

POTTER COUNTY, TEXAS

Comprehensive Annual Financial Report

**For the Year Ended
September 30, 2011**

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

POTTER COUNTY, TEXAS
Comprehensive Annual Financial Report
Year Ended September 30, 2011

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INTRODUCTORY SECTION

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



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County Auditor
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March 16, 2012

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, 2011 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, 2011, 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, 2011 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, 2010. 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, 2010

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.



Linda C. Danson

President

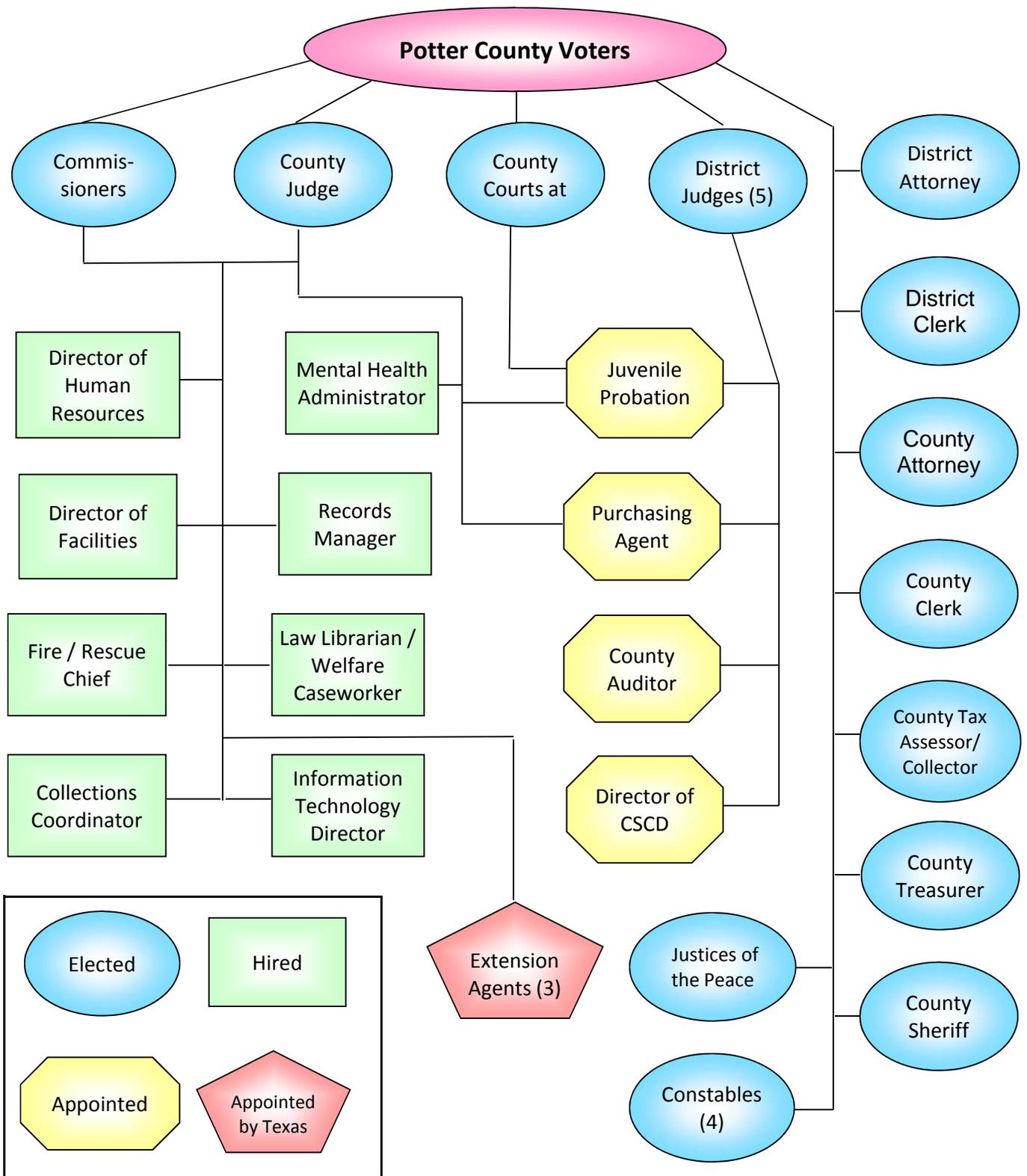
Jeffrey R. Enew

Executive Director

**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
Gary JacksonJustice of the Peace, Precinct #3
Thomas JonesJustice of the Peace, Precinct #4
Todd PageConstable, Precinct #1
Morice JacksonConstable, Precinct #2
David CrawfordConstable, Precinct #3
Sharon PagePurchasing Agent
Kerry HoodCounty Auditor

Potter County, Texas Organization Chart



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, 2011, 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, 2011, 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, 2012, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the General Fund Budgetary Comparison Schedule, Schedule of Funding Progress (Texas County and District Retirement System) and the Schedule of Funding Progress (Other Postretirement Benefits) on pages 3 through 10 and 41 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Davis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 16, 2012

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, 2011. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of Potter County exceeded its liabilities at the close of the most recent fiscal year by \$83,447,404.
- During the year, the County's expenses were \$3,279,486 less than the \$49,399,807 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$15,966,849.

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.

The fund financial statements can be found on pages 13-20 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found on pages 21-40 of this report.

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 \$83,447,404 at the close of the most recent fiscal year.

A portion of the county's net assets (\$56,232,807 or 67.4%) reflects investments in capital assets (e.g., 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.

Restricted net assets are approximately \$2.4 million. Debt service accounts for \$1.26 million of the restricted net assets with insurance claims restricting the remaining \$1.18 million.

The remaining balance, approximately \$24.8 million, is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.

