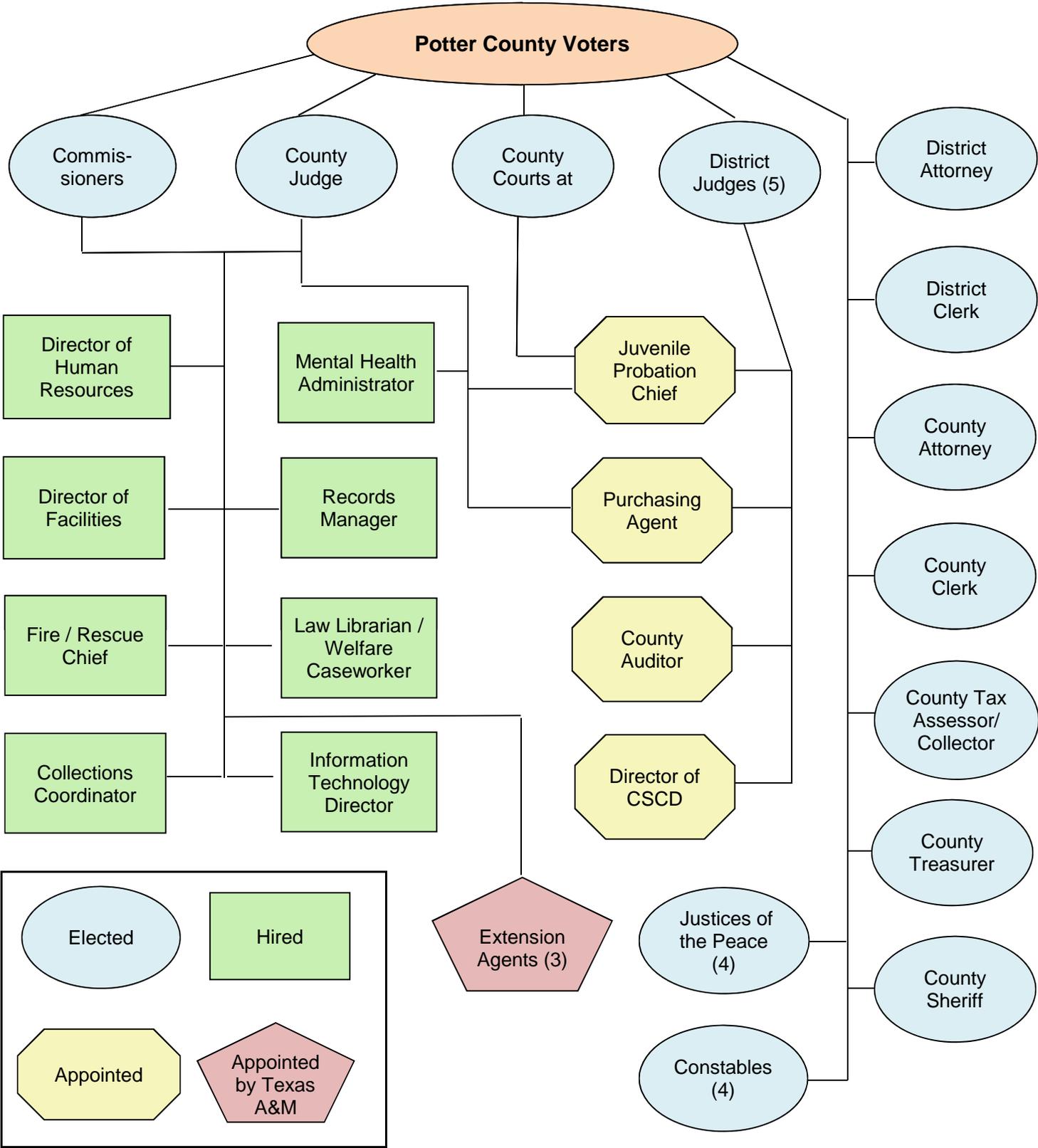
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Potter County, Texas Organization Chart



Potter County, Texas
County Officials

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

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Potter County, Texas (the County), as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Potter County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Potter County, Texas, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2011, on our consideration of Potter County, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the other required supplementary information on pages 3 through 10 and 42 through 55, are not a required part of basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Potter County, Texas' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The introductory section, combining and individual nonmajor fund financial statements (including the budgetary comparison schedules for nonmajor funds) and statistical section are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and the combining and individual nonmajor fund financial statements (including the budgetary comparison schedules for nonmajor funds) have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 on them.

Davis Kinard & Co., PC
DAVIS KINARD & CO, PC

Abilene, Texas
March 16, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Potter County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended September 30, 2010. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's total combined net assets were \$80,167,918 at September 30, 2010. Of this amount, \$51,795,860 is restricted for specific purposes. Unrestricted net assets are \$28,372,058.
- During the year, the County's expenses were \$5,602,951 less than the \$49,773,377 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$17,242,748.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net assets and how they have changed. Net assets, the difference between the County's assets and liabilities, is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the Governmental activities. Most of the County's basic services are included here, such as general administration, judicial, public safety and correctional, transportation, facilities, health and human services, non-capital expenditures, and interest on long-term debt. Property taxes and grants finance most of these activities.

The government-wide financial statements can be found on pages 11-12 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds- not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Commissioners' Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- Governmental funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- Proprietary funds – Potter County maintains one type of proprietary fund. The 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 its self-insurance program for employee health benefits.
- Fiduciary funds – The County is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the County's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operation.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As noted earlier, net assets can serve over time as a useful indicator of a government's financial position. In the case of Potter County, assets exceeded liabilities by \$80,167,918 at the close of the fiscal year ended September 30, 2010.

A large portion of the county's net assets (62.05%) comprises capital assets (for example, land, infrastructure, and buildings), net of the outstanding debt issued to finance their acquisition. The County uses these capital assets to provide services to citizens, and consequently the assets are not available for future spending. Although, as mentioned, the County's investment in capital is reported net of related debt, it should be noted that the resources to re-pay this debt must be provided from other sources, since the capital assets themselves cannot be used to do so. The usage of another 2.56% of the county's net assets is subject to external restrictions. The remaining balance (\$28,372,058) is unrestricted and available to meet the government's ongoing obligations to citizens and creditors.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – continued

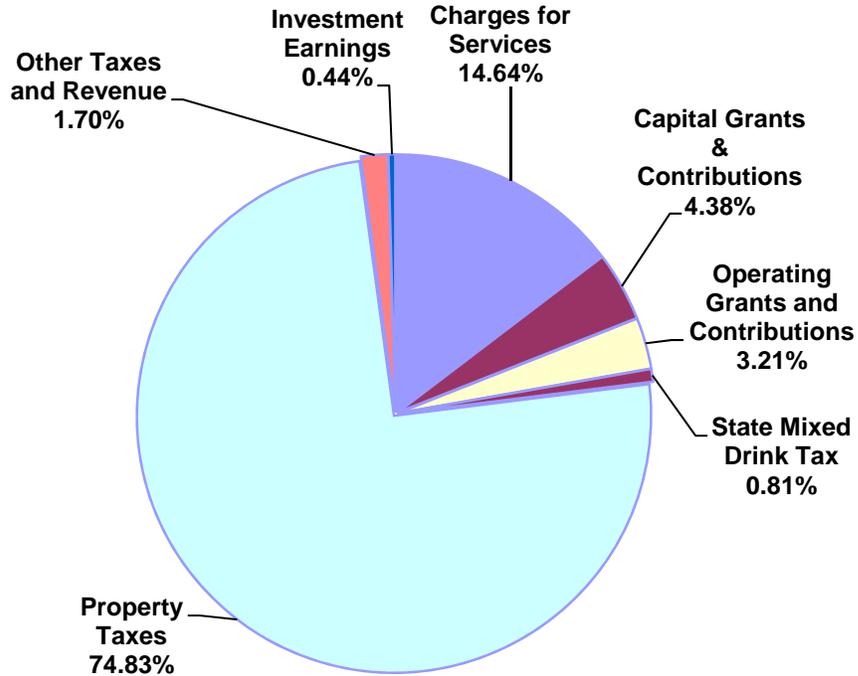
Potter County's Net Assets

| | Governmental Activities | |
|-------------------------------------------------|----------------------------|----------------------|
| | 2010 | 2009 |
| Current assets | \$ 32,665,799 | \$ 33,285,200 |
| Restricted assets | 1,245,840 | 886,377 |
| Noncurrent assets | 66,153 | 82,714 |
| Capital assets | 63,732,513 | 59,037,993 |
| Total assets | <u>\$ 97,710,305</u> | <u>\$ 93,292,284</u> |
| Current liabilities | \$ 1,987,919 | \$ 1,888,524 |
| Liabilities payable from restricted assets | 188,517 | 129,700 |
| Noncurrent liabilities | 15,365,951 | 16,709,093 |
| Total liabilities | <u>17,542,387</u> | <u>18,727,317</u> |
| Net assets | | |
| Invested in capital assets, net of related debt | 49,746,604 | 43,565,161 |
| Restricted | 2,049,256 | 1,447,462 |
| Unrestricted | 28,372,058 | 29,552,344 |
| Total net assets | <u>\$ 80,167,918</u> | <u>\$ 74,564,967</u> |

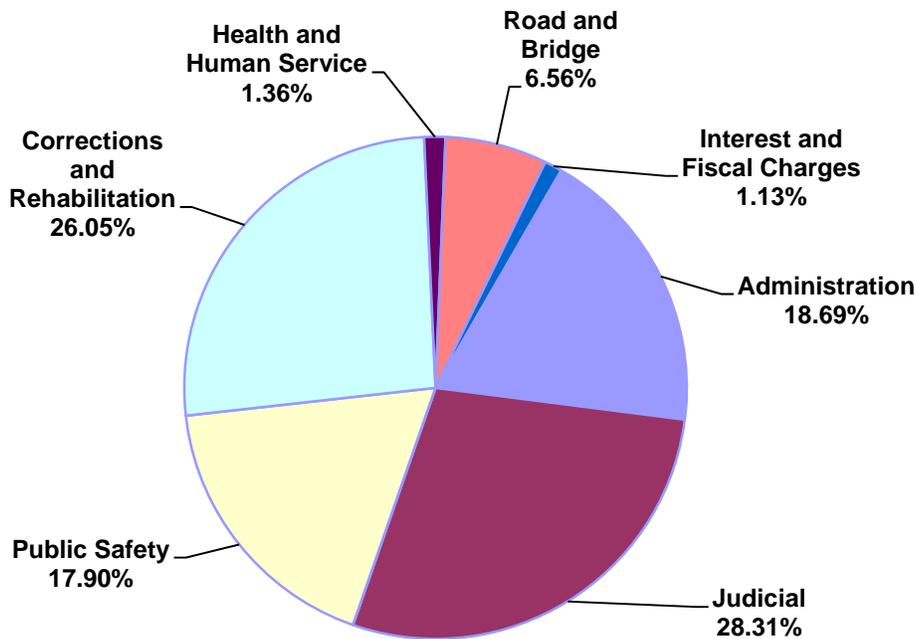
The county's net assets increased by \$5,602,951. Since the county presently engages in no business-type activities, governmental activities account for all of the changes in net assets at the government-wide reporting level.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – continued

Governmental Activities. The County’s total revenues were \$49,773,377. A significant portion, 74.83%, of the County’s revenue comes from property taxes. 14.64% comes from the charges for services, and 3.21% comes from operating grants and contributions.



The total cost of all programs and services was \$44,170,426; 28.31% for these costs are for judicial services, 26.05% are for correctional and rehabilitation services and 17.90% are for public safety.



FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – continued

Potter County's Changes in Net Assets

| | Governmental Activities | |
|---------------------------------------|----------------------------|---------------|
| | 2010 | 2009 |
| Program revenues: | | |
| Charges for services | \$ 7,284,641 | \$ 7,055,956 |
| Operating grants and contributions | 1,597,284 | 1,509,675 |
| Capital grants and contributions | 2,177,997 | 191,617 |
| General revenues: | | |
| Property taxes - general | 34,927,427 | 34,717,944 |
| Property taxes - debt service | 2,316,528 | 2,269,041 |
| Vehicle inventory tax | 10,920 | 7,925 |
| Mixed drink tax | 404,397 | 406,726 |
| Bingo tax proceeds | 208,384 | 206,297 |
| Investment earnings | 218,336 | 379,686 |
| (Loss) gain on sale of capital assets | (3,759) | 53,110 |
| Miscellaneous | 631,222 | 127,146 |
| Total revenues | 49,773,377 | 46,925,123 |
| Expenses: | | |
| General administration | 4,894,116 | 4,878,648 |
| Facilities maintenance | 3,049,154 | 2,880,638 |
| Election administration | 311,674 | 252,589 |
| Judicial | 12,505,640 | 12,088,428 |
| Public safety | 7,904,306 | 7,531,800 |
| Corrections and rehabilitation | 11,504,942 | 11,463,293 |
| Health and human services | 602,072 | 595,105 |
| Road and bridge | 2,898,176 | 2,810,403 |
| Interest and fiscal charges | 500,346 | 543,890 |
| Total expenses | 44,170,426 | 43,044,794 |
| Change in net assets | 5,602,951 | 3,880,329 |
| Beginning balance, net assets | 74,564,967 | 70,684,638 |
| Ending balance, net assets | \$ 80,167,918 | \$ 74,564,967 |

The cost of each of the County's largest functions includes:

- The cost of all governmental activities this year was \$44,170,426.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$37,243,955.
- Some of the cost was paid by those who directly benefited from the programs (\$7,284,641) or by grants and contributions (\$3,775,281).

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$28,892,900, a decrease of \$865,905 in comparison with the prior year. Approximately 93 percent of this total amount (\$27 million) constitutes unreserved fund balance and is available for spending at the county's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service and outstanding insurance claims as well as fund capital projects.

The general fund is the chief operating fund of the county. At the end of the current fiscal year, unreserved fund balance of the general fund was \$16,817,279. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 41.3% of total general fund expenditures, and the total fund balance also represents 42.4% of that same amount.

The fund balance of Potter County's general fund increased by \$193,187 during the current fiscal year. Key factors in this growth are as follows:

- Forfeitures of \$601,389 awarded to the County Attorney exceeding the budget of \$125,000.
- Expenditures in budgeted funds were 89.9% of the final budgeted totals. The primary area for budgetary expenditure savings was in personnel related costs due to moderate employee turnover and attrition.

The courthouse preservation fund has a fund balance of \$5,703,542, all of which is designated for the renovation of the county courthouse. The net decrease in the fund balance during the current year in the courthouse preservation fund was \$2,366,560. Beginning in 2005, Commissioners have budgeted transfers of revenues in excess of expenditures from the general fund to the courthouse preservation fund to avoid financing the project. During the fiscal year, \$2,000,000 was transferred into the fund. The County also received a grant from the Texas Historic Commission of up to \$5,000,000 for the restoration. This year, the County received \$1,500,105 in grant funds. Actual construction began in November, 2009 with the projected completion in November, 2011.

General Fund Budgetary Highlights

The County budget is prepared in accordance with accounting principles generally accepted in the United States of America. The budget is prepared by the County Judge and approved by the Commissioners Court. The approved budget is used as a management control device during the year, and appropriations are set at the expenditure type level. Budgetary transfers between expenditure types must be approved by the Commissioners Court.

During the year, there was a \$777,498 increase in expenditures between the original and final amended budget. Following are the main components of the increase:

- \$500,000 supplemental budget for the emergency replacement of elevators in the District Courts building.
- \$183,000 budget for the Panhandle Victims Assistance Grant.
- \$55,419 supplemental budget for state funded training for law enforcement officers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. At the end of 2010, the County had invested \$63,732,513 in a broad range of capital assets, including land, equipment, buildings and vehicles.

| | Governmental Activities | |
|-------------------------------------|----------------------------|----------------------|
| | 2010 | 2009 |
| Land | \$ 5,019,608 | \$ 5,019,608 |
| Construction in progress | 8,570,766 | 2,346,334 |
| Equipment not yet placed in service | 152,128 | - |
| Streets and bridges | 36,303,180 | 35,967,516 |
| Buildings and improvements | 52,842,319 | 52,636,766 |
| Furniture and equipment | 9,674,580 | 8,592,682 |
| Equipment under capital lease | - | 459,258 |
| Total at historical cost | <u>112,562,581</u> | <u>105,022,164</u> |
| Total accumulated depreciation | <u>(48,830,068)</u> | <u>(45,984,171)</u> |
| Net capital assets | <u>\$ 63,732,513</u> | <u>\$ 59,037,993</u> |

More detailed information about the County's capital assets is presented in the notes to the financial statements on page 31.

LONG-TERM DEBT

Long-Term Debt. At year-end the County had \$15,365,951 in bonds, capital leases, compensated absences outstanding and other postemployment benefits shown in the table below. More detailed information about the County's debt is presented in the notes to the financial statements on page 32 and 33.

| | Governmental Activities | |
|-----------------------------------------|----------------------------|----------------------|
| | 2010 | 2009 |
| Bond payable | \$ 13,865,000 | \$ 15,405,000 |
| Unamortized bond premium | 120,909 | 150,546 |
| Other postemployment benefits liability | 326,003 | 130,197 |
| Compensated absences | <u>1,054,039</u> | <u>1,023,350</u> |
| Total long term debt | <u>\$ 15,365,951</u> | <u>\$ 16,709,093</u> |

Bond Ratings. The County's bonds presently carry "AAA" rating with underlying ratings as follows: Moody's Investor Services "Aa3" and Standard & Poors "AA".

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Taxable value used for the 2011 budget preparation is up \$6,574,130 or .11% from 2010.
- The unemployment rate for Potter County is currently 5.7%, which is an increase from a rate of 5.4% a year ago. This compares favorably to the state's average unemployment rate of 8.3% and the national average rate of 9%.
- New construction and improvements to the County's tax rolls provided an additional \$536,090 in property tax revenues for 2010.

These indicators were taken into account when adopting the general fund budget for 2011.

Amounts available for appropriation in the general fund budget are \$43,679,950, an increase of 0.02% over the final 2010 budget of \$43,584,789. Expenditures are budgeted at a 0.2% reduction to \$45,093,841. Potter County has appropriated \$5,180,891 of the fund balance for spending in the 2011 fiscal year budget. \$3 million of that total represents funds set aside for capital projects. It is expected that conservative revenue budgets and the historical spending of less than 100% of budgeted expenditures will serve to make the actual decrease in fund balance far less than budgeted.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office at 900 South Polk, Suite 716, Amarillo, Texas 79101.

BASIC FINANCIAL STATEMENTS

POTTER COUNTY, TEXAS

Exhibit A-1

Statement of Net Assets

September 30, 2010

| | <u>Governmental Activities</u> |
|---------------------------------------------------|------------------------------------|
| ASSETS: | |
| Pooled cash and cash equivalents | \$ 4,727,299 |
| Investments | 24,189,663 |
| Receivables (net of allowance for uncollectibles) | |
| Taxes | 1,046,255 |
| Other | 1,313,775 |
| Fines, fees, and court costs | 1,061,922 |
| Due from other governments | 272,294 |
| Inventories | 3,482 |
| Prepaid expenses | 51,109 |
| Restricted assets: | |
| Pooled cash and cash equivalents | 588,026 |
| Investments | 529,432 |
| Accounts receivable | 128,382 |
| Bond issuance costs | 66,153 |
| Capital assets not being depreciated | 13,742,502 |
| Capital assets (net of accumulated depreciation) | <u>49,990,011</u> |
| Total assets | 97,710,305 |
| LIABILITIES: | |
| Accounts payable and other current liabilities | 1,918,100 |
| Payroll taxes and related items | 13,647 |
| Deferred revenues | 19,084 |
| Accrued interest payable | 37,088 |
| Claims payable from restricted assets | 188,517 |
| Noncurrent liabilities | |
| Net other postemployment benefit liability | 326,003 |
| Due within one year | 1,835,445 |
| Due in more than one year | <u>13,204,503</u> |
| Total liabilities | 17,542,387 |
| NET ASSETS: | |
| Invested in capital assets, net of related debt | 49,746,604 |
| Restricted for: | |
| Debt service | 989,366 |
| Insurance claims | 1,059,890 |
| Unrestricted | <u>28,372,058</u> |
| Total net assets | <u>\$ 80,167,918</u> |

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

POTTER COUNTY, TEXAS
Statement of Activities
For the Year Ended September 30, 2010

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|---------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT | | | | |
| Governmental activities | | | | |
| General administrative | \$ 4,894,116 | \$ 1,121,886 | \$ 84,621 | \$ |
| Facilities maintenance | 3,049,154 | | | 1,771,690 |
| Election administration | 311,674 | | 6,831 | |
| Judicial | 12,505,640 | 3,579,564 | 935,559 | |
| Public safety | 7,904,306 | 763,450 | 315,385 | 406,307 |
| Corrections and rehabilitation | 11,504,942 | 53,917 | 136,797 | |
| Health and human services | 602,072 | 8,280 | 100,749 | |
| Road and bridge | 2,898,176 | 1,757,544 | 17,342 | |
| Interest on long term debt | 500,346 | | | |
| Total governmental activities | <u>44,170,426</u> | <u>7,284,641</u> | <u>1,597,284</u> | <u>2,177,997</u> |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 44,170,426</u> | <u>\$ 7,284,641</u> | <u>\$ 1,597,284</u> | <u>\$ 2,177,997</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
- Loss on sale of capital assets
- Miscellaneous
- Total general revenues

CHANGE IN NET ASSETS

NET ASSETS AT BEGINNING
OF YEAR

NET ASSETS AT END OF YEAR

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

| Net (Expense) Revenue and Changes in Net Assets | |
|----------------------------------------------------|----------------------|
| Primary Government | |
| Governmental Activities | Total |
| \$ (3,687,609) | \$ (3,687,609) |
| (1,277,464) | (1,277,464) |
| (304,843) | (304,843) |
| (7,990,517) | (7,990,517) |
| (6,419,164) | (6,419,164) |
| (11,314,228) | (11,314,228) |
| (493,043) | (493,043) |
| (1,123,290) | (1,123,290) |
| (500,346) | (500,346) |
| <u>(33,110,504)</u> | <u>(33,110,504)</u> |
| <u>(33,110,504)</u> | <u>(33,110,504)</u> |
| 34,927,427 | 34,927,427 |
| 2,316,528 | 2,316,528 |
| 404,397 | 404,397 |
| 10,920 | 10,920 |
| 208,384 | 208,384 |
| 218,336 | 218,336 |
| (3,759) | (3,759) |
| 631,222 | 631,222 |
| <u>38,713,455</u> | <u>38,713,455</u> |
| 5,602,951 | 5,602,951 |
| <u>74,564,967</u> | <u>74,564,967</u> |
| <u>\$ 80,167,918</u> | <u>\$ 80,167,918</u> |

POTTER COUNTY, TEXAS

Balance Sheet
Governmental Funds
September 30, 2010

| | General Fund | Courthouse Preservation Fund |
|--------------------------------------------------------|----------------------|------------------------------------|
| ASSETS | | |
| Pooled cash and cash equivalents | \$ 487,800 | \$ 872,212 |
| Investments | 16,268,762 | 5,343,063 |
| Receivables (net of allowances for uncollectibles) | | |
| Taxes | 980,964 | |
| Other | 1,260,730 | |
| Fines, fees, and court costs | 1,061,922 | |
| Due from other governments | 115 | 271,588 |
| Due from other funds | 60 | |
| Inventories | 3,482 | |
| Prepaid items | 51,109 | |
| | <u>20,114,944</u> | <u>6,486,863</u> |
| Total assets | \$ <u>20,114,944</u> | \$ <u>6,486,863</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable and other current liabilities | \$ 1,073,494 | \$ 783,321 |
| Payroll taxes and related items | 13,647 | |
| Due to other funds | 2,567 | |
| Deferred revenues | 1,782,488 | |
| | <u>2,872,196</u> | <u>783,321</u> |
| Total liabilities | 2,872,196 | 783,321 |
| Fund balances: | | |
| Reserved fund balances | | |
| Reserved for inventories | 3,482 | |
| Reserved for prepaid expenditures | 51,109 | |
| Reserved for debt services | | |
| Reserved for encumbrances | 370,878 | |
| Unreserved: | | |
| Capital project funds designated for specific purposes | | 5,703,542 |
| General fund | 16,817,279 | |
| Special revenue funds-designated | | |
| | <u>17,242,748</u> | <u>5,703,542</u> |
| Total fund balances | 17,242,748 | 5,703,542 |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 20,114,944</u> | <u>\$ 6,486,863</u> |