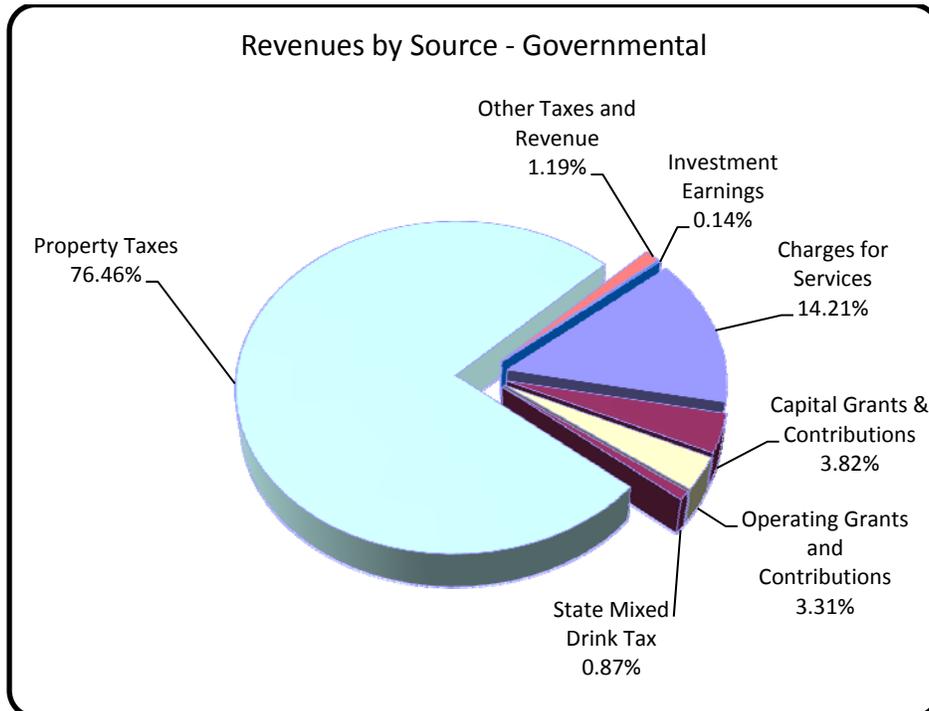
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - continued

Potter County's Net Assets

	Governmental Activities	
	2011	2010
Current assets	\$ 29,120,750	\$ 32,665,799
Restricted assets	1,600,107	1,245,840
Noncurrent assets	49,592	66,153
Capital assets	<u>68,594,079</u>	<u>63,732,513</u>
Total assets	<u>\$ 99,364,528</u>	<u>\$ 97,710,305</u>
Current liabilities	\$ 1,516,286	\$ 1,987,919
Liabilities payable from restricted assets	421,734	188,517
Noncurrent liabilities	<u>13,979,104</u>	<u>15,365,951</u>
Total liabilities	<u>15,917,124</u>	<u>17,542,387</u>
Net assets		
Invested in capital assets, net of related debt	56,232,807	49,746,604
Restricted	2,439,212	2,049,256
Unrestricted	<u>24,775,385</u>	<u>28,372,058</u>
Total net assets	<u>\$ 83,447,404</u>	<u>\$ 80,167,918</u>

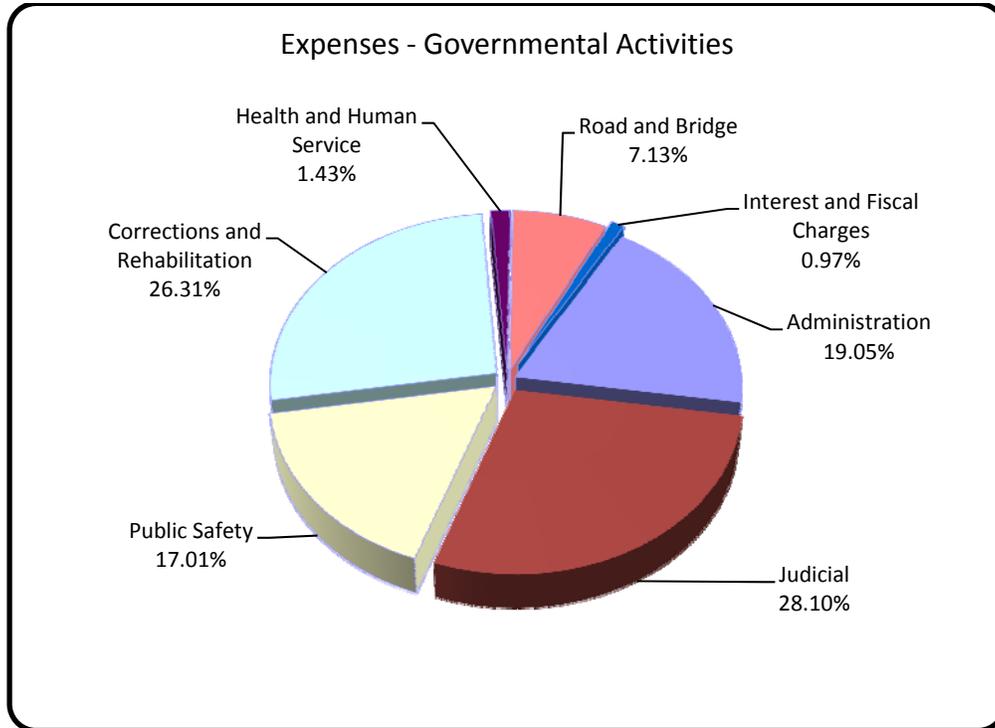
The county's net assets increased by \$3,279,486. Since the county presently engages in no business-type activities, governmental activities account for all of the changes in net assets at the government-wide reporting level.

Governmental Activities. The County's total revenues were \$49,399,807. A significant portion, 76.45%, of the County's revenue comes from property taxes. 14.21% comes from the charges for services, and 7.13% comes from operating and capital grants and contributions.