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

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 3,367,287 | \$ 4,727,299 |
| 2,577,838 | 24,189,663 |
| 65,291 | 1,046,255 |
| 53,045 | 1,313,775 |
| | 1,061,922 |
| 591 | 272,294 |
| | 60 |
| | 3,482 |
| | 51,109 |
| <u>6,064,052</u> | <u>32,665,859</u> |
| | |
| \$ 61,285 | \$ 1,918,100 |
| | 13,647 |
| 60 | 2,627 |
| <u>56,097</u> | <u>1,838,585</u> |
| 117,442 | 3,772,959 |
| | 3,482 |
| | 51,109 |
| 989,366 | 989,366 |
| 479,476 | 850,354 |
| 1,524,963 | 7,228,505 |
| | 16,817,279 |
| <u>2,952,805</u> | <u>2,952,805</u> |
| <u>5,946,610</u> | <u>28,892,900</u> |
| <u>\$ 6,064,052</u> | <u>\$ 32,665,859</u> |

POTTER COUNTY, TEXAS
 Reconciliation of the Balance Sheet of Governmental Funds
 To The Statement of Net Assets
 September 30, 2010

Exhibit A-4

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Total Fund Balances - Governmental Fund Balance Sheet | \$ 28,892,900 |
| <p>Amounts reported for governmental activities in the statement of net assets (A-1) are different because:</p> | |
| <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. The net effect is to increase net assets.</p> | 63,732,513 |
| <p>The due to/from amounts on the governmental funds balance sheet are eliminated on the statement of net assets in the amount of \$2,627. This causes no change to the net assets.</p> | - |
| <p>Internal service funds are used by management to account for the self-insurance fund of the government. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. The net effect is an increase to net assets.</p> | 1,059,890 |
| <p>Certain assets, such as property taxes receivable and imposed fines receivable, are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. Deferred revenue recognized in the government-wide financial statements results in a net increase to net assets.</p> | 1,819,501 |
| <p>Governmental funds report the effect of debt issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of deferring the debt issuance costs is an increase to net assets.</p> | 66,153 |
| <p>Long-term liabilities, including bonds payable, compensated absences and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the governmental funds. The net effect is a decrease in net assets.</p> | (15,365,951) |
| <p>Payables for bond interest which are not due in the current period are not reported in the funds.</p> | <u>(37,088)</u> |
| Net Assets of Governmental Activities - Statement of Net Assets | \$ <u><u>80,167,918</u></u> |

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

POTTER COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2010

| | General Fund | Courthouse Preservation Fund |
|-------------------------------------------------------------|----------------------|------------------------------------|
| REVENUES: | | |
| Taxes | \$ 35,303,453 | \$ |
| License and fees | 4,025,318 | |
| Intergovernmental | 1,661,383 | 1,771,690 |
| Fines and forfeitures | 1,410,844 | |
| Charges for services | 882,253 | |
| Investment earnings | 151,763 | 42,348 |
| Miscellaneous | 632,911 | |
| Total revenues | <u>44,067,925</u> | <u>1,814,038</u> |
| EXPENDITURES: | | |
| Current: | | |
| General administrative | 4,805,592 | |
| Facilities maintenance | 2,189,495 | 196,043 |
| Election administration | 310,829 | |
| Judicial | 11,760,391 | |
| Public safety | 7,382,831 | |
| Corrections and rehabilitation | 11,223,670 | |
| Health and human services | 603,442 | |
| Road and bridge | 1,904,364 | |
| Debt service: | | |
| Principal | | |
| Interest and fiscal charges | | |
| Capital outlay | 462,700 | 5,984,555 |
| Total expenditures | <u>40,643,314</u> | <u>6,180,598</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | <u>3,424,611</u> | <u>(4,366,560)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 24,300 | 2,000,000 |
| Transfers out | (3,255,724) | |
| Total other financing sources (uses) | <u>(3,231,424)</u> | <u>2,000,000</u> |
| NET CHANGE IN FUND BALANCES | 193,187 | (2,366,560) |
| FUND BALANCES AT BEGINNING OF YEAR | <u>17,049,561</u> | <u>8,070,102</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 17,242,748</u> | <u>\$ 5,703,542</u> |

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

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 2,313,922 | \$ 37,617,375 |
| 699,147 | 4,724,465 |
| 550,592 | 3,983,665 |
| | 1,410,844 |
| 4,749 | 887,002 |
| 21,917 | 216,028 |
| 211,709 | 844,620 |
| <u>3,802,036</u> | <u>49,683,999</u> |
| 40,338 | 4,845,930 |
| | 2,385,538 |
| 1,394 | 312,223 |
| 719,747 | 12,480,138 |
| 163,817 | 7,546,648 |
| 99,041 | 11,322,711 |
| | 603,442 |
| | 1,904,364 |
| 1,540,000 | 1,540,000 |
| 517,817 | 517,817 |
| 643,838 | 7,091,093 |
| <u>3,725,992</u> | <u>50,549,904</u> |
| <u>76,044</u> | <u>(865,905)</u> |
| 1,260,991 | 3,285,291 |
| <u>(29,567)</u> | <u>(3,285,291)</u> |
| <u>1,231,424</u> | |
| 1,307,468 | (865,905) |
| <u>4,639,142</u> | <u>29,758,805</u> |
| <u>\$ 5,946,610</u> | <u>\$ 28,892,900</u> |

POTTER COUNTY, TEXAS
 Reconciliation of The Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2010

Exhibit A-6

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Net Change in Fund Balances -Total Government Funds | \$ (865,905) |
| <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 is to increase net assets.</p> | 7,670,199 |
| <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 assets.</p> | (2,947,602) |
| <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 decrease net assets.</p> | (28,077) |
| <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 increase in revenue recognized in the government-wide financial statements results in an increase in net assets.</p> | 140,147 |
| <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 assets.</p> | 1,540,000 |
| <p>The net increase in compensated absences payable is a decrease to net assets.</p> | (30,689) |
| <p>Internal service funds are used by management to charge the costs of self-insurance in individual funds. The change in net assets of the internal service funds are included in governmental activities in the statement of activities. This results in a decrease to net assets.</p> | 303,213 |
| <p>Bond premiums and debt issuance costs are recorded as expenditures when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is the current year amortization.</p> | 13,076 |
| <p>The net increase in the obligation for other postemployment benefits is a decrease to net assets.</p> | (195,806) |
| <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> | 4,395 |
| Change in Net Assets of Governmental Activities - Statement of Activities | \$ <u>5,602,951</u> |

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

POTTER COUNTY, TEXAS
Statement of Net Assets
Proprietary Funds
September 30, 2010

Exhibit A-7

| | <u>Governmental Activities</u> <u>Internal Service Fund</u> |
|---------------------------------------|----------------------------------------------------------------------------|
| ASSETS | |
| Current assets: | |
| Restricted assets: | |
| Pooled cash and cash equivalents | \$ 588,026 |
| Investments | 529,432 |
| Accounts receivable: | |
| Other | 128,382 |
| Due from other funds | <u>2,567</u> |
| Total current assets | <u>1,248,407</u> |
| Total assets | 1,248,407 |
| LIABILITIES | |
| Current liabilities: | |
| Claims payable from restricted assets | <u>188,517</u> |
| Total current liabilities | 188,517 |
| Total liabilities | <u>188,517</u> |
| NET ASSETS | |
| Restricted for insurance claims | <u>1,059,890</u> |
| Total net assets | \$ <u><u>1,059,890</u></u> |

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

POTTER COUNTY, TEXAS
Statement of Revenues,
Expenses and Changes in Fund Net Assets - Proprietary Funds
For the Year Ended September 30, 2010

Exhibit A-8

| | <u>Governmental Activities Internal Service Fund</u> |
|----------------------------------------|--------------------------------------------------------------------------|
| OPERATING REVENUES | |
| Insurance premiums | \$ 3,944,712 |
| Charges for services | <u>647,083</u> |
| Total operating revenues | 4,591,795 |
| OPERATING EXPENSES | |
| Claims | 3,703,992 |
| Premiums | 559,300 |
| Administrative expenses | <u>27,598</u> |
| Total operating expenses | <u>4,290,890</u> |
| OPERATING INCOME | 300,905 |
| NONOPERATING REVENUES | |
| Investment earnings | <u>2,308</u> |
| Total non-operating revenues | <u>2,308</u> |
| CHANGE IN NET ASSETS | 303,213 |
| NET ASSETS AT BEGINNING OF YEAR | <u>756,677</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 1,059,890</u> |

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

POTTER COUNTY, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2010

Exhibit A-9

| | <u>Governmental Activities Internal Service Fund</u> |
|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Cash received from participants | \$ 3,815,061 |
| Cash received from recoveries and other | 647,083 |
| Cash payments for claims | (3,645,175) |
| Cash payments for administrative fees | (27,598) |
| Cash payments for insurance premiums | <u>(559,300)</u> |
| Net cash provided by operating activities | <u>230,071</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Interest and dividends | 2,308 |
| Purchase of investments | <u>(1,034)</u> |
| Net cash provided by investing activities | <u>1,274</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 231,345 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>356,681</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 588,026</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Operating income | \$ 300,905 |
| Net change in: | |
| Accounts receivable | (127,084) |
| Due from other funds | (2,567) |
| Claims payable | <u>58,817</u> |
| Total adjustments | <u>(70,834)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 230,071</u> |

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

POTTER COUNTY, TEXAS
Statement of Fiduciary Net Assets - Fiduciary Funds
September 30, 2010

Exhibit A-10

| | <u>Agency Funds</u> |
|------------------------------------------------|-------------------------|
| ASSETS | |
| Pooled cash and cash equivalents | \$ 6,015,424 |
| Investments | 325,953 |
| Accounts receivable: | |
| Other | <u>108,387</u> |
| Total assets | <u>\$ 6,449,764</u> |
| LIABILITIES | |
| Accounts payable and other current liabilities | \$ 183,177 |
| Due to other governments | 2,392,394 |
| Due to trust beneficiaries | 3,720,200 |
| Due to other entities | 88,993 |
| Deposits | <u>65,000</u> |
| Total liabilities | <u>\$ 6,449,764</u> |

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

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.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 1: Summary of Significant Accounting Policies - continued

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

- **Basis of Presentation**

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements. The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

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.

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 1: Summary of Significant Accounting Policies - continued

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 to expenditures for specified purposes.

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

Capital Projects Funds. These funds account for financial resources to be used for the acquisition or construction of major capital facilities.

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. 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 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.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 1: Summary of Significant Accounting Policies - continued

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.

C. Assets, Liabilities, and Net Assets or Equity

- Cash and Cash Equivalents

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

- Property Taxes

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

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

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 1: Summary of Significant Accounting Policies - continued

- Inventories and Prepaid Items

Inventory is valued at cost utilizing the first-in, first-out cost method. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time the inventory items are used. Reported inventories are offset by a reservation of fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In the fund financial statements, they are offset by a reservation of 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.

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

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 1: Summary of Significant Accounting Policies - continued

- 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 one year. 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.

- 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 of the government-wide statement of net assets.

- Use of Estimates

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 1: Summary of Significant Accounting Policies - continued

- Long-term Obligations

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

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

- Deferred Revenues

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

- Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties of use for a specific purpose. Fund reservations include encumbrances, debt service, inventories and prepaids.

- 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:

- Graffiti Eradication
- Child Abuse Prevention
- Probate Continuing Education
- County Clerk/District Clerk Technology
- District Attorney Crime Victim
- Sheriff Office Commissary
- District Attorney Federal Forfeiture Fund

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

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.

A. Cash Deposits:

At September 30, 2010, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$11,320,725 and the bank balance was \$11,502,918. The County's cash deposits at September 30, 2010, were entirely covered by FDIC insurance or by pledged collateral held by the County's bank in the County's name.

B. 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, 2010 are shown below.

| <u>Investment or Investment Type</u> | <u>Weighted Average Maturity (Days)</u> | <u>Fair Value</u> | <u>Rating</u> |
|--------------------------------------|-------------------------------------------------|----------------------|---------------|
| Texpool | 34 | \$ 4,190,619 | AAAm |
| Texpool Prime | 30 | 19,851,913 | AAAm |
| Money Market Investments | N/A | <u>1,002,514</u> | Non-rated |
| Total investments | | <u>\$ 25,045,046</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, 2010

Note 2: Deposits and Investments - continued

B. Investments - continued:

The County has investments with the following public funds investment pools as of September 30, 2010:

Texas Local Government Investment Pool (Texpool & Texpool Prime) – The State Comptroller of Public Accounts exercises oversight responsibility over Texpool. Oversight includes the ability to significantly influence operations, designations of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in Texpool and other persons who do not have a business relationship with Texpool. The Advisory Board members review the investment policy and management fee structure.

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, 2010

Note 2: Deposits and Investments - continued

E. Public Funds Investment Pools:

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

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

Note 3: Receivables

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

| | Governmental | | Proprietary | Fiduciary |
|------------------------------------|--------------|-----------------------|-------------|------------|
| | General | Other | Internal | Agency |
| | Fund | Governmental Funds | Service | |
| Receivables | | | | |
| Taxes | \$ 2,161,884 | \$ 143,891 | \$ | \$ |
| Fines, fees, and court costs | 36,351,104 | | | |
| Other | 1,260,730 | 53,045 | 128,382 | 108,387 |
| Total gross receivables | 39,773,718 | 196,936 | 128,382 | 108,387 |
| Less: Allowance for uncollectibles | | | | |
| Taxes | (1,180,920) | (78,600) | | |
| Fines, fees, and court costs | (35,289,182) | | | |
| Net total receivables | \$ 3,303,616 | \$ 118,336 | \$ 128,382 | \$ 108,387 |

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

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.

The County leases two properties for office space for a term of seventeen months beginning June 2010 and ending October 2011. The combined monthly lease for these properties is \$2,758.

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

| | | |
|-----------------------------|----|----------------|
| Year ending September 30, | | |
| 2011 | \$ | 122,646 |
| 2012 | | 92,308 |
| 2013 | | 89,550 |
| 2014 | | 89,550 |
| 2015 | | <u>52,238</u> |
| Total minimum rental | \$ | <u>446,292</u> |
| Rental expenditures in 2010 | \$ | <u>164,903</u> |

Note 5: Capital Assets

Capital asset activity for the period ended September 30, 2010 was as follows:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|---------------------------------------------|-------------------------------|---------------------|--------------------|----------------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 5,019,608 | \$ | \$ | \$ 5,019,608 |
| Construction in progress | 2,346,334 | 6,224,432 | | 8,570,766 |
| Equipment not yet placed in service | | <u>152,128</u> | | <u>152,128</u> |
| Total capital assets not being depreciated | 7,365,942 | 6,376,560 | - | 13,742,502 |
| Capital assets being depreciated | | | | |
| Streets and bridges | 35,967,516 | 335,664 | | 36,303,180 |
| Buildings and improvements | 52,636,766 | 205,553 | | 52,842,319 |
| Furniture and equipment | 8,592,682 | 1,268,784 | (186,886) | 9,674,580 |
| Equipment under capital lease | <u>459,258</u> | | <u>(459,258)</u> | |
| Total capital assets being depreciated | 97,656,222 | 1,810,001 | (646,144) | 98,820,079 |
| Less accumulated depreciation for: | | | | |
| Streets and bridges | (20,467,377) | (1,190,088) | | (21,657,465) |
| Buildings and improvements | (19,378,964) | (1,129,312) | | (20,508,276) |
| Furniture and equipment | (5,678,572) | (1,141,709) | 155,954 | (6,664,327) |
| Equipment under capital lease | <u>(459,258)</u> | | <u>459,258</u> | |
| Total accumulated depreciation | (45,984,171) | (3,461,109) | 615,212 | (48,830,068) |
| Total capital assets being depreciated, net | <u>51,672,051</u> | <u>(1,651,108)</u> | <u>(30,932)</u> | <u>49,990,011</u> |
| Governmental activities capital assets, net | \$ <u>59,037,993</u> | \$ <u>4,725,452</u> | \$ <u>(30,932)</u> | \$ <u>63,732,513</u> |

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 5: Capital Assets - continued

Depreciation was charged to functions as follows:

| | |
|----------------------------|---------------------|
| General administrative | \$ 88,233 |
| Road and bridge | 1,366,396 |
| Facilities maintenance | 863,961 |
| Judicial | 48,517 |
| Public safety | 370,920 |
| Correctional | <u>209,575</u> |
| Total depreciation expense | <u>\$ 2,947,602</u> |

Note 6: Interfund Balances and Activity

A. Due to and from Other Funds

Balances due to and due from other funds at September 30, 2010, 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 | \$ 60 | Short-term loans |
| | Total | <u>\$ 60</u> | |

All amounts due are scheduled to be repaid within one year.

B. Transfers to and from Other Funds

Transfers to and from other funds at September 30, 2010, consisted of the following:

| <u>Transfers from</u> | <u>Transfers to</u> | <u>Amount</u> | <u>Purpose</u> |
|--------------------------|--------------------------|---------------------|--------------------------------|
| General fund | Courthouse preservation | \$ 2,000,000 | Supplement other funds sources |
| General fund | Other governmental funds | 1,255,725 | Supplement other funds sources |
| Other governmental funds | General fund | 24,300 | Supplement other funds sources |
| Other governmental funds | Other governmental funds | <u>5,266</u> | Supplement other funds sources |
| | Total | <u>\$ 3,285,291</u> | |

Note 7: 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.

A. 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.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 7: Long-Term Obligations - continued

A. Bonds - continued:

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 following are general obligation bond issues outstanding at September 30, 2010:

| | <u>Interest rates</u> | <u>Date of issue</u> | <u>Date of Maturity</u> | <u>Bonds Outstanding</u> |
|-------------------------------------|---------------------------|--------------------------|-----------------------------|------------------------------|
| Certificates of obligation | 3.20 - 3.75 | 2003 | 2018 | \$ 7,770,000 |
| General obligation, refunding bonds | 3.50 | 2008 | 2014 | <u>6,095,000</u> |
| Total general obligations debt | | | | <u>\$ 13,865,000</u> |

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

| Year Ending September 30, | <u>Governmental Activities</u> | | |
|---------------------------|--------------------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2011 | \$ 1,595,000 | \$ 462,956 | \$ 2,057,956 |
| 2012 | 1,650,000 | 406,168 | 2,056,168 |
| 2013 | 1,710,000 | 347,368 | 2,057,368 |
| 2014 | 1,765,000 | 287,493 | 2,052,493 |
| 2015 | 1,895,000 | 226,275 | 2,121,275 |
| 2016-2018 | <u>5,250,000</u> | <u>263,644</u> | <u>5,513,644</u> |
| Totals | <u>\$ 13,865,000</u> | <u>\$ 1,993,904</u> | <u>\$ 15,858,904</u> |

B. 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, 2010, 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 | \$ 15,405,000 | \$ - | \$ 1,540,000 | \$ 13,865,000 | \$ 1,595,000 |
| Total bonds payable | <u>15,405,000</u> | <u>-</u> | <u>1,540,000</u> | <u>13,865,000</u> | <u>1,595,000</u> |
| Compensated absences | 1,023,350 | 1,124,652 | 1,093,963 | 1,054,039 | 210,808 |
| OPEB liability | 130,197 | 252,018 | 56,212 | 326,003 | |
| Unamortized bond premium | <u>150,546</u> | <u>-</u> | <u>29,637</u> | <u>120,909</u> | <u>29,637</u> |
| Total Governmental Activities | <u>\$ 16,709,093</u> | <u>\$ 1,376,670</u> | <u>\$ 2,719,812</u> | <u>\$ 15,365,951</u> | <u>\$ 1,835,445</u> |

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 8: 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.

Note 9: Pension Plan

A. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (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 602 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.

B. 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 9.95% for the months of the accounting year in 2009, and 11.03% for the months of the accounting year in 2010.

The contribution rate payable by the employee members for fiscal year 2010 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.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 9: Pension Plan - continued

C. Annual Pension Cost

For the County's accounting year ended September 30, 2010, the annual pension cost for the TCDRS plan for its employees was \$2,293,165 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, 2008, and December 31, 2009, the basis for determining the contribution rates for calendar years 2009 and 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

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

| <u>Fiscal</u> <u>Year Ending</u> | <u>Annual</u> <u>Pension</u> <u>Cost (APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net</u> <u>Pension</u> <u>Obligation</u> |
|-------------------------------------|------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|
| 9/30/08 | \$2,029,987 | 100% | - |
| 9/30/09 | 2,114,898 | 100% | - |
| 9/30/10 | 2,293,165 | 100% | - |

Actuarial Valuation Information

| | | | |
|------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Actuarial valuation date | 12/31/07 | 12/31/08 | 12/31/09 |
| 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 | 15 | 20 | 20 |
| Asset valuation method | SAF: 10 year smooth value ESF: Fund value | SAF: 10 year smooth value ESF: Fund value | SAF: 10 year smooth value ESF: Fund value |
| Actuarial assumptions: | | | |
| Investment return* | 8.00% | 8.00% | 8.00% |
| Projected salary increases* | 5.30% | 5.30% | 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, 2010

Note 9: Pension Plan - continued

D. Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the plan was 85.76% funded. The actuarial accrued liability for benefits was \$83,020,890, and the actuarial value of assets was \$71,195,120, resulting in an unfunded actuarial accrued liability of \$11,825,770. The covered payroll (annual payroll of active employees covered by the plan) was \$25,394,759, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 46.57%.

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 \$508 per month, per employee. The County's liability is limited to \$160,000 per covered person per year (after the first claim of \$190,000) and an aggregate limit of \$4,570,000 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, 2008 | \$ 233,450 | \$ 3,126,029 | \$ (3,255,386) | \$ 104,093 |
| September 30, 2009 | 104,093 | 2,949,761 | (2,924,154) | 129,700 |
| September 30, 2010 | 129,700 | 3,703,992 | (3,645,175) | 188,517 |

100% of claims and judgments are due within one year of September 30, 2010. 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, 2010

Note 11: Commitments and Contingencies

A. 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.

B. 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: Reserved and Designated Fund Balance and Restricted Net Assets

The County records two general types of reserves. One type is to indicate that a portion of the fund balance is legally segregated for a specific future use. The second type of reserve is to indicate that a portion of the fund balance is not appropriable for expenditures. The County has reserved part of its fund balance as described below:

The General Fund balance has been reserved for prepaid expenditures and inventory to segregate a portion of fund balance to indicate that prepaid items and inventory do not represent available, spendable resources even though it is a component of assets.

The General Fund balance and portions of the Capital Projects Fund balance, DA Federal Forfeiture Fund balance, Law Enforcement Grants Fund balance and Sheriff Office Forfeiture Fund balance have been reserved for encumbrances to segregate a portion of fund balance for the County's end of year outstanding encumbrances provided for in the subsequent year's budget.

The Debt Service Fund balance has been reserved for the payment of long-term debt principal and interest amounts maturing in future years.

The Internal Service Fund net assets have been restricted as have all resources of this fund for the payment of employee's future medical claims. The restriction was established to satisfy legal restrictions imposed by a contract with a private insurance carrier.

The County has designated part of its fund balances for specific future expenditures, as described below:

A portion of the Courthouse Preservation Fund balance and Capital Projects Fund balance has been designated for specific construction projects.

Special Revenue Fund balances have been designated for expenditures of specified purposes determined by individual special revenue fund sources.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 13: Construction Commitments

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$8,261,000 with an expected completion date of November 2011 for governmental fund types.