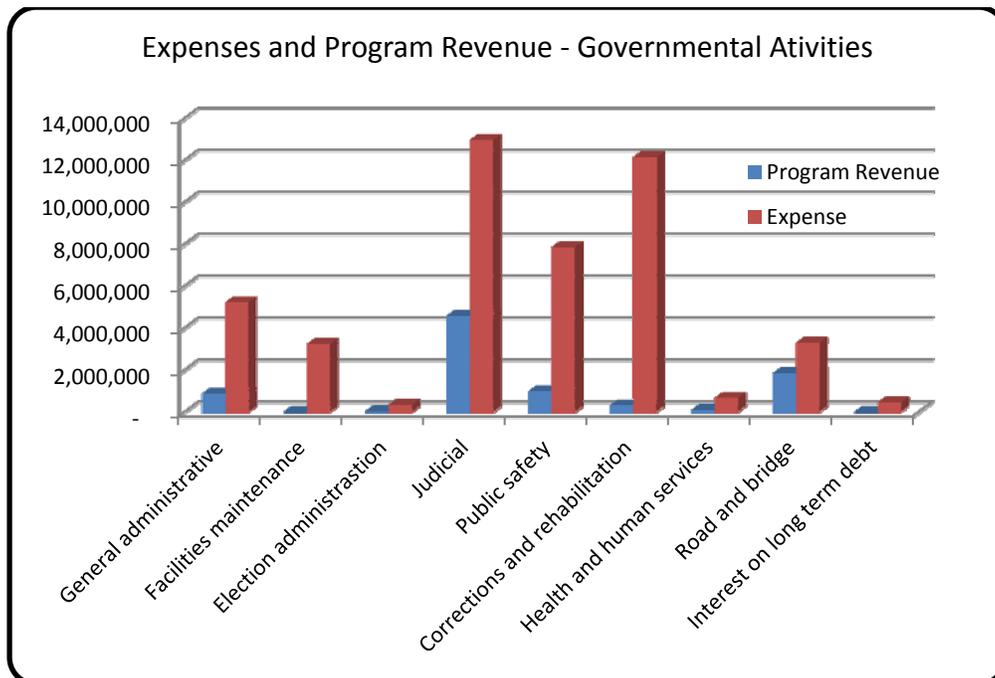


FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - continued

The total cost of all programs and services was \$46,120,321; 28.10% for these costs are for judicial services, 26.31% are for correctional and rehabilitation services and 17.01% are for public safety.



The following chart illustrates the expenses by functional category as related to the program revenue that is generated specific to the function:



FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – continued

Potter County's Change in Net Assets

	Governmental Activities	
	2011	2010
Program revenues:		
Charges for services	\$ 7,019,072	\$ 7,284,641
Operating grants & contributions	1,637,501	1,597,284
Capital grants & contributions	1,886,767	2,177,997
General revenues		
Property taxes - general	35,437,310	34,927,427
Property taxes - debt service	2,331,124	2,316,528
Vehicle inventory tax	11,047	10,920
Mixed drink tax	428,519	404,397
Bingo tax proceeds	207,010	208,384
Investment earnings	71,349	218,336
Loss on sale of capital assets	-	(3,759)
Miscellaneous	370,108	631,222
Total revenues	<u>49,399,807</u>	<u>49,773,377</u>
Expenses:		
General administration	5,221,623	4,894,116
Facilities maintenance	3,227,551	3,049,154
Election administration	335,654	311,674
Judicial	12,958,440	12,505,640
Public safety	7,846,797	7,904,306
Corrections and rehabilitation	12,136,464	11,504,942
Health and human services	659,153	602,072
Road and bridge	3,289,488	2,898,176
Interest and fiscal charges	445,151	500,346
Total expenses	<u>46,120,321</u>	<u>44,170,426</u>
Change in net assets	3,279,486	5,602,951
Beginning balance, net assets	<u>80,167,918</u>	<u>74,564,967</u>
Ending balance, net assets	<u>\$ 83,447,404</u>	<u>\$ 80,167,918</u>

Overall, revenues remained fairly constant with the most significant changes in property tax increases due to higher appraised values, a decrease in investment earnings, reduced funding from federal grants and a decrease in County Attorney forfeitures carried as miscellaneous revenue. Expenses increased by 4% or \$1.9 million. A 2% cost of living increase for employees and equipment purchases are responsible for the majority of the increase in expenses.

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, unassigned 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 \$25,729,030, a decrease of \$3,163,870 in comparison with the prior year. Approximately 49.4% of this total amount (\$12.6 million) constitutes unassigned fund balance that is available for spending at the County's discretion. Approximately 0.2% of the total fund balance is nonspendable meaning that it is not available for spending because it consists of prepaid items and inventory. Approximately 6.1% of the total fund balance is restricted meaning that it may only be spent on a specific purpose as directed by an external creditor, grantor or law of another governmental entity. Approximately 11.7% of the total fund balance is committed by a formal action of the Commissioners' Court for a specific purpose. Approximately 32.6% of the total fund balance is assigned by the County for a specific purpose that does not meet the criteria to be classified as restricted or committed.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$12,607,617. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30.46% of total general fund expenditures, and the total fund balance also represents 38.58% of that same amount.

The fund balance of Potter County's general fund decreased by 7.4% during the current fiscal year. The County budget anticipated using \$2 million in reserves before operating transfers. The County's total revenues came in as anticipated and expenditures were 90% of budget, providing the general fund with \$2.5 million to help offset the budget deficit, resulting in an overall decrease of \$1,275,899 after \$3.7 million was transferred to other funds.

The courthouse preservation fund has a fund balance of \$2,987,443, all of which is assigned for the renovation of the county courthouse. The net decrease in the fund balance during the current year in the courthouse preservation fund was \$2,716,099. 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, \$1,000,000 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 \$1,886,767 in grant funds. Actual construction began in November 2010 with the projected completion in March 2012.

General Fund Budgetary Highlights

The County budget is prepared in accordance with accounting principles generally accepted in the United States. 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 \$690,977 increase in expenditures between the original and final amended budget. Following are the main components of the increase:

- \$300,000 supplemental budget to continue the emergency replacement of elevators in the District Courts building.
- \$125,000 budget for contract services for imaging services in the County Clerk's office.
- \$90,000 budget carryover from the prior year for the purchase of a fire truck.
- \$54,000 budget for housing prisoners in an out of county facility.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. At the end of 2011, the County had invested \$68,594,079 in a broad range of capital assets, including land, equipment, buildings and vehicles.

	Governmental Activities	
	2011	2010
Land	\$ 5,019,608	\$ 5,019,608
Construction in progress	14,751,639	8,570,766
Equipment not yet placed in service	-	152,128
Streets and bridges	36,483,533	36,303,180
Buildings and improvements	52,842,319	52,842,319
Furniture & equipment	11,080,620	9,674,580
Equipment under capital lease	-	-
Total at historical cost	<u>120,177,719</u>	<u>112,562,581</u>
Total accumulated depreciation	<u>(51,583,640)</u>	<u>(48,830,068)</u>
Net capital assets	<u>\$ 68,594,079</u>	<u>\$ 63,732,513</u>

More detailed information about the County’s capital assets is presented in the notes to the financial statements on page 30.