Note 14: 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 15: Other Postemployment Benefits

A. 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, 2010, 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.

B. 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 2010, the County paid claims of \$200,688 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 \$144,476 through their required contribution of \$554 per month for retiree-only coverage and \$686 for retiree and spouse coverage.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 15: Other Postemployment Benefits - continued

C. 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 County had its first OPEB valuation performed for the fiscal year ending September 30, 2009 as required by GASB 45. The County has elected to obtain an actuarial valuation on a biennial basis in accordance with the requirements of GASB 45. 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 | \$ | 252,018 |
| Interest on net OPEB obligation | | - |
| Adjustment to annual required contribution | | - |
| Annual OPEB cost (expense) | | 252,018 |
| | | |
| Contributions made | | (56,212) |
| Increase in net OPEB obligation | | 195,806 |
| | | |
| Net OPEB obligation - beginning of year | | 130,197 |
| Net OPEB obligation - end of year | \$ | 326,003 |

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

| For the Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|--------------------|---------------------|--------------------------------------------------|------------------------|
| September 30, 2008 | \$ - | - % | \$ - |
| September 30, 2009 | 252,018 | 48.3 | 130,197 |
| September 30, 2010 | 252,018 | 22.3 | 326,003 |

D. Funded Status and Funding Progress

The funded status of the plan, under GASB Statement No. 45 as of September 30, 2010 is as follows:

| Actuarial Valuation Date as of October 1 | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b-a)/c |
|---------------------------------------------------|----------------------------------------|---------------------------------------------------|------------------------------------|--------------------------|---------------------------|-------------------------------------------------------------|
| 2008 | \$ - | \$ 2,303,355 | \$ 2,303,355 | 0.0% | \$ 21,128,711 | 10.9% |

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

Note 15: Other Postemployment Benefits - continued

D. 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.

E. 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, 2008 actuarial valuation, the most recent actuarial valuation date, the following significant methods and assumptions were used:

| | |
|---------------------------------------------------|-----------------------------------|
| Actuarial cost method | Unit credit actuarial cost method |
| Amortization method | Level dollar, closed |
| Amortization period | 30 years |
| Investment rate of return | 4.0 % |
| Health care cost trend rate | 6.8 % |
| Ultimate health care cost trend rate | 4.5 % |
| Year ultimate health care cost trend rate reached | 2096 |

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2010

NOTE 16: Recent Accounting Pronouncements

GASB No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”

In March 2009, the Governmental Accounting Standards Board issued GASB No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB No. 54). The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. Fund balance reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented.

Other Recent Accounting Pronouncements

It is not expected that other recently issued accounting pronouncements will have a significant effect on the County’s 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, 2010

Exhibit B-1
 Page 1 of 11

| | 2010 | | | Variance from Final Budget |
|-------------------------------|--------------------|-------------------|-------------------|----------------------------------|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Taxes | \$ 35,169,861 | \$ 35,169,861 | \$ 35,303,453 | \$ 133,592 |
| License and fees | 4,054,700 | 4,054,700 | 4,025,318 | (29,382) |
| Intergovernmental | 1,368,928 | 1,575,140 | 1,661,383 | 86,243 |
| Fines and forfeitures | 1,436,500 | 1,436,500 | 1,410,844 | (25,656) |
| Rents and recoveries | 861,540 | 865,090 | 882,253 | 17,163 |
| Investment earnings | 300,500 | 300,500 | 151,763 | (148,737) |
| Miscellaneous | 160,700 | 182,998 | 632,911 | 449,913 |
| Total revenues | 43,352,729 | 43,584,789 | 44,067,925 | 483,136 |
| EXPENDITURES | | | | |
| General administrative | | | | |
| Current: | | | | |
| County judge | | | | |
| Salaries and fringe benefits | 177,458 | 177,458 | 176,865 | 593 |
| Travel | 4,000 | 4,000 | - | 4,000 |
| Contract services | 5,500 | 5,500 | 1,445 | 4,055 |
| General operations | 3,450 | 3,450 | 1,952 | 1,498 |
| Equipment/vehicle maintenance | 1,050 | 1,050 | 413 | 637 |
| | <u>191,458</u> | <u>191,458</u> | <u>180,675</u> | <u>10,783</u> |
| County commissioners | | | | |
| Salaries and fringe benefits | 181,064 | 181,064 | 174,853 | 6,211 |
| Travel | 12,000 | 12,000 | 4,227 | 7,773 |
| General operations | 4,675 | 4,675 | 1,845 | 2,830 |
| Equipment/vehicle maintenance | 900 | 900 | - | 900 |
| | <u>198,639</u> | <u>198,639</u> | <u>180,925</u> | <u>17,714</u> |
| Human resources | | | | |
| Salaries and fringe benefits | 208,650 | 208,650 | 202,172 | 6,478 |
| Travel | 3,500 | 3,500 | 1,509 | 1,991 |
| General operations | 9,780 | 9,780 | 4,967 | 4,813 |
| Equipment/vehicle maintenance | 6,240 | 6,240 | 3,188 | 3,052 |
| | <u>228,170</u> | <u>228,170</u> | <u>211,836</u> | <u>16,334</u> |
| Information technology | | | | |
| Salaries and fringe benefits | 493,554 | 493,554 | 465,582 | 27,972 |
| Travel | 7,000 | 7,000 | - | 7,000 |
| Contract services | 83,300 | 83,300 | 82,331 | 969 |
| General operations | 85,012 | 159,512 | 120,063 | 39,449 |
| Equipment/vehicle maintenance | 13,500 | 13,500 | 366 | 13,134 |
| | <u>682,366</u> | <u>756,866</u> | <u>668,342</u> | <u>88,524</u> |

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2010

Exhibit B-1
Page 2 of 11

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|-------------------------------------------|--------------------|------------------|------------------|----------------------------------|
| Information and records management | | | | |
| Salaries and fringe benefits | \$ 338,345 | \$ 338,345 | \$ 336,893 | \$ 1,452 |
| Travel | 3,890 | 3,890 | 3,028 | 862 |
| Contract services | 6,300 | 6,300 | 5,985 | 315 |
| General operations | 30,170 | 33,720 | 22,377 | 11,343 |
| Equipment/vehicle maintenance | 1,775 | 1,775 | 536 | 1,239 |
| | <u>380,480</u> | <u>384,030</u> | <u>368,819</u> | <u>15,211</u> |
| General administrative | | | | |
| Contract services | 530,000 | 525,000 | 474,870 | 50,130 |
| General operations | 45,500 | 45,500 | 19,598 | 25,902 |
| Equipment/vehicle maintenance | 180,000 | 85,846 | 74,805 | 11,041 |
| Miscellaneous | 850,000 | 539,816 | 481,459 | 58,357 |
| | <u>1,605,500</u> | <u>1,196,162</u> | <u>1,050,732</u> | <u>145,430</u> |
| County auditor | | | | |
| Salaries and fringe benefits | 418,807 | 418,807 | 411,487 | 7,320 |
| Travel | 9,000 | 9,000 | 3,746 | 5,254 |
| Contract services | 63,000 | 63,000 | 60,000 | 3,000 |
| General operations | 8,200 | 8,200 | 6,420 | 1,780 |
| Equipment/vehicle maintenance | 1,000 | 1,000 | 519 | 481 |
| | <u>500,007</u> | <u>500,007</u> | <u>482,172</u> | <u>17,835</u> |
| County treasurer | | | | |
| Salaries and fringe benefits | 168,950 | 168,950 | 168,254 | 696 |
| Travel | 5,000 | 5,000 | 3,734 | 1,266 |
| General operations | 12,925 | 12,925 | 10,432 | 2,493 |
| Equipment/vehicle maintenance | 1,000 | 1,000 | 767 | 233 |
| | <u>187,875</u> | <u>187,875</u> | <u>183,187</u> | <u>4,688</u> |
| Purchasing agent | | | | |
| Salaries and fringe benefits | 334,822 | 334,822 | 304,044 | 30,778 |
| Travel | 9,200 | 9,200 | 5,138 | 4,062 |
| General operations | 15,800 | 15,800 | 5,318 | 10,482 |
| Equipment/vehicle maintenance | 4,900 | 4,900 | 3,573 | 1,327 |
| | <u>364,722</u> | <u>364,722</u> | <u>318,073</u> | <u>46,649</u> |
| Collections | | | | |
| Salaries and fringe benefits | 137,522 | 137,522 | 136,533 | 989 |
| Travel | 3,000 | 3,000 | 1,058 | 1,942 |
| General operations | 21,050 | 21,050 | 17,128 | 3,922 |
| Equipment/vehicle maintenance | 4,000 | 4,000 | 917 | 3,083 |
| | <u>165,572</u> | <u>165,572</u> | <u>155,636</u> | <u>9,936</u> |

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2010

Exhibit B-1
Page 3 of 11

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|------------------------------------------|--------------------|------------------|------------------|----------------------------------|
| Tax assessor/collector | | | | |
| Salaries and fringe benefits | \$ 959,778 | \$ 959,778 | \$ 904,493 | \$ 55,285 |
| Travel | 9,000 | 9,000 | 4,869 | 4,131 |
| Contract services | 17,000 | 22,000 | 20,142 | 1,858 |
| General operations | 120,500 | 115,000 | 71,174 | 43,826 |
| Equipment/vehicle maintenance | 4,000 | 4,500 | 4,517 | (17) |
| | <u>1,110,278</u> | <u>1,110,278</u> | <u>1,005,195</u> | <u>105,083</u> |
| Total general administrative | <u>5,615,067</u> | <u>5,283,779</u> | <u>4,805,592</u> | <u>478,187</u> |
| Facilities maintenance | | | | |
| Facilities maintenance department | | | | |
| Salaries and fringe benefits | 1,164,536 | 1,164,536 | 1,115,971 | 48,565 |
| Travel | 19,050 | 19,050 | 12,399 | 6,651 |
| General operations | 46,400 | 50,400 | 48,346 | 2,054 |
| Equipment/vehicle maintenance | 20,750 | 20,750 | 12,341 | 8,409 |
| | <u>1,250,736</u> | <u>1,254,736</u> | <u>1,189,057</u> | <u>65,679</u> |
| Courthouse | | | | |
| Building repair/maintenance | 148,150 | 127,150 | 15,316 | 111,834 |
| | <u>148,150</u> | <u>127,150</u> | <u>15,316</u> | <u>111,834</u> |
| Courts building | | | | |
| General operations | 4,500 | 4,500 | - | 4,500 |
| Building repair/maintenance | 367,400 | 868,775 | 465,694 | 403,081 |
| | <u>371,900</u> | <u>873,275</u> | <u>465,694</u> | <u>407,581</u> |
| Library building | | | | |
| Building repair/maintenance | 11,600 | 86,600 | 15,570 | 71,030 |
| | <u>11,600</u> | <u>86,600</u> | <u>15,570</u> | <u>71,030</u> |
| Extension service building | | | | |
| Building repair/maintenance | 16,200 | 16,200 | 10,729 | 5,471 |
| | <u>16,200</u> | <u>16,200</u> | <u>10,729</u> | <u>5,471</u> |
| React building | | | | |
| Building repair/maintenance | 6,250 | 6,250 | 1,187 | 5,063 |
| | <u>6,250</u> | <u>6,250</u> | <u>1,187</u> | <u>5,063</u> |
| Forensic science lab | | | | |
| Building repair/maintenance | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Santa Fe building | | | | |
| Building repair/maintenance | 678,503 | 678,503 | 417,595 | 260,908 |
| | <u>678,503</u> | <u>678,503</u> | <u>417,595</u> | <u>260,908</u> |

POTTER COUNTY, TEXAS
 General Fund
 Budgetary Comparison Schedule - continued
 For the Year Ended September 30, 2010

Exhibit B-1
 Page 4 of 11

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|-------------------------------|--------------------|------------------|------------------|----------------------------------|
| Baseball Stadium | | | | |
| Building repair/maintenance | \$ 16,000 | \$ 16,000 | \$ 9,337 | \$ 6,663 |
| | <u>16,000</u> | <u>16,000</u> | <u>9,337</u> | <u>6,663</u> |
| JP#3 Office | | | | |
| Building repair/maintenance | 19,620 | 19,620 | 12,558 | 7,062 |
| | <u>19,620</u> | <u>19,620</u> | <u>12,558</u> | <u>7,062</u> |
| Leased Buildings (Lessor) | | | | |
| Building repair/maintenance | 69,136 | 69,136 | - | 69,136 |
| | <u>69,136</u> | <u>69,136</u> | <u>-</u> | <u>69,136</u> |
| Bowie Annex | | | | |
| Building repair/maintenance | 55,800 | 55,800 | 16,271 | 39,529 |
| | <u>55,800</u> | <u>55,800</u> | <u>16,271</u> | <u>39,529</u> |
| Storage & Utility Building | | | | |
| Building repair/maintenance | 1,374 | 1,374 | - | 1,374 |
| | <u>1,374</u> | <u>1,374</u> | <u>-</u> | <u>1,374</u> |
| Leased Building (Lessee) | | | | |
| Building repair/maintenance | 42,126 | 42,126 | 36,181 | 5,945 |
| | <u>42,126</u> | <u>42,126</u> | <u>36,181</u> | <u>5,945</u> |
| Total facilities maintenance | <u>2,687,395</u> | <u>3,246,770</u> | <u>2,189,495</u> | <u>1,057,275</u> |
| Election administration | | | | |
| Elections | | | | |
| Salaries and fringe benefits | 283,362 | 283,362 | 235,377 | 47,985 |
| Travel | 3,500 | 3,500 | 1,671 | 1,829 |
| Contract services | 30,000 | 30,000 | 22,854 | 7,146 |
| General operations | 51,000 | 51,000 | 25,009 | 25,991 |
| Equipment/vehicle maintenance | 3,000 | 3,000 | 391 | 2,609 |
| | <u>370,862</u> | <u>370,862</u> | <u>285,302</u> | <u>85,560</u> |
| Voter registration | | | | |
| Travel | 3,000 | 3,000 | 2,829 | 171 |
| General operations | 50,600 | 50,600 | 22,698 | 27,902 |
| | <u>53,600</u> | <u>53,600</u> | <u>25,527</u> | <u>28,073</u> |
| Total election administration | <u>424,462</u> | <u>424,462</u> | <u>310,829</u> | <u>113,633</u> |
| Judicial | | | | |
| County clerk | | | | |
| Salaries and fringe benefits | 833,065 | 833,065 | 785,841 | 47,224 |
| Travel | 4,000 | 4,000 | 2,020 | 1,980 |
| Contract services | 10,000 | 10,000 | - | 10,000 |
| General operations | 55,950 | 55,950 | 38,333 | 17,617 |
| Equipment/vehicle maintenance | 20,000 | 20,000 | 8,800 | 11,200 |
| | <u>923,015</u> | <u>923,015</u> | <u>834,994</u> | <u>88,021</u> |

POTTER COUNTY, TEXAS
 General Fund
 Budgetary Comparison Schedule - continued
 For the Year Ended September 30, 2010

Exhibit B-1
 Page 5 of 11

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|-------------------------------|--------------------|------------------|----------------|----------------------------------|
| District clerk | | | | |
| Salaries and fringe benefits | \$ 952,439 | \$ 952,439 | \$ 908,856 | \$ 43,583 |
| Travel | 5,000 | 5,000 | 3,607 | 1,393 |
| Contract services | 18,500 | 18,500 | 8,646 | 9,854 |
| General operations | 64,450 | 64,450 | 44,689 | 19,761 |
| Equipment/vehicle maintenance | 10,000 | 10,000 | 6,286 | 3,714 |
| Miscellaneous | 4,125 | 4,125 | 1,697 | 2,428 |
| | <u>1,054,514</u> | <u>1,054,514</u> | <u>973,781</u> | <u>80,733</u> |
| Court of appeals | | | | |
| Salaries and fringe benefits | 9,870 | 9,870 | 9,851 | 19 |
| | <u>9,870</u> | <u>9,870</u> | <u>9,851</u> | <u>19</u> |
| 47th district court | | | | |
| Salaries and fringe benefits | 259,803 | 259,803 | 240,217 | 19,586 |
| Travel | 10,650 | 10,650 | 4,733 | 5,917 |
| Contract services | 3,000 | 3,000 | 540 | 2,460 |
| General operations | 15,500 | 15,500 | 10,947 | 4,553 |
| Equipment/vehicle maintenance | 3,000 | 3,000 | 855 | 2,145 |
| | <u>291,953</u> | <u>291,953</u> | <u>257,292</u> | <u>34,661</u> |
| 108th district court | | | | |
| Salaries and fringe benefits | 271,840 | 271,840 | 262,994 | 8,846 |
| Travel | 10,250 | 10,250 | 7,719 | 2,531 |
| Contract services | 3,000 | 3,000 | 3,045 | (45) |
| General operations | 12,200 | 13,450 | 11,418 | 2,032 |
| Equipment/vehicle maintenance | 1,100 | 1,400 | 1,326 | 74 |
| | <u>298,390</u> | <u>299,940</u> | <u>286,502</u> | <u>13,438</u> |
| 181st district court | | | | |
| Salaries and fringe benefits | 255,972 | 255,972 | 250,120 | 5,852 |
| Travel | 10,250 | 10,250 | 2,039 | 8,211 |
| Contract services | 5,000 | 5,000 | 3,346 | 1,654 |
| General operations | 10,238 | 10,238 | 5,744 | 4,494 |
| Equipment/vehicle maintenance | 800 | 800 | 568 | 232 |
| | <u>282,260</u> | <u>282,260</u> | <u>261,817</u> | <u>20,443</u> |
| 251st district court | | | | |
| Salaries and fringe benefits | 256,678 | 256,678 | 244,768 | 11,910 |
| Travel | 10,250 | 10,250 | 1,465 | 8,785 |
| Contract services | 2,000 | 7,000 | 5,135 | 1,865 |
| General operations | 12,700 | 12,700 | 4,303 | 8,397 |
| Equipment/vehicle maintenance | 1,200 | 1,200 | 726 | 474 |
| | <u>282,828</u> | <u>287,828</u> | <u>256,397</u> | <u>31,431</u> |

POTTER COUNTY, TEXAS
 General Fund
 Budgetary Comparison Schedule - continued
 For the Year Ended September 30, 2010

Exhibit B-1
 Page 6 of 11

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|------------------------------------------|--------------------|-----------------|----------------|----------------------------------|
| 320th district court | | | | |
| Salaries and fringe benefits | \$ 271,978 | \$ 271,978 | \$ 265,287 | \$ 6,691 |
| Travel | 12,250 | 12,250 | 4,233 | 8,017 |
| Contract services | 4,500 | 4,500 | 1,446 | 3,054 |
| General operations | 11,050 | 12,136 | 7,855 | 4,281 |
| Equipment/vehicle maintenance | 1,600 | 1,600 | 1,117 | 483 |
| | <u>301,378</u> | <u>302,464</u> | <u>279,938</u> | <u>22,526</u> |
| County court at law #1 | | | | |
| Salaries and fringe benefits | 460,778 | 460,778 | 457,866 | 2,912 |
| Travel | 9,250 | 9,250 | 3,123 | 6,127 |
| Contract services | 3,500 | 3,500 | 1,829 | 1,671 |
| General operations | 8,150 | 8,150 | 3,787 | 4,363 |
| Equipment/vehicle maintenance | 1,000 | 1,000 | 248 | 752 |
| | <u>482,678</u> | <u>482,678</u> | <u>466,853</u> | <u>15,825</u> |
| County court at law #2 | | | | |
| Salaries and fringe benefits | 458,832 | 458,832 | 412,229 | 46,603 |
| Travel | 9,650 | 7,550 | 1,343 | 6,207 |
| Contract services | 3,500 | 3,500 | 1,568 | 1,932 |
| General operations | 6,650 | 10,300 | 9,897 | 403 |
| Equipment/vehicle maintenance | 300 | 300 | 169 | 131 |
| | <u>478,932</u> | <u>480,482</u> | <u>425,206</u> | <u>55,276</u> |
| Justice of the Peace, precinct #1 | | | | |
| Salaries and fringe benefits | 214,730 | 214,730 | 195,199 | 19,531 |
| Travel | 3,500 | 3,500 | 1,028 | 2,472 |
| Contract services | 500 | 500 | - | 500 |
| General operations | 13,600 | 13,400 | 10,147 | 3,253 |
| Equipment/vehicle maintenance | 1,500 | 1,700 | 1,643 | 57 |
| | <u>233,830</u> | <u>233,830</u> | <u>208,017</u> | <u>25,813</u> |
| Justice of the Peace, precinct #2 | | | | |
| Salaries and fringe benefits | 168,841 | 168,841 | 168,273 | 568 |
| Travel | 3,500 | 3,635 | 3,633 | 2 |
| General operations | 18,000 | 18,000 | 10,697 | 7,303 |
| Equipment/vehicle maintenance | 1,500 | 1,365 | 204 | 1,161 |
| | <u>191,841</u> | <u>191,841</u> | <u>182,807</u> | <u>9,034</u> |
| Justice of the Peace, precinct #3 | | | | |
| Salaries and fringe benefits | 210,329 | 210,329 | 175,391 | 34,938 |
| Travel | 3,500 | 3,500 | 3,457 | 43 |
| Contract services | 500 | 500 | 35.00 | 465 |
| General operations | 18,900 | 18,900 | 9,303 | 9,597 |
| Equipment/vehicle maintenance | 1,500 | 1,500 | 1,531 | (31) |
| | <u>234,729</u> | <u>234,729</u> | <u>189,717</u> | <u>45,012</u> |

POTTER COUNTY, TEXAS
 General Fund
 Budgetary Comparison Schedule - continued
 For the Year Ended September 30, 2010

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|------------------------------------------|--------------------|-------------------|-------------------|----------------------------------|
| Justice of the Peace, precinct #4 | | | | |
| Salaries and fringe benefits | \$ 168,841 | \$ 168,841 | \$ 167,629 | \$ 1,212 |
| Travel | 3,500 | 3,560 | 3,557 | 3 |
| General operations | 12,100 | 12,100 | 8,558 | 3,542 |
| Equipment/vehicle maintenance | 600 | 540 | 331 | 209 |
| | <u>185,041</u> | <u>185,041</u> | <u>180,075</u> | <u>4,966</u> |
| Jury and jury related | | | | |
| Salaries and fringe benefits | 161,871 | 161,871 | 157,389 | 4,482 |
| Travel | 2,000 | 2,000 | - | 2,000 |
| Contract services | 186,300 | 186,300 | 125,955 | 60,345 |
| General operations | 52,000 | 52,000 | 34,301 | 17,699 |
| Equipment/vehicle maintenance | 5,800 | 5,800 | 4,544 | 1,256 |
| | <u>407,971</u> | <u>407,971</u> | <u>322,189</u> | <u>85,782</u> |
| County attorney | | | | |
| Salaries and fringe benefits | 1,910,908 | 1,917,775 | 1,846,615 | 71,160 |
| Travel | 39,210 | 47,613 | 26,813 | 20,800 |
| Contract services | 21,750 | 21,750 | 9,159 | 12,591 |
| General operations | 79,250 | 93,250 | 71,213 | 22,037 |
| Equipment/vehicle maintenance | 20,000 | 21,000 | 21,842 | (842) |
| | <u>2,071,118</u> | <u>2,101,388</u> | <u>1,975,642</u> | <u>125,746</u> |
| District attorney | | | | |
| Salaries and fringe benefits | 2,449,148 | 2,449,148 | 2,312,464 | 136,684 |
| Travel | 25,000 | 28,788 | 17,348 | 11,440 |
| Contract services | 121,500 | 121,500 | 115,073 | 6,427 |
| General operations | 78,820 | 72,945 | 45,127 | 27,818 |
| Equipment/vehicle maintenance | 10,400 | 14,900 | 13,990 | 910 |
| | <u>2,684,868</u> | <u>2,687,281</u> | <u>2,504,002</u> | <u>183,279</u> |
| General judicial | | | | |
| Salaries and fringe benefits | 12,091 | 17,591 | 14,602 | 2,989 |
| Travel | 5,000 | 5,000 | 2,008 | 2,992 |
| Contract services | 2,123,000 | 2,118,000 | 1,830,275 | 287,725 |
| General operations | 77,100 | 77,172 | 80,018 | (2,846) |
| Prisoner care | 5,000 | 5,000 | 1,382 | 3,618 |
| Miscellaneous | 725,368 | 725,368 | 171,008 | 554,360 |
| | <u>2,947,559</u> | <u>2,948,131</u> | <u>2,099,293</u> | <u>848,838</u> |
| Indigent defense | | | | |
| Salaries and fringe benefits | 45,269 | 45,269 | 45,142 | 127 |
| General operations | 1,000 | 1,000 | 742 | 258 |
| Equipment/vehicle maintenance | 3,000 | 3,000 | 134 | 2,866 |
| | <u>49,269</u> | <u>49,269</u> | <u>46,018</u> | <u>3,251</u> |
| Total judicial | <u>13,412,044</u> | <u>13,454,485</u> | <u>11,760,391</u> | <u>1,694,094</u> |

POTTER COUNTY, TEXAS
 General Fund
 Budgetary Comparison Schedule - continued
 For the Year Ended September 30, 2010

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|-------------------------------|--------------------|------------------|------------------|----------------------------------|
| Public safety | | | | |
| Forensic science lab | | | | |
| Contract services | \$ 325,000 | \$ 325,000 | \$ 317,483 | \$ 7,517 |
| General operations | 1,400 | 1,400 | 64 | 1,336 |
| | <u>326,400</u> | <u>326,400</u> | <u>317,547</u> | <u>8,853</u> |
| Constable, precinct #1 | | | | |
| Salaries and fringe benefits | 59,674 | 59,674 | 58,796 | 878 |
| Travel | 1,500 | 3,109 | 2,493 | 616 |
| General operations | 4,195 | 4,195 | - | 4,195 |
| Equipment/vehicle maintenance | 4,100 | 4,100 | 3,379 | 721 |
| | <u>69,469</u> | <u>71,078</u> | <u>64,668</u> | <u>6,410</u> |
| Constable, precinct #2 | | | | |
| Salaries and fringe benefits | 59,674 | 59,674 | 59,101 | 573 |
| Travel | 1,500 | 1,500 | 1,491 | 9 |
| General operations | 2,195 | 2,195 | 633 | 1,562 |
| Equipment/vehicle maintenance | 2,100 | 2,100 | 1,662 | 438 |
| | <u>65,469</u> | <u>65,469</u> | <u>62,887</u> | <u>2,582</u> |
| Constable, precinct #3 | | | | |
| Salaries and fringe benefits | 22,994 | 22,994 | 16,712 | 6,282 |
| Travel | 1,000 | 1,000 | 974 | 26 |
| General operations | 100 | 100 | - | 100 |
| | <u>24,094</u> | <u>24,094</u> | <u>17,686</u> | <u>6,408</u> |
| Constable, precinct #4 | | | | |
| Salaries and fringe benefits | 59,674 | 59,674 | 56,838 | 2,836 |
| Travel | 1,500 | 1,500 | 818 | 682 |
| General operations | 3,195 | 3,195 | 1,030 | 2,165 |
| Equipment/vehicle maintenance | 6,500 | 6,500 | 5,202 | 1,298 |
| | <u>70,869</u> | <u>70,869</u> | <u>63,888</u> | <u>6,981</u> |
| Courthouse security | | | | |
| Salaries and fringe benefits | - | - | - | - |
| Travel | - | - | - | - |
| General operations | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Sheriff | | | | |
| Salaries and fringe benefits | 5,159,121 | 5,091,351 | 4,935,880 | 155,471 |
| Travel | 91,000 | 142,116 | 113,675 | 28,441 |
| Contract services | 13,000 | 12,685 | 10,612 | 2,073 |
| General operations | 159,004 | 167,074 | 157,419 | 9,655 |
| Equipment/vehicle maintenance | 264,000 | 264,000 | 249,451 | 14,549 |
| | <u>5,686,125</u> | <u>5,677,226</u> | <u>5,467,037</u> | <u>210,189</u> |

POTTER COUNTY, TEXAS
 General Fund
 Budgetary Comparison Schedule - continued
 For the Year Ended September 30, 2010

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|---------------------------------------|--------------------|------------------|------------------|----------------------------------|
| Special crimes unit | | | | |
| General operations | \$ 1,000 | \$ 1,000 | \$ 122 | \$ 878 |
| | <u>1,000</u> | <u>1,000</u> | <u>122</u> | <u>878</u> |
| Sheriff offices | | | | |
| Building repairs/maintenance | 130,000 | 130,000 | 112,998 | 17,002 |
| | <u>130,000</u> | <u>130,000</u> | <u>112,998</u> | <u>17,002</u> |
| Sheriff barn | | | | |
| Building repairs/maintenance | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Public service | | | | |
| Building repair/maintenance | 4,500 | 4,500 | - | 4,500 |
| Miscellaneous | 434,212 | 858,212 | 746,229 | 111,983 |
| | <u>438,712</u> | <u>862,712</u> | <u>746,229</u> | <u>116,483</u> |
| Fire / rescue department | | | | |
| Salaries and fringe benefits | 221,936 | 225,936 | 223,269 | 2,667 |
| Travel | 30,000 | 30,000 | 29,007 | 993 |
| Contract services | 5,000 | - | - | - |
| General operations | 66,900 | 66,900 | 59,512 | 7,388 |
| Equipment/vehicle maintenance | 171,000 | 185,110 | 177,011 | 8,099 |
| Building repair/maintenance | 83,888 | 77,888 | 40,970 | 36,918 |
| | <u>578,724</u> | <u>585,834</u> | <u>529,769</u> | <u>56,065</u> |
| Total public safety | <u>7,390,862</u> | <u>7,814,682</u> | <u>7,382,831</u> | <u>431,851</u> |
| Corrections and rehabilitation | | | | |
| Detention center | | | | |
| Salaries and fringe benefits | 6,955,152 | 7,013,422 | 6,703,357 | 310,065 |
| Contract services | 38,250 | 38,250 | 30,308 | 7,942 |
| General operations | 83,700 | 86,823 | 74,401 | 12,422 |
| Prisoner care | 967,000 | 967,000 | 890,922 | 76,078 |
| Equipment/vehicle maintenance | 32,000 | 32,000 | 14,509 | 17,491 |
| Building repairs/maintenance | 487,000 | 487,000 | 434,661 | 52,339 |
| | <u>8,563,102</u> | <u>8,624,495</u> | <u>8,148,158</u> | <u>476,337</u> |
| Community supervision and corrections | | | | |
| General operations | 12,000 | 12,000 | 7,909 | 4,091 |
| Equipment/vehicle maintenance | 13,000 | 13,000 | 12,415 | 585 |
| | <u>25,000</u> | <u>25,000</u> | <u>20,324</u> | <u>4,676</u> |

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2010

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|------------------------------------------|--------------------|-------------------|-------------------|----------------------------------|
| Juvenile probation | \$ 3,055,188 | \$ 3,055,188 | \$ 3,055,188 | \$ - |
| | <u>3,055,188</u> | <u>3,055,188</u> | <u>3,055,188</u> | <u>-</u> |
| Total corrections and rehabilitation | <u>11,643,290</u> | <u>11,704,683</u> | <u>11,223,670</u> | <u>481,013</u> |
| Health and human services | | | | |
| Mental health - community service | | | | |
| Salaries and fringe benefits | 50,877 | 50,877 | 50,759 | 118 |
| Travel | 1,000 | 1,000 | - | 1,000 |
| Contract services | 66,500 | 66,500 | 36,100 | 30,400 |
| General operations | 700 | 700 | 64 | 636 |
| | <u>119,077</u> | <u>119,077</u> | <u>86,923</u> | <u>32,154</u> |
| County extension services | | | | |
| Salaries and fringe benefits | 165,853 | 165,853 | 141,526 | 24,327 |
| Travel | 9,000 | 9,000 | 5,504 | 3,496 |
| General operations | 18,004 | 19,504 | 17,770 | 1,734 |
| Equipment/vehicle maintenance | 16,000 | 14,500 | 11,418 | 3,082 |
| Miscellaneous | 1,500 | 1,500 | 546 | 954 |
| | <u>210,357</u> | <u>210,357</u> | <u>176,764</u> | <u>33,593</u> |
| Welfare | | | | |
| Salaries and fringe benefits | 9,070 | 9,070 | 9,034 | 36 |
| Contract services | 25,000 | 30,000 | 23,091 | 6,909 |
| General operations | 1,225 | 1,225 | 46.00 | 1,179 |
| | <u>35,295</u> | <u>40,295</u> | <u>32,171</u> | <u>8,124</u> |
| Family crime unit | | | | |
| Salaries and fringe benefits | 149,690 | 149,690 | 136,297 | 13,393 |
| Travel | 3,000 | 3,000 | - | 3,000 |
| General operations | 7,425 | 7,425 | 4,986 | 2,439 |
| Equipment/vehicle maintenance | 3,100 | 3,100 | 2,328 | 772 |
| | <u>163,215</u> | <u>163,215</u> | <u>143,611</u> | <u>19,604</u> |
| Victim assistance - VOCA | | | | |
| Salaries and fringe benefits | 109,126 | 109,126 | 108,839 | 287 |
| Travel | 4,618 | 4,618 | 1,637 | 2,981 |
| | <u>113,744</u> | <u>113,744</u> | <u>110,476</u> | <u>3,268</u> |
| Victim assistance - VCLG | | | | |
| Salaries and fringe benefits | 53,360 | 53,360 | 53,230 | 130 |
| Travel | 2,575 | 2,575 | 267 | 2,308 |
| | <u>55,935</u> | <u>55,935</u> | <u>53,497</u> | <u>2,438</u> |
| Total health and human services | <u>697,623</u> | <u>702,623</u> | <u>603,442</u> | <u>99,181</u> |

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2010

Exhibit B-1
Page 11 of 11

| | Original Budget | Final Budget | Actual | Variance from Final Budget |
|------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------------------------------|
| Road and bridge expenditures | | | | |
| Salaries and fringe benefits | \$ 1,108,251 | \$ 1,108,251 | \$ 1,011,218 | \$ 97,033 |
| Travel | 13,500 | 13,500 | 7,863 | 5,637 |
| Contract services | 8,300 | - | - | - |
| General operations | 900,738 | 732,788 | 623,871 | 108,917 |
| Equipment/vehicle maintenance | 306,875 | 297,375 | 209,915 | 87,460 |
| Building repairs/maintenance | 60,000 | 60,000 | 51,497 | 8,503 |
| Total Road and bridge expenditures | <u>2,397,664</u> | <u>2,211,914</u> | <u>1,904,364</u> | <u>307,550</u> |
| Capital outlay | 148,454 | 350,961 | 462,700 | (111,739) |
| Total expenditures | <u>44,416,861</u> | <u>45,194,359</u> | <u>40,643,314</u> | <u>4,551,045</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (1,064,132) | (1,609,570) | 3,424,611 | 5,034,181 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 24,300 | 24,300 |
| Transfers out | - | - | (3,255,724) | (3,255,724) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(3,231,424)</u> | <u>(3,231,424)</u> |
| NET CHANGE IN FUND BALANCE | (1,064,132) | (1,609,570) | 193,187 | 1,802,757 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>17,049,561</u> | <u>17,049,561</u> | <u>17,049,561</u> | <u> </u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 15,985,429</u> | <u>\$ 15,439,991</u> | <u>\$ 17,242,748</u> | <u>\$ 1,802,757</u> |

POTTER COUNTY, TEXAS
 Required Supplementary Information
 Schedule of Funding Progress, Texas County and District Retirement System
 For the Year Ended September 30, 2010

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability Entry Age | Unfunded AAL | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------------|---------------------------------|---------------------------------------------|-----------------|-----------------|--------------------|-----------------------------------------------|
| 12/31/2005 | \$ 54,026,239 | \$ 61,827,501 | \$ 7,801,262 | 87.38% | \$ 20,953,766 | 37.23% |
| 12/31/2006 | 60,247,430 | 67,166,588 | 6,919,158 | 89.70% | 22,510,260 | 30.74% |
| 12/31/2007 | 65,868,460 | 72,860,982 | 6,992,522 | 90.40% | 23,580,763 | 29.65% |
| 12/31/2008 | 63,978,958 | 76,416,379 | 12,437,421 | 83.72% | 24,698,031 | 50.36% |
| 12/31/2009 | 71,195,120 | 83,020,890 | 11,825,770 | 85.76% | 25,394,759 | 46.57% |

POTTER COUNTY, TEXAS
 Required Supplementary Information
 Schedule of Funding Progress, Other Postretirement Benefits (1)
 For the Year Ended September 30, 2010

| 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% |

(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, 2010

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.

The following summarizes the excess of General Fund expenditures over appropriations at the legal level of control:

| Department | Category | Amount |
|-----------------------------------|-------------------------------|---------|
| Tax assessor/collector | Equipment/vehicle maintenance | \$ 17 |
| 108th district court | Contract services | 45 |
| Justice of the Peace, precinct #3 | Equipment/vehicle maintenance | 31 |
| County attorney | Equipment/vehicle maintenance | 842 |
| General judicial | General operations | 2,846 |
| Capital outlay | | 111,739 |

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, 2010

Exhibit C-1

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total Nonmajor Funds |
|-----------------------------------------------------------|-----------------------------|--------------------------|------------------------------|----------------------------|
| ASSETS | | | | |
| Pooled cash and cash equivalents | \$ 2,366,458 | \$ 968,869 | \$ 31,960 | \$ 3,367,287 |
| Investments | 861,345 | | 1,716,493 | 2,577,838 |
| Accounts receivable | | | | |
| Taxes | | 65,291 | | 65,291 |
| Other | 41,742 | 11,303 | | 53,045 |
| Due from other governments | 591 | | | 591 |
| Total assets | \$ 3,270,136 | \$ 1,045,463 | \$ 1,748,453 | \$ 6,064,052 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable and other current liabilities | \$ 61,285 | | | \$ 61,285 |
| Due to other funds | 60 | | | 60 |
| Deferred revenue | | | | |
| Taxes | | 56,097 | | 56,097 |
| Total liabilities | 61,345 | 56,097 | - | 117,442 |
| Fund balances | | | | |
| Reserved fund balances: | | | | |
| Reserved for debt service | | 989,366 | | 989,366 |
| Reserved for encumbrances | 255,986 | | 223,490 | 479,476 |
| Unreserved: | | | | |
| Capital project funds designated for specific purposes | | | 1,524,963 | 1,524,963 |
| Special revenue funds | 2,952,805 | | | 2,952,805 |
| Total fund balance | 3,208,791 | 989,366 | 1,748,453 | 5,946,610 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 3,270,136 | \$ 1,045,463 | \$ 1,748,453 | \$ 6,064,052 |

POTTER COUNTY, TEXAS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2010

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total Nonmajor Funds |
|----------------------------------------------------------------------|-----------------------------|--------------------------|------------------------------|----------------------------|
| REVENUES | | | | |
| Taxes | \$ | \$ 2,313,922 | \$ | \$ 2,313,922 |
| License and fees | 699,147 | | | 699,147 |
| Intergovernmental | 550,592 | | | 550,592 |
| Charges for services | 4,749 | | | 4,749 |
| Investment earnings | 16,039 | 2,493 | 3,385 | 21,917 |
| Miscellaneous | 186,709 | | 25,000 | 211,709 |
| Total revenues | 1,457,236 | 2,316,415 | 28,385 | 3,802,036 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General administrative | 38,838 | 1,500 | | 40,338 |
| Facilities maintenance | | | | |
| Election administration | 1,394 | | | 1,394 |
| Judicial | 719,747 | | | 719,747 |
| Public safety | 163,817 | | | 163,817 |
| Corrections and rehabilitation | 99,041 | | | 99,041 |
| Road and bridge | | | | |
| Debt service | | | | |
| Principal | | 1,540,000 | | 1,540,000 |
| Interest and fiscal charges | | 517,817 | | 517,817 |
| Capital outlay | 178,990 | | 464,848 | 643,838 |
| Total expenditures | 1,201,827 | 2,059,317 | 464,848 | 3,725,992 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 255,409 | 257,098 | (436,463) | 76,044 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 260,991 | | 1,000,000 | 1,260,991 |
| Transfers out | (29,567) | | | (29,567) |
| Total other financing sources (uses) | 231,424 | - | 1,000,000 | 1,231,424 |
| NET CHANGE IN FUND BALANCES | 486,833 | 257,098 | 563,537 | 1,307,468 |
| FUND BALANCES AT BEGINNING OF YEAR | 2,721,958 | 732,268 | 1,184,916 | 4,639,142 |
| FUND BALANCES AT END OF YEAR | \$ 3,208,791 | \$ 989,366 | \$ 1,748,453 | \$ 5,946,610 |

SPECIAL REVENUE FUNDS

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2010

| | 210 Vehicle Inventory <u>Tax Interest</u> | 215 Law Library | 220 Courthouse Security | 221 Justice Courts Building Security |
|---------------------------------------------------|----------------------------------------------------|-----------------------|-------------------------------|-----------------------------------------------|
| ASSETS | | | | |
| Pooled cash and cash equivalents | \$ 764 | \$ 39,655 | \$ 145,592 | \$ 22,129 |
| Investments | 172,884 | | | |
| Accounts receivable (net) | | | | |
| Other | | 6,370 | 5,156 | 460 |
| Due from other governments | <u>591</u> | | | |
| Total assets | <u>\$ 174,239</u> | <u>\$ 46,025</u> | <u>\$ 150,748</u> | <u>\$ 22,589</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable and other current liabilities | \$ | \$ 13,572 | \$ | \$ |
| Due to other funds | | | | |
| Total liabilities | - | 13,572 | - | - |
| Fund balance | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | | | | |
| Unreserved: | | | | |
| Special Revenue | | | | |
| Funds - designated | <u>174,239</u> | <u>32,453</u> | <u>150,748</u> | <u>22,589</u> |
| Total fund balance | <u>174,239</u> | <u>32,453</u> | <u>150,748</u> | <u>22,589</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 174,239</u> | <u>\$ 46,025</u> | <u>\$ 150,748</u> | <u>\$ 22,589</u> |

| 225 Graffiti Eradication | 226 Child Abuse Prevention | 230 Probate Continuing Education | 235 County Clerk Records Management | 236 Election | 237 Voter Registration | 240 Court Records Management | 245 District Clerk Records Management |
|--------------------------------|-------------------------------------|-------------------------------------------|----------------------------------------------|-------------------|------------------------------|---------------------------------------|------------------------------------------------|
| \$ 460 | \$ 6,140 | | \$ 104,635 | \$ 366,681 | \$ 20,919 | \$ 13,963 | \$ 72,457 |
| | 514 | | 10,078 | | | 5,299 | 3,269 |
| <u>\$ 460</u> | <u>\$ 6,654</u> | <u>\$ -</u> | <u>\$ 114,713</u> | <u>\$ 366,681</u> | <u>\$ 20,919</u> | <u>\$ 19,262</u> | <u>\$ 75,726</u> |
| \$ | \$ | \$ | \$ 14,090 | \$ | \$ | \$ | \$ |
| - | - | - | 14,090 | - | - | - | - |
| <u>460</u> | <u>6,654</u> | | <u>100,623</u> | <u>366,681</u> | <u>20,919</u> | <u>19,262</u> | <u>75,726</u> |
| <u>460</u> | <u>6,654</u> | <u>-</u> | <u>100,623</u> | <u>366,681</u> | <u>20,919</u> | <u>19,262</u> | <u>75,726</u> |
| <u>\$ 460</u> | <u>\$ 6,654</u> | <u>\$ -</u> | <u>\$ 114,713</u> | <u>\$ 366,681</u> | <u>\$ 20,919</u> | <u>\$ 19,262</u> | <u>\$ 75,726</u> |

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2010

| | 250 Justice Court <u>Technology</u> | 251 County Clerk / District Clerk <u>Technology</u> | 255 County Attorney <u>Hot Check</u> | 260 District Attorney <u>Hot Check</u> |
|---------------------------------------------------|----------------------------------------------|--------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| ASSETS | | | | |
| Pooled cash and cash equivalents | \$ 128,287 | \$ 1,415 | \$ 83,189 | \$ 115,769 |
| Investments | | | | |
| Accounts receivable (net) | | | | |
| Other | 1,919 | 363 | 2,085 | 523 |
| Due from other governments | | | | |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 130,206</u> | <u>\$ 1,778</u> | <u>\$ 85,274</u> | <u>\$ 116,292</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable and other current liabilities | \$ | \$ | \$ | \$ 998 |
| Due to other funds | | | 18 | 24 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | - | - | 18 | 1,022 |
| Fund balance | | | | |
| Reserved: | | | | |
| Reserved for encumbrances | | | | |
| Unreserved: | | | | |
| Special Revenue | | | | |
| Funds - designated | 130,206 | 1,778 | 85,256 | 115,270 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total fund balance | <u>130,206</u> | <u>1,778</u> | <u>85,256</u> | <u>115,270</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 130,206</u> | <u>\$ 1,778</u> | <u>\$ 85,274</u> | <u>\$ 116,292</u> |

| <u>261</u> <u>District</u> <u>Attorney</u> <u>Payroll</u> | <u>262</u> <u>DA Forfeiture</u> <u>Release</u> | <u>263</u> <u>DA</u> <u>Welfare</u> <u>Fraud</u> | <u>265</u> <u>District</u> <u>Attorney</u> <u>Crime Victim</u> | <u>266</u> <u>DA</u> <u>Federal</u> <u>Forfeiture</u> | <u>271</u> <u>Sheriff</u> <u>Federal</u> <u>Forfeiture</u> | <u>272</u> <u>Law</u> <u>Enforcement</u> <u>Grants</u> | <u>273</u> <u>Sheriff</u> <u>Office</u> <u>Forfeiture</u> |
|--------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------|
| \$ 8,627 | \$ 429,201 688,461 | \$ 89,098 | \$ 20,822 | \$ 19,077 | \$ 113,472 | \$ 279,708 | \$ 105,355 |
| | | | | | 1,909 | | |
| <u>\$ 8,627</u> | <u>\$ 1,117,662</u> | <u>\$ 89,098</u> | <u>\$ 20,822</u> | <u>\$ 19,077</u> | <u>\$ 115,381</u> | <u>\$ 279,708</u> | <u>\$ 105,355</u> |
| \$ 8,627 | \$ - | \$ 71 18 | \$ - | \$ 251 | \$ 3,689 | \$ 2,795 | \$ 13,395 |
| 8,627 | - | 89 | - | 251 | 3,689 | 2,795 | 13,395 |
| | 1,117,662 | 89,009 | 20,822 | 17,699 | 111,692 | 23,234 | 90,780 |
| - | 1,117,662 | 89,009 | 20,822 | 18,826 | 111,692 | 276,913 | 91,960 |
| <u>\$ 8,627</u> | <u>\$ 1,117,662</u> | <u>\$ 89,098</u> | <u>\$ 20,822</u> | <u>\$ 19,077</u> | <u>\$ 115,381</u> | <u>\$ 279,708</u> | <u>\$ 105,355</u> |

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2010

Exhibit C-3
Page 3 of 3

| | <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 | \$ 179,043 | \$ 2,366,458 |
| Investments | | 861,345 |
| Accounts receivable (net) | | |
| Other | 3,797 | 41,742 |
| Due from other governments | | <u>591</u> |
| Total assets | <u>\$ 182,840</u> | <u>\$ 3,270,136</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities | | |
| Accounts payable and other current liabilities | \$ 3,797 | \$ 61,285 |
| Due to other funds | | <u>60</u> |
| Total liabilities | 3,797 | 61,345 |
| Fund balance | | |
| Reserved: | | |
| Reserved for encumbrances | | 255,986 |
| Unreserved: | | |
| Special Revenue Funds - designated | <u>179,043</u> | <u>2,952,805</u> |
| Total fund balance | <u>179,043</u> | <u>3,208,791</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 182,840</u> | <u>\$ 3,270,136</u> |