LONG-TERM DEBT

Long-Term Debt. At year-end the County had \$13,979,104 in bonds, OPEB liability, and compensated absences outstanding shown in the table below. More detailed information about the County’s debt is presented in the notes to the financial statements on pages 32 and 33.

	Governmental Activities	
	2011	2010
Bond payable	\$ 12,270,000	\$ 13,865,000
Unamortized bond premium	91,272	120,909
Other postemployment benefits liability	522,862	326,003
Compensated absences	<u>1,094,970</u>	<u>1,054,039</u>
Total long term debt	<u>\$ 13,979,104</u>	<u>\$ 15,365,951</u>

Bond Ratings. The County’s bonds presently carry “AAA” rating with underlying ratings as follows: Moody’s Investor Services “Aa2” and Standard & Poors “AA”.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND n RATES

- The unemployment rate for Potter County is currently 6.8%, which is an increase from a rate of 5.7% a year ago. This compares favorably to the state's average unemployment rate of 8.5% and the national average rate of 9%.
- New construction and improvements to the County's tax rolls provided an additional \$713,809 in property tax revenues for 2011.

These indicators were taken into account when adopting the general fund budget for 2012.

Amounts available for appropriation in the general fund budget are \$46,510,500, an increase of 6.2% over the final 2011 budget of \$43,776,795. Expenditures are budgeted at a 3.7% increase to \$47,490,179. Potter County has appropriated \$3,194,679 of the fund balance for spending in the 2012 fiscal year budget. \$2 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, 2011

	<u>Governmental Activities</u>
ASSETS:	
Pooled cash and cash equivalents	\$ 9,439,784
Investments	16,221,830
Receivables (net of allowance for uncollectibles)	
Taxes	1,098,800
Other	1,104,639
Fines, fees, and court costs	1,086,724
Due from other governments	106,864
Inventories	3,482
Prepaid expenses	58,627
Restricted assets:	
Pooled cash and cash equivalents	1,059,079
Investments	530,109
Accounts receivable	10,919
Bond issuance costs	49,592
Capital assets not being depreciated	19,771,247
Capital assets (net of accumulated depreciation)	<u>48,822,832</u>
 Total assets	 99,364,528
LIABILITIES:	
Accounts payable and other current liabilities	1,462,273
Payroll taxes and related items	11,915
Deferred revenues	9,738
Accrued interest payable	32,360
Claims payable from restricted assets	421,734
Noncurrent liabilities	
Net other postemployment benefit liability	522,862
Due within one year	1,898,712
Due in more than one year	<u>11,557,530</u>
 Total liabilities	 15,917,124
NET ASSETS:	
Invested in capital assets, net of related debt	56,232,807
Restricted for:	
Debt service	1,260,106
Insurance claims	1,179,106
Unrestricted	<u>24,775,385</u>
 Total net assets	 <u>\$ 83,447,404</u>

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

POTTER COUNTY, TEXAS
Statement of Activities
For the Year Ended September 30, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General administrative	\$ 5,221,623	\$ 779,092	\$ 80,501	\$
Facilities maintenance	3,227,551			1,886,767
Election administration	335,654		22,724	
Judicial	12,958,440	3,632,345	943,654	
Public safety	7,846,797	738,341	233,376	
Corrections and rehabilitation	12,136,464	37,384	265,181	
Health and human services	659,153	8,614	74,741	
Road and bridge	3,289,488	1,823,296	17,324	
Interest on long term debt	445,151			
Total governmental activities	<u>46,120,321</u>	<u>7,019,072</u>	<u>1,637,501</u>	<u>1,886,767</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 46,120,321</u>	<u>\$ 7,019,072</u>	<u>\$ 1,637,501</u>	<u>\$ 1,886,767</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
- 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
\$ (4,362,030)	\$ (4,362,030)
(1,340,784)	(1,340,784)
(312,930)	(312,930)
(8,382,441)	(8,382,441)
(6,875,080)	(6,875,080)
(11,833,899)	(11,833,899)
(575,798)	(575,798)
(1,448,868)	(1,448,868)
<u>(445,151)</u>	<u>(445,151)</u>
<u>(35,576,981)</u>	<u>(35,576,981)</u>
<u>(35,576,981)</u>	<u>(35,576,981)</u>
35,437,310	35,437,310
2,331,124	2,331,124
428,519	428,519
11,047	11,047
207,010	207,010
71,349	71,349
370,108	370,108
<u>38,856,467</u>	<u>38,856,467</u>
3,279,486	3,279,486
<u>80,167,918</u>	<u>80,167,918</u>
<u>\$ 83,447,404</u>	<u>\$ 83,447,404</u>

POTTER COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2011

	General Fund	Courthouse Preservation Fund
ASSETS		
Pooled cash and cash equivalents	\$ 5,574,538	\$ 72,234
Investments	10,049,737	3,100,005
Receivables (net of allowances for uncollectibles)		
Taxes	1,030,701	
Other	1,053,672	
Fines, fees, and court costs	1,086,724	
Due from other governments		106,273
Due from other funds	8,326	
Inventories	3,482	
Prepaid items	58,627	
Total assets	<u>\$ 18,865,807</u>	<u>\$ 3,278,512</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and other current liabilities	\$ 1,029,196	\$ 291,069
Payroll taxes and related items	11,915	
Due to other funds	733	
Deferred revenues	1,857,114	
Total liabilities	2,898,958	291,069
Fund balances:		
Nonspendable fund balances:		
Inventories	3,482	
Prepaid items	58,627	
Restricted fund balances:		
Restricted for debt service		
Restricted for election administration		
Restricted for continuing education of local law enforcement	22,672	
Restricted for preservation and restoration of County records	240,420	
Restricted for bail bond board	26,284	
Restricted for other purposes	7,747	
Committed fund balances:		
Committed for capital replacement expenditures	2,000,000	
Committed for major maintenance expenditures	1,000,000	
Assigned fund balances:		
Capital project funds assigned for specific purposes		2,987,443
Special revenue funds assigned for specific purposes		
Unassigned fund balance	12,607,617	
Total fund balances	<u>15,966,849</u>	<u>2,987,443</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,865,807</u>	<u>\$ 3,278,512</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 3,793,012	\$ 9,439,784
3,072,088	16,221,830
68,099	1,098,800
50,967	1,104,639
	1,086,724
591	106,864
23,505	31,831
	3,482
	58,627
<u>\$ 7,008,262</u>	<u>\$ 29,152,581</u>
\$ 142,008	\$ 1,462,273
	11,915
31,831	32,564
<u>59,685</u>	<u>1,916,799</u>
233,524	3,423,551
	3,482
	58,627
1,260,106	1,260,106
20,216	20,216
	22,672
	240,420
	26,284
	7,747
	2,000,000
	1,000,000
2,142,488	5,129,931
3,351,928	3,351,928
	<u>12,607,617</u>
<u>6,774,738</u>	<u>25,729,030</u>
\$ <u>7,008,262</u>	\$ <u>29,152,581</u>