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended September 30, 2010

| | 210 Vehicle Inventory Tax Interest | 215 Law Library | 220 Courthouse Security | 221 Justice Courts Building Security |
|-----------------------------------------------------------|---------------------------------------------|-----------------------|-------------------------------|-----------------------------------------------|
| REVENUES | | | | |
| Licenses and fees | \$ | \$ 79,449 | \$ 61,970 | \$ 5,467 |
| Intergovernmental | | | | |
| Charges for services | | 2,997 | | |
| Investment earnings | 10,068 | | 696 | |
| Miscellaneous | | | | |
| Total revenues | <u>10,068</u> | <u>82,446</u> | <u>62,666</u> | <u>5,467</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General administrative | 807 | | | |
| Election administration | | | | |
| Judicial | | 146,307 | 241,787 | 2,411 |
| Public safety | | | | |
| Corrections | | | | |
| Capital outlay | | | | |
| Total expenditures | <u>807</u> | <u>146,307</u> | <u>241,787</u> | <u>2,411</u> |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | <u>9,261</u> | <u>(63,861)</u> | <u>(179,121)</u> | <u>3,056</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | 100,000 | 155,000 | |
| Transfers out | | | | |
| Total other financing sources (uses) | <u>-</u> | <u>100,000</u> | <u>155,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 9,261 | 36,139 | (24,121) | 3,056 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>164,978</u> | <u>(3,686)</u> | <u>174,869</u> | <u>19,533</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 174,239</u> | <u>\$ 32,453</u> | <u>\$ 150,748</u> | <u>\$ 22,589</u> |

| 225 Graffiti Eradication | 226 Child Abuse Prevention | 230 Probate Continuing Education | 235 County Clerk Records Management | 236 Election | 237 Voter Registration | 240 Court Records Management | 245 District Clerk Records Management |
|--------------------------------|-------------------------------------|-------------------------------------------|----------------------------------------------|-------------------|------------------------------|------------------------------------|------------------------------------------------|
| \$ 285 | \$ 3,229 | \$ - | \$ 120,456 | \$ 1,166 | \$ 5,665 | \$ 60,753 | \$ 29,347 |
| | | | 264 | 845 | 41 | | 141 |
| 285 | 3,229 | - | 120,720 | 2,011 | 5,706 | 60,753 | 29,488 |
| | | | 154,143 | 200 | 1,194 | 38,031 | |
| | | | | | | 9,448 | 4,490 |
| - | - | - | 154,143 | 200 | 1,194 | 47,479 | 4,490 |
| 285 | 3,229 | - | (33,423) | 1,811 | 4,512 | 13,274 | 24,998 |
| | | (14,889) | | | | | |
| - | - | (14,889) | - | - | - | - | - |
| 285 | 3,229 | (14,889) | (33,423) | 1,811 | 4,512 | 13,274 | 24,998 |
| 175 | 3,425 | 14,889 | 134,046 | 364,870 | 16,407 | 5,988 | 50,728 |
| <u>\$ 460</u> | <u>\$ 6,654</u> | <u>\$ -</u> | <u>\$ 100,623</u> | <u>\$ 366,681</u> | <u>\$ 20,919</u> | <u>\$ 19,262</u> | <u>\$ 75,726</u> |

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended September 30, 2010

| | 250 Justice Court Technology | 251 County Clerk / District Clerk Technology | 255 County Attorney Hot Check | 260 District Attorney Hot Check |
|-----------------------------------------------------------|---------------------------------------|-------------------------------------------------------|----------------------------------------|------------------------------------------|
| REVENUES | | | | |
| Licenses and fees | \$ 23,480 | | \$ 118,803 | \$ 13,428 |
| Intergovernmental | | | | |
| Charges for services | | 1,718 | | |
| Investment earnings | | | | |
| Miscellaneous | | | | |
| Total revenues | 23,480 | 1,718 | 118,803 | 13,428 |
| Expenditures: | | | | |
| Current: | | | | |
| General administrative | | | | |
| Election administration | | | | |
| Judicial | | | 116,228 | 2,625 |
| Public safety | | | | |
| Corrections | | | | |
| Capital outlay | | | | |
| Total expenditures | - | - | 116,228 | 2,625 |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | 23,480 | 1,718 | 2,575 | 10,803 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Total other financing sources (uses) | - | - | - | - |
| NET CHANGE IN FUND BALANCE | 23,480 | 1,718 | 2,575 | 10,803 |
| FUND BALANCES AT BEGINNING OF YEAR | 106,726 | 60 | 82,681 | 104,467 |
| FUND BALANCES AT END OF YEAR | \$ 130,206 | \$ 1,778 | \$ 85,256 | \$ 115,270 |

| 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 |
|----------------------------------------|------------------------------------|-------------------------------|---------------------------------------------|------------------------------------|-----------------------------------------|-------------------------------------|----------------------------------------|
| \$ 34,336 | \$ | \$ | \$ | \$ | \$ 4,285 | \$ 505,140 | \$ |
| | 2,234 | | 21 | 27 | 232 | 922 | 199 |
| | 99,177 | 11,480 | 2,953 | 14,684 | 31,880 | | 26,535 |
| 34,336 | 101,411 | 11,480 | 2,974 | 14,711 | 36,397 | 506,062 | 26,734 |
| 34,911 | 17,196 | 2,837 | 150 | 1,152 | | | |
| | | | | | 32,842 | 103,798 | 27,177 |
| | | | | | 3,750 | 161,302 | |
| 34,911 | 17,196 | 2,837 | 150 | 1,152 | 36,592 | 265,100 | 27,177 |
| (575) | 84,215 | 8,643 | 2,824 | 13,559 | (195) | 240,962 | (443) |
| | (5,267) | | | 5,267 | | | 724 |
| | (5,267) | | | 5,267 | | | (9,411) |
| - | (5,267) | - | - | 5,267 | - | - | (8,687) |
| (575) | 78,948 | 8,643 | 2,824 | 18,826 | (195) | 240,962 | (9,130) |
| 575 | 1,038,714 | 80,366 | 17,998 | - | 111,887 | 35,951 | 101,090 |
| \$ - | \$ 1,117,662 | \$ 89,009 | \$ 20,822 | \$ 18,826 | \$ 111,692 | \$ 276,913 | \$ 91,960 |

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2010

Exhibit C-4
Page 3 of 3

| | 274 Sheriff Office Commissary | Total Nonmajor Special Revenue Funds |
|-------------------------------------------------------|----------------------------------------|--------------------------------------------------|
| REVENUES | | |
| Licenses and fees | \$ 182,480 | \$ 699,147 |
| Intergovernmental | | 550,592 |
| Charges for services | 34 | 4,749 |
| Investment earnings | 349 | 16,039 |
| Miscellaneous | | 186,709 |
| | <u>182,863</u> | <u>1,457,236</u> |
| Total revenues | | |
| Expenditures: | | |
| Current: | | |
| General administrative | | 38,838 |
| Election administration | | 1,394 |
| Judicial | | 719,747 |
| Public safety | | 163,817 |
| Corrections | 99,041 | 99,041 |
| Capital outlay | | 178,990 |
| | <u>99,041</u> | <u>1,201,827</u> |
| Total expenditures | | |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | | |
| | <u>83,822</u> | <u>255,409</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | | 260,991 |
| Transfers out | | (29,567) |
| | <u>-</u> | <u>231,424</u> |
| Total other financing sources (uses) | | |
| NET CHANGE IN FUND BALANCE | | |
| | 83,822 | 486,833 |
| FUND BALANCES AT BEGINNING OF YEAR | | |
| | <u>95,221</u> | <u>2,721,958</u> |
| FUND BALANCES AT END OF YEAR | | |
| | <u>\$ 179,043</u> | <u>\$ 3,208,791</u> |

POTTER COUNTY, TEXAS
 Vehicle Inventory Tax Interest Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2010

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 | \$ 12,000 | \$ 12,000 | \$ 10,068 | \$ (1,932) |
| Total revenues | <u>12,000</u> | <u>12,000</u> | <u>10,068</u> | <u>(1,932)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General administrative | | | | |
| General operations | <u>10,000</u> | <u>10,000</u> | <u>807</u> | <u>9,193</u> |
| Total expenditures | <u>10,000</u> | <u>10,000</u> | <u>807</u> | <u>9,193</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 2,000 | 2,000 | 9,261 | 7,261 |
| 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 | 2,000 | 2,000 | 9,261 | 7,261 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>164,978</u> | <u>164,978</u> | <u>164,978</u> | |
| FUND BALANCE AT END OF YEAR | <u>\$ 166,978</u> | <u>\$ 166,978</u> | <u>\$ 174,239</u> | <u>\$ 7,261</u> |

POTTER COUNTY, TEXAS
Law Library Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

Exhibit C-6

| | <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 | \$ 80,000 | \$ 80,000 | \$ 79,449 | \$ (551) |
| Miscellaneous | 3,200 | 3,200 | 2,997 | (203) |
| Total revenues | <u>83,200</u> | <u>83,200</u> | <u>82,446</u> | <u>(754)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judicial | | | | |
| Salaries and fringe benefits | 36,464 | 36,464 | 36,136 | 328 |
| Travel | 500 | 500 | - | 500 |
| General operations | 145,600 | 145,600 | 109,909 | 35,691 |
| Equipment/vehicle maintenance | 500 | 500 | 262 | 238 |
| Total expenditures | <u>183,064</u> | <u>183,064</u> | <u>146,307</u> | <u>36,757</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (99,864) | (99,864) | (63,861) | 36,003 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | - | 100,000 | 100,000 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>100,000</u> | <u>100,000</u> |
| NET CHANGE IN FUND BALANCE | (99,864) | (99,864) | 36,139 | 136,003 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>(3,686)</u> | <u>(3,686)</u> | <u>(3,686)</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ (103,550)</u> | <u>\$ (103,550)</u> | <u>\$ 32,453</u> | <u>\$ 136,003</u> |

POTTER COUNTY, TEXAS
Courthouse Security Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

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 | \$ 60,000 | \$ 60,000 | \$ 61,970 | \$ 1,970 |
| Investment earnings | 1,700 | 1,700 | 696 | (1,004) |
| Total revenue | <u>61,700</u> | <u>61,700</u> | <u>62,666</u> | <u>966</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judicial | | | | |
| Salaries and fringe benefits | 290,139 | 290,139 | 240,628 | 49,511 |
| Travel | 1,000 | 1,000 | - | 1,000 |
| General operations | 22,000 | 22,000 | - | 22,000 |
| Building repairs and maintenance | 20,000 | 20,000 | 1,159 | 18,841 |
| Capital outlay | 10,000 | 10,000 | - | 10,000 |
| Total expenditures | <u>343,139</u> | <u>343,139</u> | <u>241,787</u> | <u>101,352</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (281,439) | (281,439) | (179,121) | 102,318 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 155,000 | 155,000 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>155,000</u> | <u>155,000</u> |
| NET CHANGE IN FUND BALANCE | (281,439) | (281,439) | (24,121) | 257,318 |
| FUND BALANCE AT BEGINNING OF YEAR | 174,869 | 174,869 | 174,869 | |
| FUND BALANCE AT END OF YEAR | \$ <u>(106,570)</u> | \$ <u>(106,570)</u> | \$ <u>150,748</u> | \$ <u>257,318</u> |

POTTER COUNTY, TEXAS
 Justice Court Building Security Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2010

Exhibit C-8

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|----------------------------------------------------------------------|----------------------------|-------------------------|------------------|---------------------------------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Licenses and fees | \$ 5,500 | \$ 5,500 | \$ 5,467 | \$ (33) |
| Total revenues | <u>5,500</u> | <u>5,500</u> | <u>5,467</u> | <u>(33)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Judicial | | | | |
| General operations | 2,500 | 2,500 | - | 2,500 |
| Building repairs and maintenance | <u>2,500</u> | <u>2,500</u> | <u>2,411</u> | <u>89</u> |
| Total expenditures | <u>5,000</u> | <u>5,000</u> | <u>2,411</u> | <u>2,589</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 500 | 500 | 3,056 | 2,556 |
| 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 | 500 | 500 | 3,056 | 2,556 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>19,533</u> | <u>19,533</u> | <u>19,533</u> | |
| FUND BALANCE AT END OF YEAR | <u>\$ 20,033</u> | <u>\$ 20,033</u> | <u>\$ 22,589</u> | <u>\$ 2,556</u> |

POTTER COUNTY, TEXAS
 County Clerk Records Management Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2010

Exhibit C-9

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|----------------------------------------------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Licenses and fees | \$ 118,000 | \$ 118,000 | \$ 120,456 | \$ 2,456 |
| Investment earnings | 800 | 800 | 264 | (536) |
| Total revenues | <u>118,800</u> | <u>118,800</u> | <u>120,720</u> | <u>1,920</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Judicial | | | | |
| Salaries and fringe benefits | 58,496 | 58,496 | 55,795 | 2,701 |
| Travel | 4,000 | 4,000 | - | 4,000 |
| Contract services | 100,000 | 100,000 | 95,517 | 4,483 |
| General operations | 10,000 | 10,000 | - | 10,000 |
| Equipment/vehicle maintenance | 8,000 | 8,000 | 2,831 | 5,169 |
| Capital outlay | 50,000 | 50,000 | - | 50,000 |
| Total expenditures | <u>230,496</u> | <u>230,496</u> | <u>154,143</u> | <u>76,353</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (111,696) | (111,696) | (33,423) | 78,273 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (111,696) | (111,696) | (33,423) | 78,273 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>134,046</u> | <u>134,046</u> | <u>134,046</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 22,350</u> | <u>\$ 22,350</u> | <u>\$ 100,623</u> | <u>\$ 78,273</u> |

POTTER COUNTY, TEXAS
Election Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

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 | | | | |
| Intergovernmental | \$ - | \$ - | \$ 1,166 | \$ 1,166 |
| Investment earnings | 1,600 | 1,600 | 845 | (755) |
| Total revenues | <u>1,600</u> | <u>1,600</u> | <u>2,011</u> | <u>411</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Election administration | | | | |
| Travel | 5,000 | 5,000 | - | 5,000 |
| Contract services | 40,000 | 40,000 | 200 | 39,800 |
| General operations | 8,000 | 8,000 | - | 8,000 |
| Equipment/vehicle maintenance | 25,000 | 25,000 | - | 25,000 |
| Building repairs and maintenance | 5,000 | 5,000 | - | 5,000 |
| Capital outlay | <u>70,000</u> | <u>70,000</u> | <u>-</u> | <u>70,000</u> |
| Total expenditures | <u>153,000</u> | <u>153,000</u> | <u>200</u> | <u>152,800</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (151,400) | (151,400) | 1,811 | 153,211 |
| 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 | (151,400) | (151,400) | 1,811 | 153,211 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>364,870</u> | <u>364,870</u> | <u>364,870</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 213,470</u> | <u>\$ 213,470</u> | <u>\$ 366,681</u> | <u>\$ 153,211</u> |

POTTER COUNTY, TEXAS
Voter Registration Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

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 | | | | |
| Intergovernmental | \$ - | \$ - | \$ 5,665 | \$ 5,665 |
| Investment earnings | 100 | 100 | 41 | (59) |
| Total revenues | <u>100</u> | <u>100</u> | <u>5,706</u> | <u>5,606</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Election administration | | | | |
| Travel | 2,000 | 2,000 | - | 2,000 |
| General operations | 1,000 | 2,195 | 1,194 | 1,001 |
| Miscellaneous | 1,000 | 1,000 | - | 1,000 |
| Capital outlay | <u>6,000</u> | <u>4,805</u> | <u>-</u> | <u>4,805</u> |
| Total expenditures | <u>10,000</u> | <u>10,000</u> | <u>1,194</u> | <u>8,806</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (9,900) | (9,900) | 4,512 | 14,412 |
| 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 | (9,900) | (9,900) | 4,512 | 14,412 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>16,407</u> | <u>16,407</u> | <u>16,407</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 6,507</u> | <u>\$ 6,507</u> | <u>\$ 20,919</u> | <u>\$ 14,412</u> |

POTTER COUNTY, TEXAS
Court Records Management Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

Exhibit C-12

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--------------------------------------------------------------|----------------------------|-------------------------|------------------|---------------------------------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | |
| REVENUES | | | | |
| License and fees | \$ 55,000 | \$ 55,000 | \$ 60,753 | \$ 5,753 |
| Total revenues | <u>55,000</u> | <u>55,000</u> | <u>60,753</u> | <u>5,753</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General administrative | | | | |
| Salaries and fringe benefits | 38,145 | 38,145 | 38,031 | 114 |
| Travel | 2,000 | 2,000 | - | 2,000 |
| General operations | 4,000 | 4,000 | - | 4,000 |
| Capital outlay | <u>11,000</u> | <u>11,000</u> | <u>9,448</u> | <u>1,552</u> |
| Total expenditures | <u>55,145</u> | <u>55,145</u> | <u>47,479</u> | <u>7,666</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (145) | (145) | 13,274 | 13,419 |
| 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 | (145) | (145) | 13,274 | 13,419 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>5,988</u> | <u>5,988</u> | <u>5,988</u> | |
| FUND BALANCE AT END OF YEAR | <u>\$ 5,843</u> | <u>\$ 5,843</u> | <u>\$ 19,262</u> | <u>\$ 13,419</u> |

POTTER COUNTY, TEXAS
 District Clerk Records Management Fund
 Budgetary Comparison Fund
 For the Year Ended September 30, 2010

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 | | | | |
| License and fees | \$ 12,000 | \$ 12,000 | \$ 29,347 | \$ 17,347 |
| Investment earnings | 200 | 200 | 141 | (59) |
| Total revenues | <u>12,200</u> | <u>12,200</u> | <u>29,488</u> | <u>17,288</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Judicial | | | | |
| Contract services | - | - | - | - |
| Travel | 1,000 | 1,000 | - | 1,000 |
| General operations | 3,000 | 3,000 | - | 3,000 |
| Capital outlay | <u>15,000</u> | <u>15,000</u> | <u>4,490</u> | <u>10,510</u> |
| Total expenditures | <u>19,000</u> | <u>19,000</u> | <u>4,490</u> | <u>14,510</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENCITURES | (6,800) | (6,800) | 24,998 | 31,798 |
| 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 | (6,800) | (6,800) | 24,998 | 31,798 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>50,728</u> | <u>50,728</u> | <u>50,728</u> | <u>50,728</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 43,928</u> | <u>\$ 43,928</u> | <u>\$ 75,726</u> | <u>\$ 31,798</u> |

POTTER COUNTY, TEXAS
 Justice Court Technology Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2010

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 | | | | |
| Licenses and fees | \$ 22,500 | \$ 22,500 | \$ 23,480 | \$ 980 |
| Total revenues | <u>22,500</u> | <u>22,500</u> | <u>23,480</u> | <u>980</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Judicial | | | | |
| General operations | 10,000 | 10,000 | - | 10,000 |
| Equipment/vehicle maintenance | 8,000 | 8,000 | - | 8,000 |
| Building repairs/maintenance | <u>4,000</u> | <u>4,000</u> | <u>-</u> | <u>4,000</u> |
| Total expenditures | <u>22,000</u> | <u>22,000</u> | <u>-</u> | <u>22,000</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 500 | 500 | 23,480 | 22,980 |
| 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 | 500 | 500 | 23,480 | 22,980 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>106,726</u> | <u>106,726</u> | <u>106,726</u> | |
| FUND BALANCE AT END OF YEAR | <u>\$ 107,226</u> | <u>\$ 107,226</u> | <u>\$ 130,206</u> | <u>\$ 22,980</u> |

POTTER COUNTY, TEXAS
 County Attorney Hot Check Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2010

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 | | | | |
| Licenses and fees | \$ 140,000 | \$ 140,000 | \$ 118,803 | \$ (21,197) |
| Total revenues | <u>140,000</u> | <u>140,000</u> | <u>118,803</u> | <u>(21,197)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Judicial | | | | |
| Salaries and fringe benefits | 179,554 | 179,554 | 110,642 | 68,912 |
| Travel expenses | 2,000 | 100 | 68 | 32 |
| General operations | 5,400 | 400 | 5,518 | (5,118) |
| Capital outlay | <u>-</u> | <u>18,000</u> | <u>-</u> | <u>18,000</u> |
| Total expenditures | <u>186,954</u> | <u>198,054</u> | <u>116,228</u> | <u>81,826</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (46,954) | (58,054) | 2,575 | 60,629 |
| 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 | (46,954) | (58,054) | 2,575 | 60,629 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>82,681</u> | <u>82,681</u> | <u>82,681</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 35,727</u> | <u>\$ 24,627</u> | <u>\$ 85,256</u> | <u>\$ 60,629</u> |

POTTER COUNTY, TEXAS
 District Attorney Hot Check Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2010

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 | \$ 10,000 | \$ 10,000 | \$ 13,428 | \$ 3,428 |
| Total revenues | <u>10,000</u> | <u>10,000</u> | <u>13,428</u> | <u>3,428</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Judicial | | | | |
| Salaries and fringe benefits | 15,000 | 15,000 | - | 15,000 |
| Travel expenses | 3,000 | 3,000 | - | - |
| General operations | 55,000 | 55,000 | 2,625 | 52,375 |
| Capital outlay | <u>10,000</u> | <u>10,000</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>83,000</u> | <u>83,000</u> | <u>2,625</u> | <u>67,375</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (73,000) | (73,000) | 10,803 | 70,803 |
| 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 | (73,000) | (73,000) | 10,803 | 70,803 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>104,467</u> | <u>104,467</u> | <u>104,467</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 31,467</u> | <u>\$ 31,467</u> | <u>\$ 115,270</u> | <u>\$ 70,803</u> |

POTTER COUNTY, TEXAS
 District Attorney Payroll Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2010

Exhibit C-17

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--------------------------------------------------------------|----------------------------|-------------------------|---------------|---------------------------------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ 35,000 | \$ 34,336 | \$ (664) |
| Total revenues | <u>-</u> | <u>35,000</u> | <u>34,336</u> | <u>(664)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Judicial | | | | |
| Salaries and fringe benefits | - | 35,000 | 34,911 | 89 |
| Total expenditures | <u>-</u> | <u>35,000</u> | <u>34,911</u> | <u>89</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | - | (575) | (575) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | - | (575) | (575) |
| FUND BALANCE AT BEGINNING OF YEAR | <u>575</u> | <u>575</u> | <u>575</u> | |
| FUND BALANCE AT END OF YEAR | <u>\$ 575</u> | <u>\$ 575</u> | <u>\$ -</u> | <u>\$ (575)</u> |

POTTER COUNTY, TEXAS
 District Attorney Forfeiture Release Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2010

Exhibit C-18

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|----------------------------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Investment earnings | 8,000 | 8,000 | 2,234 | (5,766) |
| Miscellaneous | 75,000 | 75,000 | 99,177 | 24,177 |
| Total revenues | <u>83,000</u> | <u>83,000</u> | <u>101,411</u> | <u>18,411</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Judicial | | | | |
| Salaries and fringe benefits | 156,058 | 156,058 | 13,755 | 142,303 |
| Travel | 7,500 | 7,500 | 245 | 7,255 |
| General operations | 321,000 | 321,000 | 3,196 | 317,804 |
| Equipment/vehicle maintenance | 2,000 | 2,000 | - | 2,000 |
| Capital outlay | 65,000 | 65,000 | - | 65,000 |
| Total expenditures | <u>551,558</u> | <u>551,558</u> | <u>17,196</u> | <u>534,362</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (468,558) | (468,558) | 84,215 | 552,773 |
| OTHER FINANCING SOURCES | | | | |
| Transfers out | - | - | (5,267) | 5,267 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>(5,267)</u> | <u>5,267</u> |
| NET CHANGE IN FUND BALANCE | (468,558) | (468,558) | 78,948 | 558,040 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>1,038,714</u> | <u>1,038,714</u> | <u>1,038,714</u> | <u></u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 570,156</u> | <u>\$ 570,156</u> | <u>\$ 1,117,662</u> | <u>\$ 558,040</u> |

POTTER COUNTY, TEXAS
District Attorney Welfare Fraud
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

Exhibit C-19

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--------------------------------------------------------------|----------------------------|-------------------------|------------------|---------------------------------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Miscellaneous | \$ 18,000 | \$ 18,000 | \$ 11,480 | \$ (6,520) |
| Total revenues | <u>18,000</u> | <u>18,000</u> | <u>11,480</u> | <u>(6,520)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Judicial | | | | |
| Salaries and fringe benefits | 8,000 | 8,000 | - | 8,000 |
| Travel | 2,000 | 2,000 | 464 | 1,536 |
| General operations | 40,000 | 40,000 | 2,373 | 37,627 |
| Equipment/vehicle maintenance | 10,000 | 10,000 | - | 10,000 |
| Total expenditures | <u>60,000</u> | <u>60,000</u> | <u>2,837</u> | <u>57,163</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (42,000) | (42,000) | 8,643 | 50,643 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (42,000) | (42,000) | 8,643 | 50,643 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>80,366</u> | <u>80,366</u> | <u>80,366</u> | <u></u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 38,366</u> | <u>\$ 38,366</u> | <u>\$ 89,009</u> | <u>\$ 50,643</u> |

POTTER COUNTY, TEXAS
Sheriff Federal Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

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 | | | | |
| Intergovernmental | \$ - | \$ 4,285 | \$ 4,285 | \$ - |
| Investment earnings | 400 | 400 | 232 | (168) |
| Miscellaneous | <u>10,000</u> | <u>10,000</u> | <u>31,880</u> | <u>21,880</u> |
| Total revenues | <u>10,400</u> | <u>14,685</u> | <u>36,397</u> | <u>21,712</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | | | | |
| Salaries and fringe benefits | 5,000 | 5,000 | - | 5,000 |
| Travel | 4,000 | 23,085 | 19,701 | 3,384 |
| General operations | 42,000 | 29,200 | 10,928 | 18,272 |
| Equipment/vehicle maintenance | 5,000 | 3,000 | 2,213 | 787 |
| Capital outlay | <u>30,000</u> | <u>30,000</u> | <u>3,750</u> | <u>26,250</u> |
| Total expenditures | <u>86,000</u> | <u>90,285</u> | <u>36,592</u> | <u>53,693</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (75,600) | (75,600) | (195) | 75,405 |
| 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 | (75,600) | (75,600) | (195) | 75,405 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>111,887</u> | <u>111,887</u> | <u>111,887</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 36,287</u> | <u>\$ 36,287</u> | <u>\$ 111,692</u> | <u>\$ 75,405</u> |

POTTER COUNTY, TEXAS
Law Enforcement Grants Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

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 | \$ 27,000 | \$ 532,139 | \$ 505,140 | \$ (26,999) |
| Investment earnings | 400 | 400 | 922 | 522 |
| Total revenues | <u>27,400</u> | <u>532,539</u> | <u>506,062</u> | <u>(26,477)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | | | | |
| Salaries and fringe benefits | - | 1,124 | 1,125 | (1) |
| General operations | - | 108,463 | 102,673 | 5,790 |
| Capital outlay | 27,000 | 434,805 | 161,302 | 273,503 |
| Total expenditures | <u>27,000</u> | <u>544,392</u> | <u>265,100</u> | <u>279,292</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 400 | (11,853) | 240,962 | 252,815 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 400 | (11,853) | 240,962 | 252,815 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>35,951</u> | <u>35,951</u> | <u>35,951</u> | |
| FUND BALANCE AT END OF YEAR | <u>\$ 36,351</u> | <u>\$ 24,098</u> | <u>\$ 276,913</u> | <u>\$ 252,815</u> |

POTTER COUNTY, TEXAS
Sheriff Office Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

Exhibit C-22

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|----------------------------------------------------------------------|----------------------------|-------------------------|------------------|---------------------------------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Interest on investments | \$ 500 | \$ 500 | \$ 199 | \$ (301) |
| Miscellaneous | 3,000 | 3,000 | 26,535 | 23,535 |
| Total revenues | <u>3,500</u> | <u>3,500</u> | <u>26,734</u> | <u>23,234</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | | | | |
| Salaries and fringe benefits | 6,440 | 6,440 | 3,400 | 3,040 |
| Travel | 14,000 | 28,000 | 20,810 | 7,190 |
| General operations | 29,000 | 17,500 | 2,967 | 14,533 |
| Capital outlay | <u>10,000</u> | <u>7,500</u> | <u>-</u> | <u>7,500</u> |
| Total expenditures | <u>59,440</u> | <u>59,440</u> | <u>27,177</u> | <u>32,263</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (55,940) | (55,940) | (443) | 55,497 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | - | 724 | 724 |
| Transfers out | <u>-</u> | <u>-</u> | <u>(9,411)</u> | <u>(9,411)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(8,687)</u> | <u>(8,687)</u> |
| NET CHANGE IN FUND BALANCE | (55,940) | (55,940) | (9,130) | 46,810 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>101,090</u> | <u>101,090</u> | <u>101,090</u> | <u></u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 45,150</u> | <u>\$ 45,150</u> | <u>\$ 91,960</u> | <u>\$ 46,810</u> |

DEBT SERVICE FUNDS

POTTER COUNTY, TEXAS
Nonmajor Debt Service Funds
Combining Balance Sheet
September 30, 2010

Exhibit C-23

| | 330 Series 2003 I&S Certificates | 340 Series 2008 Refunding Bond | Total Nonmajor Debt Service Funds |
|-----------------------------------------------|-------------------------------------------|-----------------------------------------|-----------------------------------------------|
| ASSETS | | | |
| Pooled cash and cash equivalents | \$ 84,603 | \$ 884,266 | \$ 968,869 |
| Receivables (net) | | | |
| Taxes | 8,825 | 56,466 | 65,291 |
| Other | 1,528 | 9,775 | 11,303 |
| Total assets | <u>\$ 94,956</u> | <u>\$ 950,507</u> | <u>\$ 1,045,463</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Deferred revenue | | | |
| Taxes | \$ 7,583 | \$ 48,514 | \$ 56,097 |
| Total liabilities | 7,583 | 48,514 | 56,097 |
| Fund Balances: | | | |
| Reserved fund balance: | | | |
| Reserved for debt service | 87,373 | 901,993 | 989,366 |
| Total fund balances | 87,373 | 901,993 | 989,366 |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 94,956</u> | <u>\$ 950,507</u> | <u>\$ 1,045,463</u> |

POTTER COUNTY, TEXAS

Exhibit C-24

Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2010

| | 330 Series 2003 I&S Certificates | 340 Series 2008 Refunding Bond | Total Nonmajor Debt Service Funds |
|---------------------------------------------------|-------------------------------------------|-----------------------------------------|--------------------------------------------|
| REVENUES | | | |
| Taxes | \$ 312,817 | \$ 2,001,105 | \$ 2,313,922 |
| Investment earnings | 370 | 2,123 | 2,493 |
| Total revenues | 313,187 | 2,003,228 | 2,316,415 |
| EXPENDITURES | | | |
| General administrative | | | |
| General operations | 1,000 | 500 | 1,500 |
| Debt service: | | | |
| Principal | | 1,540,000 | 1,540,000 |
| Interest and fiscal charges | 277,541 | 240,276 | 517,817 |
| Total expenditures | 278,541 | 1,780,776 | 2,059,317 |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | 34,646 | 222,452 | 257,098 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total other financing sources (uses) | - | - | - |
| NET CHANGE IN FUND BALANCE | 34,646 | 222,452 | 257,098 |
| FUND BALANCES | | | |
| AT BEGINNING OF YEAR | 52,727 | 679,541 | 732,268 |
| FUND BALANCES AT END OF YEAR | \$ 87,373 | \$ 901,993 | \$ 989,366 |

POTTER COUNTY, TEXAS
 Series 2003 I&S Certificates
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2010

Exhibit C-25

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|----------------------------------------------------------------------|-------------------------|------------------|------------------|---------------------------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Taxes | \$ 279,542 | \$ 279,542 | \$ 312,817 | \$ 33,275 |
| Investment earnings | 300 | 300 | 370 | 70 |
| Total revenues | <u>279,842</u> | <u>279,842</u> | <u>313,187</u> | <u>33,345</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General administrative | | | | |
| General operations | 1,000 | 1,000 | 1,000 | - |
| Debt service | <u>277,542</u> | <u>277,542</u> | <u>277,541</u> | <u>1</u> |
| Total expenditures | <u>278,542</u> | <u>278,542</u> | <u>278,541</u> | <u>1</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 1,300 | 1,300 | 34,646 | 33,346 |
| 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 | 1,300 | 1,300 | 34,646 | 33,346 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>52,727</u> | <u>52,727</u> | <u>52,727</u> | |
| FUND BALANCE AT END OF YEAR | <u>\$ 54,027</u> | <u>\$ 54,027</u> | <u>\$ 87,373</u> | <u>\$ 33,346</u> |

POTTER COUNTY, TEXAS
Series 2008 Refunding Bond
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

Exhibit C-26

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget |
|----------------------------------------------------------------------|-------------------------|-------------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Positive (Negative) |
| REVENUES | | | | |
| Taxes | \$ 1,788,276 | \$ 1,788,276 | \$ 2,001,105 | \$ 212,829 |
| Investment earnings | 2,000 | 2,000 | 2,123 | 123 |
| Total revenues | <u>1,790,276</u> | <u>1,790,276</u> | <u>2,003,228</u> | <u>212,952</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General administrative | | | | |
| General operations | 1,000 | 1,000 | 500 | 500 |
| Debt service | <u>1,780,276</u> | <u>1,780,276</u> | <u>1,780,276</u> | <u>-</u> |
| Total expenditures | <u>1,781,276</u> | <u>1,781,276</u> | <u>1,780,776</u> | <u>500</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 9,000 | 9,000 | 222,452 | 213,452 |
| 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 | 9,000 | 9,000 | 222,452 | 213,452 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>679,541</u> | <u>679,541</u> | <u>679,541</u> | |
| FUND BALANCE AT END OF YEAR | <u>\$ 688,541</u> | <u>\$ 688,541</u> | <u>\$ 901,993</u> | <u>\$ 213,452</u> |

CAPITAL PROJECT FUNDS

POTTER COUNTY, TEXAS
Nonmajor Capital Projects Funds
Combining Balance Sheet
September 30, 2010

Exhibit C-27

| | <u>400 Capital Projects Fund</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|--------------------------------------------------------|----------------------------------------------|--------------------------------------------------------------|
| ASSETS | | |
| Pooled cash and cash equivalents | \$ 31,960 | \$ 31,960 |
| Investments | <u>1,716,493</u> | <u>1,716,493</u> |
| Total assets | <u>\$ 1,748,453</u> | <u>\$ 1,748,453</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable and other current liabilities | \$ _____ | \$ _____ |
| Total liabilities | | |
| Fund Balances: | | |
| Reserved fund balance: | | |
| Reserved for encumbrances | 223,490 | 223,490 |
| Unreserved: | | |
| Capital project funds designated for specific purposes | <u>1,524,963</u> | <u>1,524,963</u> |
| Total fund balances | <u>1,748,453</u> | <u>1,748,453</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 1,748,453</u> | <u>\$ 1,748,453</u> |

POTTER COUNTY, TEXAS
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2010

Exhibit C-28

| | 400 Capital Projects Fund | Total Nonmajor Capital Projects Funds |
|-----------------------------------------------------------|------------------------------------|---------------------------------------------------|
| REVENUES | | |
| Investment earnings | \$ 3,385 | \$ 3,385 |
| Miscellaneous | <u>25,000</u> | <u>25,000</u> |
| Total revenues | 28,385 | 28,385 |
| EXPENDITURES | | |
| Capital outlay | <u>464,848</u> | <u>464,848</u> |
| Total expenditures | <u>464,848</u> | <u>464,848</u> |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | (436,463) | (436,463) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | <u>1,000,000</u> | <u>1,000,000</u> |
| Total other financing sources (uses) | <u>1,000,000</u> | <u>1,000,000</u> |
| NET CHANGE IN FUND BALANCE | 563,537 | 563,537 |
| FUND BALANCES | | |
| AT BEGINNING OF YEAR | <u>1,184,916</u> | <u>1,184,916</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 1,748,453</u> | <u>\$ 1,748,453</u> |

POTTER COUNTY, TEXAS
Courthouse Preservation Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

Exhibit C-29

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|----------------------------------------------------------------------|-------------------------|--------------------|---------------------|---------------------------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Intergovernmental | \$ 3,100,000 | \$ 3,100,000 | \$ 1,771,690 | \$ (1,328,310) |
| Investment earnings | <u>40,000</u> | <u>40,000</u> | <u>42,348</u> | <u>2,348</u> |
| Total revenues | 3,140,000 | 3,140,000 | 1,814,038 | (1,325,962) |
| EXPENDITURES | | | | |
| Facilities | | | | |
| Contract services | 500,000 | 500,000 | 196,043 | 303,957 |
| Equipment/vehicle maintenance | 50,000 | 50,000 | - | 50,000 |
| Capital outlay | <u>10,000,000</u> | <u>10,000,000</u> | <u>5,984,555</u> | <u>4,015,445</u> |
| Total expenditures | <u>10,550,000</u> | <u>10,550,000</u> | <u>6,180,598</u> | <u>4,369,402</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(7,410,000)</u> | <u>(7,410,000)</u> | <u>(4,366,560)</u> | <u>3,043,440</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>-</u> | <u>-</u> | <u>2,000,000</u> | <u>2,000,000</u> |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>2,000,000</u> | <u>2,000,000</u> |
| NET CHANGE IN FUND BALANCE | (7,410,000) | (7,410,000) | (2,366,560) | 5,043,440 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>8,070,102</u> | <u>8,070,102</u> | <u>8,070,102</u> | |
| FUND BALANCE AT END OF YEAR | <u>\$ 660,102</u> | <u>\$ 660,102</u> | <u>\$ 5,703,542</u> | <u>\$ 5,043,440</u> |

POTTER COUNTY, TEXAS
2003 Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2010

Exhibit C-30

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------------------------------------|-------------------------|---------------------|---------------------|---------------------------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Investment earnings | \$ 15,000 | \$ 15,000 | \$ 3,385 | \$ (11,615) |
| Miscellaneous | - | 25,000 | 25,000 | - |
| Total revenues | 15,000 | 40,000 | 28,385 | (11,615) |
| EXPENDITURES | | | | |
| Facilities | | | | |
| Building repairs and maintenance | 100,000 | 100,000 | - | 100,000 |
| Capital outlay | 1,421,790 | 1,478,790 | 464,848 | 1,013,942 |
| Total expenditures | 1,521,790 | 1,578,790 | 464,848 | 1,113,942 |
| EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES | (1,506,790) | (1,538,790) | (436,463) | 1,102,327 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | - | 1,000,000 | 1,000,000 |
| Transfers out | - | - | - | - |
| Total other financing sources | - | - | 1,000,000 | 1,000,000 |
| NET CHANGE IN FUND BALANCE | (1,506,790) | (1,538,790) | 563,537 | 2,102,327 |
| FUND BALANCE AT BEGINNING OF YEAR | 1,184,916 | 1,184,916 | 1,184,916 | |
| FUND BALANCE AT END OF YEAR | \$ (321,874) | \$ (353,874) | \$ 1,748,453 | \$ 2,102,327 |

AGENCY FUNDS

POTTER COUNTY, TEXAS
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
September 30, 2010

| | 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 | \$ 554,460 | \$ 1,266,410 | \$ 65,000 | \$ 194,043 | \$ 3,121,161 | \$ 491,528 |
| Investments | | 325,953 | | | | |
| Accounts receivable Other | <u>6,730</u> | <u>225</u> | | <u>97,544</u> | | |
| TOTAL ASSETS | <u>\$ 561,190</u> | <u>\$ 1,592,588</u> | <u>\$ 65,000</u> | <u>\$ 291,587</u> | <u>\$ 3,121,161</u> | <u>\$ 491,528</u> |
| LIABILITIES: | | | | | | |
| Accounts payable and other current liabilities | \$ 132,308 | | | \$ 1,838 | | |
| Due to other governments | 428,882 | 1,592,588 | | 289,749 | | |
| Due to trust beneficiaries | | | | | 3,121,161 | 491,528 |
| Due to other entities | | | | | | |
| Deposits | | | <u>65,000</u> | | | |
| TOTAL LIABILITIES | <u>\$ 561,190</u> | <u>\$ 1,592,588</u> | <u>\$ 65,000</u> | <u>\$ 291,587</u> | <u>\$ 3,121,161</u> | <u>\$ 491,528</u> |

| <u>740</u> <u>County</u> <u>Attorney</u> <u>Restitution</u> | <u>741</u> <u>County</u> <u>Attorney</u> <u>Credit Card</u> | <u>750</u> <u>District</u> <u>Attorney</u> <u>Restitution</u> | <u>760</u> <u>District</u> <u>Attorney</u> <u>Seizure</u> | <u>771</u> <u>Detention</u> <u>Center</u> <u>Trust Fund</u> | <u>772</u> <u>Detention</u> <u>Center Bond</u> <u>Fund</u> | <u>200</u> <u>Unclaimed</u> <u>Property</u> | <u>Total</u> <u>Agency</u> <u>Funds</u> |
|----------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------|
| \$ 85,984 | \$ | \$ 17,639 | \$ 81,175 | \$ 43,031 | \$ 6,000 | \$ 88,993 | \$ 6,015,424 |
| | | | | | | | 325,953 |
| <u>3,888</u> | | | | | | | <u>108,387</u> |
| <u>\$ 89,872</u> | <u>\$ -</u> | <u>\$ 17,639</u> | <u>\$ 81,175</u> | <u>\$ 43,031</u> | <u>\$ 6,000</u> | <u>\$ 88,993</u> | <u>\$ 6,449,764</u> |
| \$ | \$ | \$ | \$ | \$ 43,031 | \$ 6,000 | \$ | \$ 183,177 |
| | | | 81,175 | | | | 2,392,394 |
| 89,872 | | 17,639 | | | | | 3,720,200 |
| | | | | | | 88,993 | 88,993 |
| | | | | | | | <u>65,000</u> |
| <u>\$ 89,872</u> | <u>\$ -</u> | <u>\$ 17,639</u> | <u>\$ 81,175</u> | <u>\$ 43,031</u> | <u>\$ 6,000</u> | <u>\$ 88,993</u> | <u>\$ 6,449,764</u> |

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2010

| | Balance 10/1/2009 | Additions | Deductions | Balance 9/30/2010 |
|---------------------------------------|----------------------|-----------------------|-----------------------|----------------------|
| STATE & COUNTY COLLECTIONS | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 488,406 | \$ 5,369,460 | \$ 5,303,406 | \$ 554,460 |
| Accounts receivable | 4,190 | 27,689 | 25,149 | 6,730 |
| Total assets | 492,596 | 5,397,149 | 5,328,555 | 561,190 |
| LIABILITIES | | | | |
| Accounts payable | 127,845 | 497,994 | 493,531 | 132,308 |
| Due to other governments | 364,751 | 428,932 | 364,801 | 428,882 |
| Total liabilities | \$ 492,596 | \$ 926,926 | \$ 858,332 | \$ 561,190 |
| TAX ASSESSOR/COLLECTOR | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,181,659 | \$ 144,554,185 | \$ 144,469,434 | \$ 1,266,410 |
| Investments | 297,611 | 464,269 | 435,927 | 325,953 |
| Accounts receivable | 225 | | | 225 |
| Total assets | 1,479,495 | 145,018,454 | 144,905,361 | 1,592,588 |
| LIABILITIES | | | | |
| Due to other governments | 1,479,495 | 145,018,454 | 144,905,361 | 1,592,588 |
| Deposits | - | | | - |
| Total liabilities | \$ 1,479,495 | \$ 145,018,454 | \$ 144,905,361 | \$ 1,592,588 |
| BAIL SECURITY FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 65,000 | | | \$ 65,000 |
| Total assets | 65,000 | - | - | 65,000 |
| LIABILITIES | | | | |
| Deposits | 65,000 | | | 65,000 |
| Total liabilities | \$ 65,000 | - | - | \$ 65,000 |

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2010

| | Balance 10/1/2009 | Additions | Deductions | Balance 9/30/2010 |
|-------------------------------------|----------------------|------------------|------------------|----------------------|
| STATE COURT COSTS | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 184,717 | \$ 1,160,525 | \$ 1,151,199 | \$ 194,043 |
| Accounts receivable | 85,144 | 98,565 | 86,165 | 97,544 |
| Total assets | 269,861 | 1,259,090 | 1,237,364 | 291,587 |
| LIABILITIES | | | | |
| Accounts payable | 1,409 | 9,719 | 9,290 | 1,838 |
| Due to other governments | 268,452 | 289,749 | 268,452 | 289,749 |
| Total liabilities | 269,861 | 299,468 | 277,742 | 291,587 |
| DISTRICT CLERK REGISTRY FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,841,869 | \$ 1,708,229 | \$ 1,428,937 | \$ 3,121,161 |
| Total assets | 2,841,869 | 1,708,229 | 1,428,937 | 3,121,161 |
| LIABILITIES | | | | |
| Due to trust beneficiaries | 2,841,869 | 1,708,229 | 1,428,937 | 3,121,161 |
| Total liabilities | 2,841,869 | 1,708,229 | 1,428,937 | 3,121,161 |
| COUNTY CLERK REGISTRY FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 534,444 | \$ 104,439 | \$ 147,355 | \$ 491,528 |
| Total assets | 534,444 | 104,439 | 147,355 | 491,528 |
| LIABILITIES | | | | |
| Due to trust beneficiaries | 534,444 | 104,439 | 147,355 | 491,528 |
| Total liabilities | 534,444 | 104,439 | 147,355 | 491,528 |
| COUNTY ATTORNEY RESTITUTION | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 90,990 | \$ 884,579 | \$ 889,585 | \$ 85,984 |
| Accounts receivable | 5,596 | 9,484 | 11,192 | 3,888 |
| Total assets | 96,586 | 894,063 | 900,777 | 89,872 |
| LIABILITIES | | | | |
| Due to trust beneficiaries | 96,586 | 874,366 | 881,080 | 89,872 |
| Total liabilities | 96,586 | 874,366 | 881,080 | 89,872 |

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2010

| | Balance 10/1/2009 | Additions | Deductions | Balance 9/30/2010 |
|-------------------------------------------|----------------------|-------------------|-------------------|----------------------|
| COUNTY ATTORNEY CREDIT CARD | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,702 | \$ 7 | \$ 2,709 | \$ - |
| Total assets | <u>2,702</u> | <u>7</u> | <u>2,709</u> | <u>-</u> |
| LIABILITIES | | | | |
| Due to trust beneficiaries | 2,702 | 5,995 | 8,697 | - |
| Total liabilities | <u>\$ 2,702</u> | <u>\$ 5,995</u> | <u>\$ 8,697</u> | <u>\$ -</u> |
| DISTRICT ATTORNEY RESTITUTION | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 18,507 | \$ 131,049 | \$ 131,917 | \$ 17,639 |
| Account receivables | 755 | 755 | 1,510 | - |
| Total assets | <u>19,262</u> | <u>131,804</u> | <u>133,427</u> | <u>17,639</u> |
| LIABILITIES | | | | |
| Due to trust beneficiaries | 19,262 | 129,448 | 131,071 | 17,639 |
| Total liabilities | <u>\$ 19,262</u> | <u>\$ 129,448</u> | <u>\$ 131,071</u> | <u>\$ 17,639</u> |
| DISTRICT ATTORNEY SEIZURE | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 124,118 | \$ 173,011 | \$ 215,954 | \$ 81,175 |
| Total assets | <u>124,118</u> | <u>173,011</u> | <u>215,954</u> | <u>81,175</u> |
| LIABILITIES | | | | |
| Due to other governments | 124,118 | 173,011 | 215,954 | 81,175 |
| Total liabilities | <u>\$ 124,118</u> | <u>\$ 173,011</u> | <u>\$ 215,954</u> | <u>\$ 81,175</u> |
| DETENTION CENTER INMATE TRUST FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 44,983 | \$ 710,357 | \$ 712,309 | \$ 43,031 |
| Total assets | <u>44,983</u> | <u>710,357</u> | <u>712,309</u> | <u>43,031</u> |
| LIABILITIES | | | | |
| Accounts payable | 44,983 | 710,357 | 712,309 | 43,031 |
| Total liabilities | <u>\$ 44,983</u> | <u>\$ 710,357</u> | <u>\$ 712,309</u> | <u>\$ 43,031</u> |