POTTER COUNTY, TEXAS
Reconciliation of the Balance Sheet of Governmental Funds
To The Statement of Net Assets
September 30, 2011

Exhibit A-4

Total Fund Balances - Governmental Fund Balance Sheet	\$	25,729,030
<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>		
		68,594,079
<p>The due to/from amounts on the governmental funds balance sheet are eliminated on the statement of net assets in the amount of \$26,319. 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>		
		1,179,106
<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>		
		1,907,061
<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>		
		49,592
<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>		
		(13,979,104)
<p>Payables for bond interest which are not due in the current period are not reported in the funds.</p>		
		<u>(32,360)</u>
Net Assets of Governmental Activities - Statement of Net Assets	\$	<u><u>83,447,404</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, 2011

	General Fund	Courthouse Preservation Fund
REVENUES:		
Taxes	\$ 35,816,708	\$
License and fees	4,101,705	
Intergovernmental	1,599,974	1,886,767
Fines and forfeitures	1,414,392	
Charges for services	809,909	
Investment earnings	50,208	7,575
Miscellaneous	101,975	
Total revenues	<u>43,894,871</u>	<u>1,894,342</u>
EXPENDITURES:		
Current:		
General administrative	5,015,628	
Facilities maintenance	2,270,317	195,044
Election administration	257,440	
Judicial	11,879,838	
Public safety	7,208,261	
Corrections and rehabilitation	11,626,561	
Health and human services	657,032	
Road and bridge	1,851,470	
Debt service:		
Principal		
Interest and fiscal charges		
Capital outlay	618,476	5,415,397
Total expenditures	<u>41,385,023</u>	<u>5,610,441</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>2,509,848</u>	<u>(3,716,099)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in		1,000,000
Transfers out	(3,785,747)	
Total other financing sources (uses)	<u>(3,785,747)</u>	<u>1,000,000</u>
NET CHANGE IN FUND BALANCES	(1,275,899)	(2,716,099)
FUND BALANCES AT BEGINNING OF YEAR	<u>17,242,748</u>	<u>5,703,542</u>
FUND BALANCES AT END OF YEAR	<u>\$ 15,966,849</u>	<u>\$ 2,987,443</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 2,327,166	\$ 38,143,874
722,483	4,824,188
149,457	3,636,198
	1,414,392
7,383	817,292
11,016	68,799
253,476	355,451
<u>3,470,981</u>	<u>49,260,194</u>
67,696	5,083,324
83,804	2,549,165
77,318	334,758
1,007,835	12,887,673
71,795	7,280,056
268,842	11,895,403
	657,032
	1,851,470
1,595,000	1,595,000
462,955	462,955
1,793,355	7,827,228
<u>5,428,600</u>	<u>52,424,064</u>
<u>(1,957,619)</u>	<u>(3,163,870)</u>
2,785,747	3,785,747
	<u>(3,785,747)</u>
<u>2,785,747</u>	
828,128	(3,163,870)
5,946,610	28,892,900
<u>\$ 6,774,738</u>	<u>\$ 25,729,030</u>

POTTER COUNTY, TEXAS

Exhibit A-6

Reconciliation of The Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2011

Net Change in Fund Balances -Total Government Funds	\$ (3,163,870)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays is to increase net assets.	8,103,933
Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of recording current year depreciation expense is to decrease net assets.	(3,183,147)
The proceeds received from the current year dispositions of capital assets are revenues in the fund financial statements, but are shown as decreases in capital assets in the government-wide financial statements. The net effect of excluding sales proceeds from revenue and recording the current year loss on disposition of capital assets is to decrease net assets.	(59,220)
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.	87,560
Current year long-term debt principal payments on long-term debt are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements. This results in an increase in net assets.	1,595,000
The net increase in compensated absences payable is a decrease to net assets.	(40,931)
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.	119,216
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.	13,076
The net increase in the obligation for other postemployment benefits is a decrease to net assets.	(196,859)
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.	<u>4,728</u>
Change in Net Assets of Governmental Activities - Statement of Activities	<u>\$ 3,279,486</u>

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

POTTER COUNTY, TEXAS

Exhibit A-7

Statement of Net Assets

Proprietary Funds

September 30, 2011

	<u>Governmental Activities Internal Service Fund</u>
ASSETS	
Current assets:	
Restricted assets:	
Pooled cash and cash equivalents	\$ 1,059,079
Investments	530,109
Accounts receivable:	
Other	10,919
Due from other funds	<u>733</u>
Total current assets	<u>1,600,840</u>
Total assets	1,600,840
LIABILITIES	
Current liabilities:	
Claims payable from restricted assets	<u>421,734</u>
Total current liabilities	421,734
Total liabilities	<u>421,734</u>
NET ASSETS	
Restricted for insurance claims	<u>1,179,106</u>
Total net assets	<u>\$ 1,179,106</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, 2011