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2010

Exhibit C-32
Page 4 of 4

| | Balance 10/1/2009 | Additions | Deductions | Balance 9/30/2010 |
|-----------------------------------|----------------------|-----------------------|-----------------------|----------------------|
| DETENTION CENTER BOND FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 7,500 | \$ 60,198 | \$ 61,698 | \$ 6,000 |
| Total assets | <u>7,500</u> | <u>60,198</u> | <u>61,698</u> | <u>6,000</u> |
| LIABILITIES | | | | |
| Accounts payable | 7,500 | 60,198 | 61,698 | 6,000 |
| Total liabilities | <u>\$ 7,500</u> | <u>\$ 60,198</u> | <u>\$ 61,698</u> | <u>\$ 6,000</u> |
| UNCLAIMED PROPERTY | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 78,462 | \$ 35,853 | \$ 25,322 | \$ 88,993 |
| Total assets | <u>78,462</u> | <u>35,853</u> | <u>25,322</u> | <u>88,993</u> |
| LIABILITIES | | | | |
| Due to other entities | 78,462 | 35,853 | 25,322 | 88,993 |
| Total liabilities | <u>\$ 78,462</u> | <u>\$ 35,853</u> | <u>\$ 25,322</u> | <u>\$ 88,993</u> |
| TOTAL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 5,663,357 | \$ 154,891,892 | \$ 154,539,825 | \$ 6,015,424 |
| Investments | 297,611 | 464,269 | 435,927 | 325,953 |
| Accounts receivable | 95,910 | 136,493 | 124,016 | 108,387 |
| Total assets | <u>6,056,878</u> | <u>155,492,654</u> | <u>155,099,768</u> | <u>6,449,764</u> |
| LIABILITIES | | | | |
| Accounts payable | 181,737 | 1,278,268 | 1,276,828 | 183,177 |
| Due to other governments | 2,236,816 | 145,910,146 | 145,754,568 | 2,392,394 |
| Due to trust beneficiaries | 3,494,863 | 2,822,477 | 2,597,140 | 3,720,200 |
| Due to other entities | 78,462 | 35,853 | 25,322 | 88,993 |
| Deposits | 65,000 | - | - | 65,000 |
| Total liabilities | <u>\$ 6,056,878</u> | <u>\$ 150,046,744</u> | <u>\$ 149,653,858</u> | <u>\$ 6,449,764</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. | 95 |
| Revenue Capacity These schedules contain information to help the reader assess the County's most significant revenue source, property taxes. | 100 |
| 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. | 105 |
| 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. | 109 |
| 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. | 113 |

POTTER COUNTY, TEXAS

Table 1

Net Assets by Component
Last Five Fiscal Years

Since implementation of GASB 34 (Modified Accrual Basis of Accounting)

| | Fiscal Year | | | | |
|-------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 (1) | 2008 | 2009 | 2010 |
| Governmental activities | | | | | |
| Invested in capital assets, net of related debt | \$ 23,277,642 | \$ 42,548,919 | \$ 42,873,285 | \$ 43,565,161 | \$ 49,746,604 |
| Restricted | 6,147,112 | 816,179 | 1,074,466 | 1,447,462 | 2,049,256 |
| Unrestricted | 14,565,134 | 23,603,860 | 26,736,887 | 29,552,344 | 28,372,058 |
| Total governmental activities net assets | <u>\$ 43,989,888</u> | <u>\$ 66,968,958</u> | <u>\$ 70,684,638</u> | <u>\$ 74,564,967</u> | <u>\$ 80,167,918</u> |
| Primary government | | | | | |
| Invested in capital assets, net of related debt | \$ 23,277,642 | \$ 42,548,919 | \$ 42,873,285 | \$ 43,565,161 | \$ 49,746,604 |
| Restricted | 6,147,112 | 816,179 | 1,074,466 | 1,447,462 | 2,049,256 |
| Unrestricted | 14,565,134 | 23,603,860 | 26,736,887 | 29,552,344 | 28,372,058 |
| Total primary government net assets | <u>\$ 43,989,888</u> | <u>\$ 66,968,958</u> | <u>\$ 70,684,638</u> | <u>\$ 74,564,967</u> | <u>\$ 80,167,918</u> |

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

Source: County financial statements

POTTER COUNTY, TEXAS

Changes in Net Assets

Last Five Fiscal Years

Since implementation of GASB 34 (Modified Accrual Basis of Accounting)

| | Fiscal Year | | | | |
|-------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2006 | 2007 (1,2) | 2008 | 2009 | 2010 |
| Expenses | | | | | |
| Governmental activities | | | | | |
| General administrative | \$ 3,437,095 | \$ 4,417,536 | \$ 4,716,743 | \$ 4,878,648 | \$ 4,894,116 |
| Public service | 1,351,979 | | | | |
| Transportation | 1,649,715 | | | | |
| Facilities maintenance | 2,773,718 | 2,806,032 | 3,233,525 | 2,880,638 | 3,049,154 |
| Tax and recording offices | 3,244,832 | | | | |
| Election administration | | 354,817 | 212,444 | 252,589 | 311,674 |
| Judicial | 5,018,228 | 11,230,890 | 11,586,395 | 12,088,428 | 12,505,640 |
| Legal | 4,044,715 | | | | |
| Public safety | 15,172,800 | 7,017,487 | 7,107,000 | 7,531,800 | 7,904,306 |
| Corrections and rehabilitation | | 10,957,800 | 11,177,365 | 11,463,293 | 11,504,942 |
| Health and human services | | 591,621 | 579,078 | 595,105 | 602,072 |
| Road and bridge | | 2,931,038 | 3,073,675 | 2,810,403 | 2,898,176 |
| Interest and fiscal charges | 888,024 | 825,966 | 750,445 | 543,890 | 500,346 |
| Non-capital expenditures | - | - | - | - | - |
| Total governmental activities expenses | <u>37,581,106</u> | <u>41,133,187</u> | <u>42,436,670</u> | <u>43,044,794</u> | <u>44,170,426</u> |
| Program Revenues | | | | | |
| Governmental activities | | | | | |
| Charges for services | | | | | |
| General administrative | 334,102 | 1,103,936 | 1,089,631 | 979,641 | 1,121,886 |
| Public service | 319,012 | | | | |
| Transportation | 1,911,778 | | | | |
| Facilities maintenance | - | | | | |
| Tax and recording offices | 1,845,599 | | | | |
| Election administration | | 21,228 | | | |
| Judicial | 2,227,546 | 4,023,808 | 3,634,570 | 3,276,434 | 3,579,564 |
| Legal | 409,525 | | | | |
| Public safety | 686,467 | 1,092,913 | 747,184 | 748,658 | 763,450 |
| Corrections and rehabilitation | | 65,390 | 87,677 | 56,579 | 53,917 |
| Health and human services | | 9,044 | 8,213 | 8,167 | 8,280 |
| Road and bridge | | 1,923,258 | 1,999,896 | 1,986,477 | 1,757,544 |
| Operating grants and contributions | 1,861,802 | 1,812,703 | 1,420,446 | 1,509,675 | 1,597,284 |
| Capital grants and contributions | | 51,339 | 56,445 | 191,617 | 2,177,997 |
| Total governmental activities program revenues | <u>9,595,831</u> | <u>10,103,619</u> | <u>9,044,062</u> | <u>8,757,248</u> | <u>11,059,922</u> |
| Net (expense) revenue | | | | | |
| Governmental activities | (27,985,275) | (31,029,568) | (33,392,608) | (34,287,546) | (33,110,504) |
| Total primary government government net expense | <u>\$ (27,985,275)</u> | <u>\$ (31,029,568)</u> | <u>\$ (33,392,608)</u> | <u>\$ (34,287,546)</u> | <u>\$ (33,110,504)</u> |

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

Table 2
 Page 2 of 2

| | Fiscal Year | | | | |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2006 | 2007 (1,2) | 2008 | 2009 | 2010 |
| General Revenues and Other Changes in Net Assets | | | | | |
| Governmental activities | | | | | |
| Taxes | | | | | |
| Property taxes, levied | | | | | |
| for general purposes | \$ 29,475,437 | \$ 31,012,054 | \$ 32,885,969 | \$ 34,717,944 | \$ 34,927,427 |
| Property taxes, levied | | | | | |
| for debt purposes | 2,228,072 | 2,156,007 | 2,151,785 | 2,269,041 | 2,316,528 |
| Mixed drink tax | 365,165 | 387,175 | 396,055 | 406,726 | 404,397 |
| Vehicle inventory tax | 21,093 | 1,396 | 2,603 | 7,925 | 10,920 |
| Bingo tax proceeds | 179,852 | 189,217 | 195,213 | 206,297 | 208,384 |
| Investment Income | 1,247,371 | 1,645,416 | 1,079,408 | 379,686 | 218,336 |
| Gain (loss) on | | | | | |
| sale of capital assets | - | - | (83,303) | 53,110 | (3,759) |
| Miscellaneous | 258,259 | 48,640 | 480,558 | 127,146 | 631,222 |
| Total governmental activities | <u>33,775,249</u> | <u>35,439,905</u> | <u>37,108,288</u> | <u>38,167,875</u> | <u>38,713,455</u> |
| Total primary government | <u>33,775,249</u> | <u>35,439,905</u> | <u>37,108,288</u> | <u>38,167,875</u> | <u>38,713,455</u> |
| Changes in Net Assets | | | | | |
| Governmental activities | 5,789,974 | 4,410,337 | 3,715,680 | 3,880,329 | 5,602,951 |
| Total primary government | <u>\$ 5,789,974</u> | <u>\$ 4,410,337</u> | <u>\$ 3,715,680</u> | <u>\$ 3,880,329</u> | <u>\$ 5,602,951</u> |

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

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

Source: Statement of Activities from County CAFRs

POTTER COUNTY, TEXAS
Fund Balances, Governmental Funds
Since implementation of GASB 34 (Modified Accrual Basis of Accounting)

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

Table 3

| Fiscal Year | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2006 | 2007 | 2008 | 2009 | 2010 |
| \$ 273,861 | \$ 489,157 | \$ 116,685 | \$ 131,550 | \$ 425,469 |
| <u>12,054,462</u> | <u>14,986,535</u> | <u>16,047,905</u> | <u>16,918,011</u> | <u>16,817,279</u> |
| <u>\$ 12,328,323</u> | <u>\$ 15,475,692</u> | <u>\$ 16,164,590</u> | <u>\$ 17,049,561</u> | <u>\$ 17,242,748</u> |
| \$ 358,463 | \$ 440,461 | \$ 534,661 | \$ 732,268 | \$ 989,366 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | 611,403 | 1,253,119 | 395,122 | 479,476 |
| 2,249,575 | 2,707,338 | 2,781,788 | 2,721,110 | 2,952,805 |
| <u>4,897,559</u> | <u>5,223,091</u> | <u>6,767,146</u> | <u>8,860,744</u> | <u>7,228,505</u> |
| <u>\$ 7,505,597</u> | <u>\$ 8,982,293</u> | <u>\$ 11,336,714</u> | <u>\$ 12,709,244</u> | <u>\$ 11,650,152</u> |

POTTER COUNTY, TEXAS
Changes in Fund Balances, Governmental Funds
Since Implementation of GASB 34 (Modified Accrual Basis of Accounting)

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

Source: Statement of Activities from County CAFRs

Table 4

| | | Fiscal Year | | | | |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|------|
| | | 2006 | 2007 | 2008 | 2009 | 2010 |
| \$ | 31,836,208 | \$ 33,868,870 | \$ 35,373,010 | \$ 37,220,666 | \$ 37,617,375 | |
| | 5,184,202 | 3,964,127 | 4,782,390 | 4,744,096 | 4,724,465 | |
| | 2,041,654 | 1,986,215 | 1,672,104 | 1,701,292 | 3,983,665 | |
| | 1,685,287 | 1,729,089 | 1,630,752 | 1,386,758 | 1,410,844 | |
| | 864,540 | 1,115,763 | 1,042,421 | 946,385 | 887,002 | |
| | 1,210,448 | 1,588,175 | 1,058,154 | 374,434 | 216,028 | |
| | 244,873 | 1,494,943 | 664,826 | 329,658 | 844,620 | |
| | <u>43,067,212</u> | <u>45,747,182</u> | <u>46,223,657</u> | <u>46,703,289</u> | <u>49,683,999</u> | |
| | 3,345,715 | 4,215,460 | 4,620,124 | 4,769,440 | 4,845,930 | |
| | 1,133,020 | | | | | |
| | 1,492,074 | | | | | |
| | 1,939,474 | 2,403,939 | 2,741,042 | 2,142,823 | 2,385,538 | |
| | 3,297,289 | | | | | |
| | | 200,820 | 212,444 | 252,124 | 312,223 | |
| | 5,070,663 | 11,095,322 | 11,624,598 | 12,022,407 | 12,480,138 | |
| | 4,112,711 | | | | | |
| | 15,142,030 | 6,536,554 | 6,807,111 | 7,186,687 | 7,546,648 | |
| | | 10,585,748 | 11,031,909 | 11,267,983 | 11,322,711 | |
| | | 570,136 | 583,017 | 593,662 | 603,442 | |
| | | 1,669,391 | 1,707,486 | 1,843,461 | 1,904,364 | |
| | 1,332,905 | 1,414,773 | 1,460,900 | 1,559,400 | 1,540,000 | |
| | 896,708 | 835,988 | 816,721 | 572,206 | 517,817 | |
| | <u>2,557,826</u> | <u>1,832,684</u> | <u>1,663,975</u> | <u>1,470,595</u> | <u>7,091,093</u> | |
| | <u>40,320,415</u> | <u>41,360,815</u> | <u>43,269,327</u> | <u>43,680,788</u> | <u>50,549,904</u> | |
| | <u>2,746,797</u> | <u>4,386,367</u> | <u>2,954,330</u> | <u>3,022,501</u> | <u>(865,905)</u> | |
| | - | - | 9,120,000 | - | - | |
| | - | - | 151,329 | - | - | |
| | - | - | (9,182,340) | - | - | |
| | 2,602,000 | 2,192,046 | 3,713,937 | 2,316,262 | 3,285,291 | |
| | (2,602,000) | (2,192,046) | (3,713,937) | (2,316,262) | (3,285,291) | |
| | - | - | - | - | - | |
| | <u>-</u> | <u>-</u> | <u>88,989</u> | <u>-</u> | <u>-</u> | |
| \$ | <u>2,746,797</u> | <u>4,386,367</u> | <u>3,043,319</u> | <u>3,022,501</u> | <u>(865,905)</u> | |
| | 5.89% | 5.78% | 5.52% | 5.13% | 4.80% | |

POTTER COUNTY, TEXAS
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years (1)
 (Modified Accrual Basis of Accounting)

Table 5

| Fiscal Year | Property Taxes | Mixed Drink Tax | Vehicle Inventory Tax | Bingo Tax | Total |
|----------------|-------------------|--------------------|--------------------------|--------------|------------|
| 2001 | \$ | \$ | \$ | \$ | \$ |
| 2002 | | | | | |
| 2003 | 26,709,140 | 288,369 | 8,060 | 181,584 | 27,187,153 |
| 2004 | 27,644,951 | 321,932 | 9,074 | 157,639 | 28,133,596 |
| 2005 | 30,022,697 | 328,808 | 1,077 | 160,735 | 30,513,317 |
| 2006 | 31,703,509 | 365,165 | 21,093 | 179,852 | 32,269,619 |
| 2007 | 33,168,061 | 387,175 | 1,396 | 189,217 | 33,745,849 |
| 2008 | 35,037,754 | 396,055 | 2,603 | 195,213 | 35,631,625 |
| 2009 | 36,986,985 | 406,726 | 7,925 | 206,297 | 37,607,933 |
| 2010 | 37,243,955 | 404,397 | 10,920 | 208,384 | 37,867,656 |

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

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 | |
| 2001 | \$ 3,750,512 | \$ 3,750,512 | \$ 1,496,290 | \$ 1,496,290 | \$ 5,246,802 | \$ 5,246,802 | \$ 7.31 |
| 2002 | 3,950,370 | 3,950,370 | 1,511,259 | 1,511,259 | 5,461,629 | 5,461,629 | 7.45 |
| 2003 | 4,152,857 | 4,152,857 | 1,502,434 | 1,502,434 | 5,655,291 | 5,655,291 | 7.62 |
| 2004 | 4,290,421 | 4,290,421 | 1,406,342 | 1,406,342 | 5,696,763 | 5,696,763 | 7.52 |
| 2005 | 4,470,539 | 4,470,539 | 1,613,062 | 1,613,062 | 6,083,601 | 6,083,601 | 7.49 |
| 2006 | 4,558,019 | 4,558,019 | 1,824,415 | 1,824,415 | 6,382,434 | 6,382,434 | 7.92 |
| 2007 | 4,771,318 | 4,771,318 | 1,879,772 | 1,879,772 | 6,651,090 | 6,651,090 | 7.08 |
| 2008 | 5,250,250 | 5,250,250 | 1,983,443 | 1,983,443 | 7,233,693 | 7,233,693 | 6.03 |
| 2009 | 5,551,896 | 5,551,896 | 2,153,062 | 2,153,062 | 7,704,958 | 7,704,958 | 6.11 |
| 2010 | 5,773,209 | 5,946,016 | 1,953,859 | 2,030,339 | 7,727,068 | 7,976,356 | 6.16 |

(1) Stated in Thousands

Source: Potter-Randall Appraisal District

POTTER COUNTY, TEXAS
Property Tax Rates and Levies
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 | | | | | |
| 2001 | 0.495240 | 0.287000 | 1.490000 | 0.149900 | 1.574100 |
| 2002 | 0.519890 | 0.296530 | 1.535000 | 0.154150 | 1.556200 |
| 2003 | 0.552820 | 0.295630 | 1.590000 | 0.156210 | 1.572300 |
| 2004 | 0.595030 | 0.294370 | 1.590000 | 0.159420 | 1.572300 |
| 2005 | 0.607040 | 0.289060 | 1.615000 | 0.160430 | 1.572300 |
| 2006 | 0.607040 | 0.287120 | 1.645000 | 0.160430 | 1.779800 |
| 2007 | 0.599730 | 0.283710 | 1.615000 | 0.160430 | 1.649800 |
| 2008 | 0.596740 | 0.283710 | 1.172000 | 0.183950 | 1.317000 |
| 2009 | 0.596740 | 0.310090 | 1.170000 | 0.184130 | 1.317000 |
| 2010 | 0.596270 | 0.310090 | 1.170000 | 0.189960 | 1.350000 |
| TAX LEVIES | | | | | |
| 2001 | \$ 20,605,121 | \$ 17,691,528 | \$ 70,226,272 | \$ 9,296,569 | \$ 2,407,118 |
| 2002 | 22,538,053 | 19,090,290 | 75,181,337 | 9,988,283 | 2,519,656 |
| 2003 | 24,811,120 | 19,968,331 | 83,880,300 | 10,621,717 | 2,667,495 |
| 2004 | 27,216,547 | 20,826,736 | 84,309,304 | 11,355,776 | 2,740,846 |
| 2005 | 29,636,469 | 21,750,688 | 91,058,090 | 6,008,370 | 2,838,675 |
| 2006 | 31,408,740 | 22,519,911 | 96,100,576 | 12,674,152 | 3,406,168 |
| 2007 | 32,552,075 | 23,716,402 | 91,871,378 | 14,765,939 | 3,410,302 |
| 2008 | 34,619,979 | 25,871,786 | 78,410,389 | 17,559,424 | 3,256,371 |
| 2009 | 36,435,657 | 29,389,553 | 82,799,146 | 18,097,381 | 3,232,985 |
| 2010 | 36,838,767 | 30,409,776 | 84,747,604 | 18,750,415 | 3,232,985 |

Table 7

| <u>Underground Water Conservation District</u> | <u>County Common School District</u> | <u>Bishop Hills</u> | <u>Valle de Oro</u> | <u>Walnut Hills</u> | <u>Total</u> |
|------------------------------------------------|--------------------------------------|---------------------|---------------------|---------------------|----------------|
| <u>TAX RATES / \$100 ASSESSED VALUATION</u> | | | | | |
| 0.025600 | 2.780000 | 0.074160 | 0.200000 | 0.230000 | 7.30600 |
| 0.023900 | 2.895530 | 0.074160 | 0.185612 | 0.210647 | 7.45162 |
| 0.023800 | 2.983400 | 0.076250 | 0.169400 | 0.201880 | 7.62169 |
| 0.023700 | 3.203580 | 0.080000 | | | 7.51840 |
| 0.093500 | 3.069500 | 0.080000 | | | 7.48683 |
| 0.092700 | 3.267530 | 0.080000 | | | 7.91962 |
| 0.020700 | 2.673650 | 0.080000 | | | 7.08302 |
| 0.017940 | 2.378760 | 0.080000 | | | 6.03010 |
| 0.016840 | 2.434940 | 0.080000 | | | 6.10974 |
| 0.016840 | 2.451140 | 0.080000 | | | 6.16430 |
| <u>TAX LEVIES</u> | | | | | |
| \$ 680,469 | \$ 14,715,883 | \$ 9,304 | \$ 21,200 | \$ 14,994 | \$ 135,668,458 |
| 645,822 | 16,317,723 | 9,485 | 20,361 | 14,994 | 146,326,004 |
| 660,693 | 17,683,235 | 9,843 | 20,169 | 14,980 | 160,337,883 |
| 671,624 | 17,915,892 | 10,452 | | | 165,047,177 |
| 733,245 | 18,997,047 | 11,372 | | | 171,033,956 |
| 740,097 | 22,392,381 | 12,717 | | | 189,254,742 |
| 650,438 | 18,846,813 | 13,457 | | | 185,826,804 |
| 566,790 | 19,814,636 | 14,025 | | | 180,113,400 |
| 539,078 | 20,194,978 | 14,021 | | | 190,702,799 |
| 545,999 | 20,539,625 | 14,345 | | | 195,079,516 |