Exhibit A-8

	<u>Governmental Activities Internal Service Fund</u>
OPERATING REVENUES	
Insurance premiums	\$ 3,890,275
Charges for services	<u>632,603</u>
Total operating revenues	4,522,878
OPERATING EXPENSES	
Claims	3,736,375
Premiums	642,108
Administrative expenses	<u>27,729</u>
Total operating expenses	<u>4,406,212</u>
OPERATING INCOME	116,666
NONOPERATING REVENUES	
Investment earnings	<u>2,550</u>
Total non-operating revenues	<u>2,550</u>
CHANGE IN NET ASSETS	119,216
NET ASSETS AT BEGINNING OF YEAR	<u>1,059,890</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,179,106</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, 2011

Exhibit A-9

	<u>Governmental Activities Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from participants	\$ 4,009,572
Cash received from recoveries and other	632,603
Cash payments for claims	(3,503,158)
Cash payments for administrative fees	(27,729)
Cash payments for insurance premiums	<u>(642,108)</u>
Net cash provided by operating activities	<u>469,180</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	2,550
Purchase of investments	<u>(677)</u>
Net cash provided by investing activities	<u>1,873</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	471,053
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>588,026</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,059,079</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 116,666
Net change in:	
Accounts receivable	117,463
Due from other funds	1,834
Claims payable	<u>233,217</u>
Total adjustments	<u>352,514</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 469,180</u>

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

POTTER COUNTY, TEXAS
Statement of Fiduciary Net Assets - Fiduciary Funds
September 30, 2011

Exhibit A-10

	<u>Agency Funds</u>
ASSETS	
Pooled cash and cash equivalents	\$ 5,930,451
Investments	399,049
Accounts receivable:	
Other	<u>98,793</u>
Total assets	<u>\$ 6,428,293</u>
 LIABILITIES	
Accounts payable and other current liabilities	\$ 216,761
Due to other governments	2,604,993
Due to trust beneficiaries	3,452,524
Due to other entities	89,015
Deposits	<u>65,000</u>
Total liabilities	<u>\$ 6,428,293</u>

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 1: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

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

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

Basis of Presentation

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

Governmental Fund Types:

The County reports the following major governmental funds:

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

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

In addition, the County reports the following fund types:

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

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

Capital Projects Funds. These funds account for financial resources that are restricted, committed or assigned 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. The internal service fund is used to account for the provision of health insurance to employees of the County. The general fund is contingently liable for liabilities of this fund. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

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

Fiduciary Fund Types:

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

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

Measurement Focus and Basis of Accounting

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

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

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

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.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

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

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.

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 designation of nonspendable 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 designation of nonspendable fund balance which indicates they do not represent "available spendable resources".

Capital Assets

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

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

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

Receivables and Payable Balances

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

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

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

Compensated Absences

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

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

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

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 1: Summary of Significant Accounting Policies (continued)

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

Interfund Activity

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

Long-term Obligations

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

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

Deferred Revenues

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

Assets limited as to use or restricted

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

Legally adopted budgets

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

1. Graffiti Eradication
2. Child Abuse Prevention
3. County Clerk/District Clerk Technology
4. District Attorney Crime Victim
5. Sheriff Office Commissary

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 2: Deposits and Investments

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

Cash Deposits

At September 30, 2011, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$16,422,663 and the bank balance was \$16,851,087. The County's cash deposits at September 30, 2011, were entirely covered by FDIC insurance or by pledged collateral held by the County's bank in the County's name.

Investments

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

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

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

The County's investments at September 30, 2011 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fair Value</u>	<u>Rating</u>
TexPool	44	\$ 10,095,254	AAAm
TexPool Prime	34	51,128	AAAm
Money Market Investments	N/A	1,004,606	Non-rated
CDARs	N/A	<u>6,000,000</u>	Non-rated
Total investments		<u>\$ 17,150,988</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, 2011

Note 2: Deposits and Investments (continued)

Investments (continued)

The County has investments with the following public funds investment pools as of September 30, 2011:

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, 2011

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:

	<u>Governmental</u>		<u>Proprietary</u>	<u>Fiduciary</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Internal Service</u>	<u>Agency</u>
Receivables				
Taxes	\$ 2,162,754	\$ 142,893	\$	\$
Fines, fees, and court costs	37,002,342			
Other	1,053,672	50,967	10,919	98,793
Total gross receivables	<u>40,218,768</u>	<u>193,860</u>	<u>10,919</u>	<u>98,793</u>
Less: Allowance for uncollectibles				
Taxes	(1,132,053)	(74,794)		
Fines, fees, and court costs	<u>(35,915,618)</u>			
Net total receivables	<u>\$ 3,171,097</u>	<u>\$ 119,066</u>	<u>\$ 10,919</u>	<u>\$ 98,793</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 4: Commitments Under Noncapitalized Leases

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

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

Year ending September 30,		
2012	\$	92,308
2013		89,550
2014		89,550
2015		<u>52,238</u>
Total minimum rental	\$	<u>323,646</u>
Rental expenditures in 2011	\$	<u>160,214</u>

Note 5: Capital Assets

Capital asset activity for the period ended September 30, 2011 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	8,570,766	6,180,873		14,751,639
Equipment not yet placed in service	<u>152,128</u>		<u>(152,128)</u>	<u>-</u>
Total capital assets not being depreciated	13,742,502	6,180,873	(152,128)	19,771,247
Capital assets being depreciated				
Streets and bridges	36,303,180	180,353		36,483,533
Buildings and improvements	52,842,319			52,842,319
Furniture and equipment	<u>9,674,580</u>	<u>1,894,835</u>	<u>(488,795)</u>	<u>11,080,620</u>
Total capital assets being depreciated	98,820,079	2,075,188	(488,795)	100,406,472
Less accumulated depreciation for:				
Streets and bridges	(21,657,465)	(1,197,228)		(22,854,693)
Buildings and improvements	(20,508,276)	(1,126,871)		(21,635,147)
Furniture and equipment	<u>(6,664,327)</u>	<u>(859,048)</u>	<u>429,575</u>	<u>(7,093,800)</u>
Total accumulated depreciation	(48,830,068)	(3,183,147)	429,575	(51,583,640)
Total capital assets being depreciated, net	<u>49,990,011</u>	<u>(1,107,959)</u>	<u>(59,220)</u>	<u>48,822,832</u>
Governmental activities capital assets, net	<u>\$ 63,732,513</u>	<u>\$ 5,072,914</u>	<u>\$ (211,348)</u>	<u>\$ 68,594,079</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 5: Capital Assets (continued)