POTTER COUNTY, TEXAS

Principal Taxpayers

September 30, 2010

| <u>Taxpayer</u> | <u>Type of Business</u> | <u>2009 Valuation</u> | <u>Rank</u> | <u>Percentage of Total Assessed Valuation</u> |
|-------------------------------------|-------------------------|---------------------------|-------------|-----------------------------------------------------------|
| Southwestern Public Service (Xcel) | Electric Utility | \$ 200,175,505 | 1 | 3.27% |
| Pioneer Natural Resources | Natural Gas Utility | 105,626,898 | 2 | 1.73% |
| Asarco Inc. | Copper Refinery | 90,299,924 | 3 | 1.48% |
| Tyson Fresh Meats Inc. | Food Distribution | 86,230,349 | 4 | 1.41% |
| Northwest Texas Healthcare | Healthcare | 84,540,339 | 5 | 1.38% |
| BNSF Railway Company | Railroad | 73,570,233 | 6 | 1.20% |
| Amarillo Mall, LLC | Shopping Mall | 60,722,582 | 7 | 0.99% |
| Wal Mart Real Estate | Retailer | 48,175,393 | 8 | 0.79% |
| Ben E. Keith Company | Food Distribution | 47,962,029 | 9 | 0.78% |
| Amarillo Economic Dev Corporation | Economic Development | <u>34,988,427</u> | 10 | <u>0.57%</u> |
| | | <u>\$ 832,291,679</u> | | <u>13.60%</u> |
| Iowa Beef Processors, Inc. | Beef Processors | | | |
| Colorado Interstate Gas Company | Natural Gas Pipeline | | | |
| UHS of Amarillo | Healthcare | | | |
| Southwestern Bell Telephone Company | Telephone | | | |
| Pioneer Natural Resources | Pipeline | | | |
| Schroder Amarillo | Hotel/Motel | | | |
| Amarillo National Bank | Banking | | | |

| | 2001 Valuation | Rank | Percentage of Total Assessed Valuation |
|----|--------------------|------|-------------------------------------------------|
| \$ | 324,912,869 | 1 | 6.19% |
| | 187,307,057 | 2 | 3.57% |
| | 44,770,928 | 6 | 0.85% |
| | 115,350,310 | 3 | 2.20% |
| | 77,160,940 | 4 | 1.47% |
| | 67,799,370 | 5 | 1.29% |
| | 43,463,346 | 7 | 0.83% |
| | 34,552,635 | 8 | 0.66% |
| | 29,751,328 | 9 | 0.57% |
| | 23,808,103 | 10 | 0.45% |
| \$ | <u>948,876,886</u> | | <u>18.08%</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 | Percentage of Levy |
| 2001 | \$ 20,605,121 | \$ 19,589,582 | 95.07% | \$ 839,854 | \$ 20,429,436 | 99.15% |
| 2002 | 22,538,053 | 21,427,848 | 95.07% | 1,021,224 | 22,449,072 | 99.61% |
| 2003 | 24,811,120 | 23,870,089 | 96.21% | 791,758 | 24,661,847 | 99.40% |
| 2004 | 27,216,547 | 26,130,672 | 96.01% | 999,683 | 27,130,355 | 99.68% |
| 2005 | 29,636,469 | 28,973,425 | 97.76% | 569,549 | 29,542,974 | 99.68% |
| 2006 | 31,425,558 | 30,388,380 | 96.70% | 914,756 | 31,303,136 | 99.61% |
| 2007 | 32,576,226 | 31,984,967 | 98.18% | 440,812 | 32,425,779 | 99.54% |
| 2008 | 34,619,979 | 33,988,984 | 98.18% | 409,504 | 34,398,488 | 99.36% |
| 2009 | 36,435,657 | 35,668,444 | 97.89% | 365,378 | 36,033,822 | 98.90% |
| 2010 | 36,838,767 | 36,040,234 | 97.83% | - | 36,040,234 | 97.83% |

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

Table 10

| Fiscal Year | General Obligation Bonds | Capital Leases | Total Primary Government | Percentage of Personal Income (2) | Per Capita (2) |
|----------------|--------------------------------|-------------------|--------------------------------|-----------------------------------------|-------------------|
| 2001 | \$ | \$ | \$ | | |
| 2002 | | | | | |
| 2003 | 22,886,083 | - | 22,886,083 | 0.80% | 195 |
| 2004 | 21,995,000 | - | 21,995,000 | 0.74% | 186 |
| 2005 | 20,805,000 | 372,976 | 21,177,976 | 0.67% | 176 |
| 2006 | 19,560,000 | 285,072 | 19,845,072 | 0.60% | 164 |
| 2007 | 18,260,000 | 170,299 | 18,430,299 | 0.54% | 152 |
| 2008 | 16,890,000 | 74,399 | 16,964,399 | 0.48% | 139 |
| 2009 | 15,405,000 | - | 15,405,000 | 0.45% | 126 |
| 2010 | 13,865,000 | - | 13,865,000 | 0.41% | 114 |

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

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

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

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

Table 11

| 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) |
|----------------|----------------------|---------------------------|--------------------|-----------------------------------------------------------------------------|-----------------------------------|
| 2001 | \$ 17,500,000 | \$ 259,681 | \$ 17,240,319 | 329% | \$ 150 |
| 2002 | 16,455,000 | 217,741 | 16,237,259 | 297% | 140 |
| 2003 | 23,135,000 | 248,917 | 22,886,083 | 405% | 195 |
| 2004 | 21,995,000 | 254,730 | 21,740,270 | 382% | 184 |
| 2005 | 20,805,000 | 293,427 | 20,511,573 | 337% | 171 |
| 2006 | 19,560,000 | 358,463 | 19,201,537 | 301% | 158 |
| 2007 | 18,260,000 | 440,461 | 17,819,539 | 268% | 147 |
| 2008 | 16,890,000 | 534,661 | 16,355,339 | 226% | 134 |
| 2009 | 15,405,000 | 732,268 | 14,672,732 | 190% | 120 |
| 2010 | 13,865,000 | (989,366) | 14,854,366 | 186% | 122 |

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 101 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 109.

Source: Potter County financial records

POTTER COUNTY, TEXAS
 Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds
 September 30, 2010

Table 12

| 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 | \$ 104,566,221 | 51.61% | \$ 53,966,627 |
| Amarillo College District | 59,381,601 | 50.50% | 29,987,709 |
| River Road Independent School District | 17,393,991 | 100.00% | 17,393,991 |
| Highland Park Independent School District | 12,556,497 | 100.00% | 12,556,497 |
| Bushland Independent School District | 23,823,366 | 100.00% | 23,823,366 |
| City of Amarillo | 29,732,000 | 100.00% | <u>29,732,000</u> |
| Subtotal, overlapping debt | | | 167,460,189 |
| Potter County, Texas | 13,865,000 | 100.00% | <u>13,865,000</u> |
| Total direct and overlapping debt | | | <u>\$ 181,325,189</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

| | | | | |
|----------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | | |
| Total assessed value less exemptions - 2009 roll | | | | \$ 6,121,203,443 |
| Legal debt margin | | | | |
| Debt limitation - 25% of total assessed value | | | | 1,530,300,861 |
| Debt applicable to limitation: | | | | |
| Total bonded debt | | | 13,865,000 | |
| Less: debt service funds | | | <u>(989,366)</u> | |
| Total debt applicable to limitation | | | | <u>12,875,634</u> |
| Legal debt margin | | | | <u>\$ 1,517,425,227</u> |
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| Debt limit | \$ 1,122,025,249 | \$ 1,143,494,755 | \$ 1,220,531,966 | \$ 1,294,214,984 |
| Total net debt applicable to limit | <u>22,886,083</u> | <u>21,740,270</u> | <u>20,511,573</u> | <u>19,201,537</u> |
| Legal debt margin | <u>\$ 1,099,139,166</u> | <u>\$ 1,121,754,485</u> | <u>\$ 1,200,020,393</u> | <u>\$ 1,275,013,447</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 2.04% | 1.90% | 1.68% | 1.48% |
| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2009</u> |
| Debt limit | \$ 1,354,276,414 | \$ 1,450,379,526 | \$ 1,534,760,979 | \$ 1,530,300,861 |
| Total net debt applicable to limit | <u>17,819,539</u> | <u>16,355,339</u> | <u>14,672,732</u> | <u>12,875,634</u> |
| Legal debt margin | <u>\$ 1,336,456,875</u> | <u>\$ 1,434,024,187</u> | <u>\$ 1,520,088,247</u> | <u>\$ 1,517,425,227</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 1.32% | 1.13% | 0.96% | 0.84% |

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

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

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

Table 14

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal income (2) | Unemployment Rate (3) |
|----------------|----------------|--------------------|-----------------------------------|--------------------------|
| 2001 | 114,598 | \$ 2,664,403,500 | \$ 23,250 | 5.10% |
| 2002 | 115,690 | 2,755,504,420 | 23,818 | 5.30% |
| 2003 | 117,524 | 2,877,457,616 | 24,484 | 6.40% |
| 2004 | 118,424 | 2,966,284,352 | 25,048 | 6.70% |
| 2005 | 120,033 | 3,147,145,227 | 26,219 | 5.10% |
| 2006 | 121,328 | 3,281,558,416 | 27,047 | 4.40% |
| 2007 | 121,632 | 3,404,114,784 | 27,987 | 4.20% |
| 2008 | 121,889 | 3,529,783,551 | 28,959 | 4.20% |
| 2009 | 121,938 | 3,430,115,940 | 28,130 | 5.41% |
| 2010 | 122,140 | 3,354,452,960 | 27,464 | 5.70% |

(1) Census Bureau

(2) Amarillo Chamber of Commerce

(3) Texas Workforce Commission

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

Table 15

| 2010 | | | |
|------------------------------------------|------------------|-------------|--------------------------------------------|
| <u>Employer</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Amarillo ISD | 4,103 | 1 | 3.09% |
| Tyson Foods | 3,768 | 2 | 2.83% |
| BWXT Pantex | 3,247 | 3 | 2.44% |
| Baptist St. Anthony's Health Care System | 2,626 | 4 | 1.98% |
| City of Amarillo | 1,807 | 5 | 1.36% |
| Northwest Texas Healthcare System | 1,489 | 6 | 1.12% |
| Texas Department of Criminal Justice | 1,350 | 7 | 1.02% |
| Bell Helicopter Textron Inc. | 1,104 | 8 | 0.83% |
| Western National Life Insurance Company | 980 | 9 | 0.74% |
| Xcel Energy | 920 | 10 | 0.69% |
| Total | 21,394 | | 16.10% |
| 2001* | | | |
| <u>Employer</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Amarillo ISD | N/A | - | 0.00% |
| Tyson Foods | N/A | - | 0.00% |
| BWXT Pantex | N/A | - | 0.00% |
| Baptist St. Anthony's Health Care System | N/A | - | 0.00% |
| City of Amarillo | N/A | - | 0.00% |
| Northwest Texas Healthcare System | N/A | - | 0.00% |
| Texas Department of Criminal Justice | N/A | - | 0.00% |
| Bell Helicopter Textron Inc. | N/A | - | 0.00% |
| Western National Life Insurance Company | N/A | - | 0.00% |
| Xcel Energy | N/A | - | 0.00% |
| Total | - | | 0.00% |

Source: Amarillo Chamber of Commerce

* Information was not tracked to provide stated information.

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

Table 16
Page 1 of 2

| Budgeted Full-time Equivalent Employees as of September 30, | | | | | | | | |
|--------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Fund | | | | | | | | |
| County Judge | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| County Commissioners | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Human Resources | 3 | 3 | 3 | 3.5 | 4 | 4 | 4 | 4 |
| Information Technology | 8 | 8 | 6 | 6 | 6 | 7 | 7 | 7 |
| Information and Records Mgmt | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| County Auditor | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 |
| County Treasurer | 2 | 2 | 2 | 3 | 2 | 3 | 3 | 3 |
| Purchasing Agent | 5 | 5 | 5 | 5.5 | 5.5 | 6.0 | 6.0 | 6 |
| Collections | - | - | - | 3 | 3 | 3 | 3 | 3 |
| Tax Assessor/Collector | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Facilities Maintenance | 27 | 27 | 26 | 26 | 26 | 26 | 26 | 26 |
| Elections Administrator | - | - | - | - | - | - | - | 4 |
| County Clerk | 20.5 | 20.5 | 21.5 | 22.5 | 22.5 | 22.5 | 21.5 | 18 |
| District Clerk | 20.0 | 19.5 | 20.5 | 21.5 | 21.5 | 21.5 | 21.5 | 21.5 |
| Court of Appeals | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 47th District Court | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 108th District Court | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 181st District Court | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 251st District Court | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 320th District Court | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| County Court at Law #1 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| County Court at Law #2 | 5 | 5 | 5 | 5 | 4 | 5 | 5 | 5 |
| Justice of the Peace, #1 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Justice of the Peace, #2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Justice of the Peace, #3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Justice of the Peace, #4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Jury and Jury Related | 4 | 4 | 4 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 |
| County Attorney | 26.0 | 26.0 | 25.5 | 25.5 | 25.5 | 28.5 | 28.5 | 29.5 |
| Family Crime Unit | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| District Attorney | 27 | 27 | 27 | 27 | 28 | 32 | 32 | 32 |
| Forensic Science Lab | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Constables | 3 | 3 | 4 | 3 | 3 | 4 | 4 | 4 |
| Sheriff | 80 | 80 | 80 | 80.5 | 81.5 | 81.0 | 81.0 | 80 |
| Fire/Rescue Department | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 |
| Detention Center | 118.2 | 118.2 | 120.2 | 121.2 | 121.2 | 122.2 | 122.2 | 123 |
| County Extension Services | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Welfare | 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 |
| Road and Bridge | 21 | 20 | 20 | 19 | 19 | 19 | 19 | 19 |
| Total General Fund | 469.7 | 467.2 | 467.7 | 473.7 | 474.2 | 486.2 | 485.2 | 487.5 |

Source: Potter County employee records

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

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

Table 16
 Page 2 of 2

| Budgeted Full-time Equivalent Employees as of September 30, | | | | | | | |
|--------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| Other Governmental Funds | | | | | | | |
| Law Library | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Courthouse Security | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| County Clerk Record Mgmt | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Court Records Management | 1 | 2.5 | 4 | 4 | 4 | 2.5 | 2 |
| Juvenile Probation | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Sheriff Commissary | 1.6 | 1.6 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| County Attorney Check | 5.5 | 5.5 | 6 | 6 | 4 | 3 | 3.5 |
| County Attorney Forfeiture Release | - | - | - | - | - | - | - |
| District Attorney State Payroll | - | - | 1 | 2 | 1 | 0.5 | 0 |
| District Attorney Forfeiture Release | - | - | - | - | 1 | - | - |
| District Attorney Welfare Fraud | - | - | 0.5 | - | - | - | 0.50 |
| Local Law Enforcement Block Grant | 1 | 1 | 1 | 1 | - | - | - |
| Total Other | | | | | | | |
| Governmental Funds | <u>34.1</u> | <u>35.6</u> | <u>38.8</u> | <u>39.3</u> | <u>36.3</u> | <u>32.3</u> | <u>33.3</u> |
| Total Governmental Funds | <u>503.8</u> | <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> | | | | | | |

Source: Potter County employee records

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

POTTER COUNTY, TEXAS

Table 17

Operating Indicators by Function

Since implementation of GASB 34 (Modified Accrual Basis of Accounting)

| Function | 2003 | 2004 | 2005 | 2006 |
|-------------------------------------------------------------|----------|----------|----------|----------|
| General Government | | | | |
| Tax Office | | | | |
| Auto titles issued ⁽¹⁾ | N/A | 34,115 | 34,778 | 34,473 |
| Auto registrations ⁽²⁾ | N/A | 98,126 | 100,734 | 101,842 |
| County Clerk ⁽³⁾ | | | | |
| Marriage license applications | 1,773 | 1,730 | 1,730 | 1,685 |
| Registered voters | 55,936 | 53,904 | 55,519 | 52,467 |
| Real property documents filed | 27,690 | 26,810 | 25,870 | 24,660 |
| Administration of Justice ⁽⁴⁾ | | | | |
| District Court Level | | | | |
| Civil cases filed | 3,874 | 2,995 | 3,234 | 3,404 |
| Civil case dispositions | 3,884 | 2,996 | 2,930 | 3,119 |
| Criminal cases filed | 2,638 | 2,647 | 2,713 | 2,968 |
| Criminal case dispositions | 2,500 | 2,859 | 2,674 | 2,891 |
| County Court Level | | | | |
| Civil cases filed | 332 | 1,080 | 1,137 | 1,460 |
| Civil case dispositions | 343 | 1,055 | 1,019 | 1,074 |
| Criminal cases filed | 4,481 | 4,435 | 4,264 | 4,369 |
| Criminal case dispositions | 4,393 | 5,293 | 4,247 | 4,834 |
| Justice of the Peace court level | | | | |
| Civil cases filed | 6,914 | 6,592 | 6,305 | 5,258 |
| Civil case dispositions | 6,406 | 6,145 | 5,907 | 5,146 |
| Criminal cases filed | 6,622 | 6,937 | 7,946 | 8,740 |
| Criminal case dispositions | 7,554 | 7,431 | 6,781 | 8,528 |
| Public Safety and Correctional | | | | |
| Sheriff ⁽⁵⁾ | | | | |
| Custody arrests | 639 | 718 | 821 | 948 |
| Average daily jail population | 534 | 512 | 530 | 543 |
| Average daily prisoner cost | \$ 33.64 | \$ 36.64 | \$ 39.79 | \$ 36.16 |
| Public safety calls ^(6,7) | | | | |
| Combined Sheriff and Fire/Rescue | 18,561 | 19,347 | 24,183 | 32,206 |
| Human Services | | | | |
| County Extension | | | | |
| Number of programs | 473 | 319 | 355 | 421 |
| Number of contacts at programs | 10,210 | 10,298 | 11,272 | 14,677 |
| Number of individual, newsletter, and volunteer contacts | 37,880 | 20,640 | 24,016 | 23,138 |

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

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

(3) Source: Potter County Clerk

(4) Source: Office of Court Administration

(5) Source: Potter County Sheriff

(6) Source: Potter County Fire / Rescue - based on calendar year

(7) Source: Potter County Extension Office - 2003 - 4 agents, 2004 / 2005 - 2 agents, 2006 - 3 agents

| <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|-------------|-------------|-------------|-------------|
| 33,226 | 34,621 | 30,168 | 30,180 |
| 101,611 | 102,910 | 99,845 | 104,539 |
| 1,661 | 1,582 | 1,458 | 1,431 |
| 52,590 | 55,144 | 56,451 | 49,053 |
| 22,373 | 23,793 | 23,734 | 21,537 |
| 3,361 | 2,910 | 3,031 | 3,441 |
| 3,295 | 3,128 | 2,995 | 2,730 |
| 2,817 | 2,753 | 2,475 | 2,043 |
| 2,768 | 2,677 | 2,533 | 2,136 |
| 1,197 | 1,042 | 1,052 | 1,047 |
| 1,454 | 1,212 | 962 | 962 |
| 3,282 | 3,267 | 2,930 | 3,206 |
| 3,853 | 3,158 | 2,557 | 2,943 |
| 2,259 | 2,521 | 2,293 | 2,281 |
| 2,034 | 2,376 | 2,096 | 2,356 |
| 11,079 | 10,241 | 10,298 | 8,753 |
| 11,053 | 9,516 | 9,561 | 10,078 |
| 2,814 | 2,687 | 6,619 | 7,138 |
| 550 | 545 | 488 | 522 |
| \$ 40 | \$ 41 | 46.42 | \$ 45.05 |
| 31,771 | 27,753 | 26,340 | 22,799 |
| 531 | 523 | 305 | 350 |
| 44,876 | 21,533 | 22,038 | 7,198 |
| 42,080 | 47,967 | 31,595 | 45,562 |

POTTER COUNTY, TEXAS

Table 18

Capital Assets by Function

Since implementation of GASB 34 (Modified Accrual Basis of Accounting)

| | Fiscal Year | | | | | | | |
|--------------------------------|-------------|------|-------|------|------|-------|-------|-------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Government | | | | | | | | |
| Office buildings / courthouses | 4 | 4 | 4 | 5 | 6 | 6 | 6 | 6 |
| Public safety and correctional | | | | | | | | |
| Constables | | | | | | | | |
| Patrol vehicles | 1 | 1 | 2 | 2 | 3 | 3 | 3 | 3 |
| Sheriff | | | | | | | | |
| Enforcement vehicles | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| Corrections vehicles | 9 | 9 | 9 | 9 | 9 | 9 | 11 | 11 |
| Fire / Rescue | | | | | | | | |
| Fire stations | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Transportation | | | | | | | | |
| County roads (miles) | 227 | 227 | 233.8 | 220 | 233 | 260.7 | 299.3 | 300.8 |
| Bridges | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 |

Source: Various County departments and County fixed asset reports.

OTHER SUPPLEMENTARY INFORMATION

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

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

The Honorable Judge
Members of the Commissioners Court
Potter County, Texas:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Potter County, Texas (the County), as of and for the year ended September 30, 2010, and have issued our report thereon dated March 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Potter County, Texas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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

Compliance and Other Matters

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

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

Davis Kinard & Co., PC
DAVIS KINARD & CO, PC

Abilene, Texas
March 16, 2011

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

The Honorable Judge
Members of the Commissioner's Court
Potter County, Texas:

Compliance

We have audited the compliance of Potter County, Texas (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2010. Potter County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Potter County, Texas' management. Our responsibility is to express an opinion on Potter County, Texas' compliance based on our audit.

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

In our opinion, Potter County, Texas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2010.

Internal Control Over Compliance

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

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

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

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

Davis Kinard & Co, PC
DAVIS KINARD & CO, PC

Abilene, Texas
March 16, 2011

POTTER COUNTY, TEXAS
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2010

A. Summary of Auditor's Results

| | |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Type of Report on Financial Statements | Unqualified Opinion |
| Significant Deficiencies | None |
| Material Weaknesses involving Significant Deficiencies | None |
| Noncompliance Material to the Financial Statements | None |
| Type of Report on Compliance with Major Programs | Unqualified Opinion |
| Findings and Questioned Costs for Federal Awards as Defined in Section .510(a), OMB Circular A-133 | None |
| <u>Major Federal Programs:</u> | |
| Grantor Agency: | U.S. Department of Justice |
| Program: | Justice Assistance Grant |
| CFDA No. | 16.804, 16.595 & 16.607 |
| Grantor Agency: | U.S. Department of Justice |
| Program: | Victim Support Services |
| CFDA No. | 16.803 |
| 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, 2010

Status of Prior Year's Finding/Noncompliance

None

POTTER COUNTY, TEXAS
Corrective Action Plan
Year Ended September 30, 2010

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, 2010

Exhibit D-1

| Federal Grantor/ Pass-Through Grantor/ Program | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--------------------------------------------------------------------------|---------------------------|----------------------------------------------|-------------------------|
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | |
| Passed through City of Amarillo: | | | |
| Justice Assistance Grant | 16.804 | 2007-F4438-TX-DJ | \$ 8,069 |
| Justice Assistance Grant | 16.804 | 2008-F3810-TX-DD | 27,696 |
| Justice Assistance Grant - ARRA | 16.804 | 2009-F9183-TX-SB | 152,128 |
| Justice Assistance Grant | 16.804 | 2009-G9563-TX-DJ | 77,206 |
| Justice Assistance Grant - DEA Overtime Reimbursement | 16.595 | 3111036183 | 6,638 |
| Justice Assistance Grant - Bulletproof Vest Partnership | 16.607 | N/A | 7,467 |
| Total Passed through City of Amarillo | | | 279,204 |
| Passed through Office of the Governor: | | | |
| Victim Assistance Program (VOCA) | 16.575 | VA-09-V3-02093301 | 37,241 |
| Victim Support Services - ARRA | 16.803 | SU 2274401 | 130,500 |
| Total Passed through Office of the Governor | | | 167,741 |
| Passed through Office of the Attorney General | | | |
| Victim Coordinator Liason Grant | 16.575 | 1014455 | 40,508 |
| Law Enforcement Standards and Education | 16.738 | 9p100548 | 15,054 |
| Victim Information & Notification Everyday (V.I.N.E.) | 16.74 | 1012749 | 30,108 |
| Total Passed Through Office of the Attorney General | | | 85,670 |
| Total U.S. Department of Justice | | | 532,615 |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | |
| Passed Through Texas Department of Protective and Regulatory Services: | | | |
| Title IV-E-Legal Reimbursement | 93.658 | 23393367 | 50,111 |
| Title IV-E-Administrative & Foster Care Reimbursement Program | 93.658 | TJPC-09-188 | 274,789 |
| Total Passed Through Texas Dept of Protective and Regulatory Services | | | 324,900 |
| Passed Through Office of the Attorney General: | | | |
| Child Support Enforcement - Title IV-D | 93.563 | 04-C0150 | 186,587 |
| Total Passed Through Office of the Attorney General: | | | 186,587 |
| Total U.S. Department of Health and Human Services | | | 511,487 |
| <u>ELECTION ASSISTANCE COMMISSION</u> | | | |
| PassThrough State of Texas: | | | |
| Help Americans Vote Act | 90.401 | N/A | 1,166 |
| Total Election Assistance Commission | | | 1,166 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 1,045,268 |

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, 2010

Note 1: Summary of Accounting Policies

The County utilizes the General Fund and Special Revenue Funds to account and report for federal and state 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 or state 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.