Depreciation was charged to functions as follows:

General administrative	\$ 109,924
Road and bridge	1,432,351
Facilities maintenance	867,207
Judicial	48,699
Public safety	515,391
Correctional	<u>209,575</u>
Total depreciation expense	<u>\$ 3,183,147</u>

Note 6: Interfund Balances and Activity

Due to and from Other Funds

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. Balances due to and due from other funds at September 30, 2011, 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	\$ 8,326	Short-term loans
Other governmental funds	Other governmental funds	23,505	Short-term loans
Internal service fund	General fund	<u>733</u>	Short-term loans
	Total	<u>\$ 32,564</u>	

Transfers to and from Other Funds

Transfers to and from other funds at September 30, 2011, consisted of the following:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>	<u>Purpose</u>
General fund	Courthouse preservation	\$ 1,000,000	Supplement construction funds
General fund	Other governmental funds	<u>2,785,747</u>	Supplement other funds sources
	Total	<u>\$ 3,785,747</u>	

The general fund transferred \$1,000,000 to the Courthouse Preservation Fund to provide additional funding for the restoration project. The General Fund transferred an additional \$2,000,000 to the Capital Projects Fund to provide additional funding for ongoing capital acquisition projects. The General Fund transferred \$50,000 to the Law Library Fund, \$250,000 to the Courthouse Security Fund and \$485,747 to the County Attorney Forfeiture fund to supplement those funds for anticipated expenditures.

Note 7: Risk Management

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 8: Long-Term Obligations

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

Bonds

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

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

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

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

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

The following are general obligation bond issues outstanding at September 30, 2011:

	<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>4,500,000</u>
Total general obligations debt				<u>\$ 12,270,000</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>
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	1,965,000	158,164	2,123,164
2017-2018	<u>3,285,000</u>	<u>105,480</u>	<u>3,390,480</u>
Totals	<u>\$ 12,270,000</u>	<u>\$ 1,530,948</u>	<u>\$ 13,800,948</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 8: Long-Term Obligations (continued)

Compensated Absences

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

OPEB Liability

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

Long-Term Obligation Activity

Long-Term Obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2011, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
General obligations bonds	\$ 13,865,000	\$ _____	\$ 1,595,000	\$ 12,270,000	\$ 1,650,000
Total bonds payable	13,865,000	-	1,595,000	12,270,000	1,650,000
Compensated absences	1,054,039	1,275,083	1,234,152	1,094,970	218,994
OPEB liability	326,003	269,549	72,690	522,862	
Unamortized bond premium	120,909		29,637	91,272	29,718
Total Governmental Activities	<u>\$ 15,365,951</u>	<u>\$ 1,544,632</u>	<u>\$ 2,931,479</u>	<u>\$ 13,979,104</u>	<u>\$ 1,898,712</u>

Note 9: Pension Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). The Board of Trustees of the TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 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.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 9: Pension Plan (continued)

Funding Policy

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

The County contributed using the actuarially determined rate of 11.03% for the months of the accounting year in 2010, and 11.26% for the months of the accounting year in 2011.

The contribution rate payable by the employee members for fiscal year 2011 is the rate of 7.00% as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

Annual Pension Cost

For the County's accounting year ended September 30, 2011, the annual pension cost for the TCDRS plan for its employees was \$2,459,371 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, 2009, and December 31, 2010, the basis for determining the contribution rates for calendar years 2010 and 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/09	\$2,114,898	100%	-
9/30/10	2,293,165	100%	-
9/30/11	2,459,371	100%	-

Actuarial Valuation Information

Actuarial valuation date	12/31/08	12/31/09	12/31/10
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10 year smooth value ESF: Fund value	SAF: 10 year smooth value ESF: Fund value	SAF: 10 year smooth value ESF: Fund value
Actuarial assumptions:			
Investment return*	8.00%	8.00%	8.00%
Projected salary increases*	5.30%	5.40%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost of living adjustments	0.00%	0.00%	0.00%

*Includes inflation at the stated rate

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 9: Pension Plan (continued)

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 84.48% funded. The actuarial accrued liability for benefits was \$90,523,539, and the actuarial value of assets was \$76,473,392, resulting in an unfunded actuarial accrued liability of \$14,050,147. The covered payroll (annual payroll of active employees covered by the plan) was \$25,492,185, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 55.12%.

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 \$535 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	<u>Beginning Balance</u>	<u>Claims and Changes In Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
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
September 30, 2011	188,517	3,736,375	(3,503,158)	421,734

100% of claims and judgments are due within one year of September 30, 2011. 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, 2011

Note 11: Commitments and Contingencies

Contingencies

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

Litigation

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

Note 12: Fund Balance

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

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

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

Nonspendable Fund Balance

At September 30, 2011, the nonspendable fund balance is composed of the following:

Inventories	\$ 3,482
Prepaid items	58,627

Restricted Fund Balance

At September 30, 2011, the restricted fund balance is composed of the following:

Debt service	\$ 1,260,106
Election administration	20,216
Continuing education of law enforcement	22,672
Preservation and restoration of County records	240,420
Bail bond board	26,284
Other purposes	7,747

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 12: Fund Balance (continued)

Committed Fund Balance

The County's committed fund balance is the portion of the fund balance that may only be established and modified by a formal action of the Commissioners' Court. At September 30, 2011, the following amounts of fund balance are committed by a formal action of the Commissioners' Court:

Capital replacement expenditures	\$ 2,000,000
Major maintenance expenditures	1,000,000

Assigned Fund Balance

The Commissioners' Court has delegated the authority to assign fund balance for specific purposes to the County Auditor and County Judge. At September 30, 2011, the following amounts of fund balance have been assigned:

Courthouse restoration	\$ 2,987,443
Other capital projects	2,142,488
Court security	182,013
Records management	218,968
Election administration	314,803
Technology	155,736
Forfeiture funds	1,678,033
Sheriff office commissary	280,920
Hot check funds	196,798
Other purposes	324,657

Order of Fund Balance Spending Policy

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

Minimum Fund Balance Policy

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

Note 13: Construction Commitments

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$4,490,000 with an expected completion date of March 2012 for governmental fund types.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

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

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, 2011, retirement eligibility criteria was the attainment of age 65 and 8 continuous years of service with the County. Retirement benefits include eligibility to continue participation in the County's partially self-funded health insurance plan.

Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the Commissioners' Court. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the legislature. For fiscal year 2011, the County paid claims of \$164,480 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 \$128,945 through their required contribution of \$581 per month for retiree-only coverage and \$733 for retiree and spouse coverage.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 15: Other Postemployment Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

Annual required contribution	\$	276,073
Interest on net OPEB obligation		13,040
Adjustment to annual required contribution		<u>(19,564)</u>
Annual OPEB cost (expense)		269,549
Contributions made		<u>(72,690)</u>
Increase in net OPEB obligation		196,859
Net OPEB obligation - beginning of year		<u>326,003</u>
Net OPEB obligation - end of year	\$	<u><u>522,862</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

For the Year Ended	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2009	\$ 252,018	48.3 %	\$ 130,197
September 30, 2010	252,018	22.3	326,003
September 30, 2011	269,549	27.0	522,862

Funded Status and Funding Progress

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

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2011

Note 15: Other Postemployment Benefits (continued)

Funded Status and Funding Progress (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

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

The projected future benefit payments are as follows:

<u>Year Ended September 30,</u>	<u>Projected Benefit Payments</u>
2012	\$ 74,793
2013	89,236
2014	74,420
2015	77,269
2016	88,368
2017 to 2021	594,935
2022 to 2026	830,938
2027 to 2030	957,518

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, 2011

Exhibit B-1
Page 1 of 11

	2011			Variance from Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 35,682,692	\$ 35,682,692	\$ 35,816,708	\$ 134,016
License and fees	4,021,400	4,024,750	4,101,705	76,955
Intergovernmental	1,440,958	1,511,350	1,599,974	88,624
Fines and forfeitures	1,466,400	1,466,400	1,414,392	(52,008)
Rents and recoveries	861,000	861,000	809,909	(51,091)
Investment earnings	180,000	180,000	50,208	(129,792)
Miscellaneous	45,500	50,603	101,975	51,372
Total revenues	43,697,950	43,776,795	43,894,871	118,076
EXPENDITURES				
General administrative				
Current:				
County judge				
Salaries and fringe benefits	181,871	181,871	181,392	479
Travel	4,000	4,000	2,254	1,746
Contract services	5,500	5,500	-	5,500
General operations	3,450	3,450	2,206	1,244
Equipment/vehicle maintenance	1,050	1,050	492	558
	<u>195,871</u>	<u>195,871</u>	<u>186,344</u>	<u>9,527</u>
County commissioners				
Salaries and fringe benefits	186,760	186,760	179,541	7,219
Travel	12,000	12,000	7,749	4,251
General operations	4,675	4,675	1,674	3,001
Equipment/vehicle maintenance	900	900	-	900
	<u>204,335</u>	<u>204,335</u>	<u>188,964</u>	<u>15,371</u>
Human resources				
Salaries and fringe benefits	214,190	214,190	206,811	7,379
Travel	3,500	3,500	2,535	965
General operations	9,780	9,780	2,793	6,987
Equipment/vehicle maintenance	6,240	6,240	3,021	3,219
	<u>233,710</u>	<u>233,710</u>	<u>215,160</u>	<u>18,550</u>
Information technology				
Salaries and fringe benefits	506,306	558,179	486,319	71,860
Travel	9,400	9,400	6,583	2,817
Contract services	92,095	92,095	85,304	6,791
General operations	148,910	189,349	189,303	46
Equipment/vehicle maintenance	4,000	4,000	583	3,417
	<u>760,711</u>	<u>853,023</u>	<u>768,092</u>	<u>84,931</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget
Information and records management				
Salaries and fringe benefits	\$ 347,493	\$ 347,493	\$ 345,981	\$ 1,512
Travel	4,500	4,500	3,951	549
Contract services	6,300	6,300	2,528	3,772
General operations	34,670	34,670	22,239	12,431
Equipment/vehicle maintenance	1,775	1,775	760	1,015
	<u>394,738</u>	<u>394,738</u>	<u>375,459</u>	<u>19,279</u>
General administrative				
Contract services	530,000	478,127	469,727	8,400
General operations	46,000	86,000	51,483	34,517
Equipment/vehicle maintenance	250,000	218,501	61,253	157,248
Miscellaneous	810,000	593,600	475,406	118,194
	<u>1,636,000</u>	<u>1,376,228</u>	<u>1,057,869</u>	<u>318,359</u>
County auditor				
Salaries and fringe benefits	432,919	432,919	425,338	7,581
Travel	9,000	9,735	9,732	3
Contract services	63,000	63,000	45,000	18,000
General operations	8,200	7,465	5,619	1,846
Equipment/vehicle maintenance	1,000	1,000	635	365
	<u>514,119</u>	<u>514,119</u>	<u>486,324</u>	<u>27,795</u>
County treasurer				
Salaries and fringe benefits	177,601	177,601	176,909	692
Travel	6,000	6,220	6,216	4
General operations	13,285	13,065	7,865	5,200
Equipment/vehicle maintenance	1,000	1,000	753	247
	<u>197,886</u>	<u>197,886</u>	<u>191,743</u>	<u>6,143</u>
Purchasing agent				
Salaries and fringe benefits	348,459	348,459	340,031	8,428
Travel	9,000	9,000	8,634	366
General operations	13,000	13,000	5,191	7,809
Equipment/vehicle maintenance	5,500	5,500	4,056	1,444
	<u>375,959</u>	<u>375,959</u>	<u>357,912</u>	<u>18,047</u>
Collections				
Salaries and fringe benefits	141,271	141,271	140,294	977
Travel	3,000	3,000	1,701	1,299
General operations	21,050	21,050	13,251	7,799
Equipment/vehicle maintenance	4,000	4,000	968	3,032
	<u>169,321</u>	<u>169,321</u>	<u>156,214</u>	<u>13,107</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget
Tax assessor/collector				
Salaries and fringe benefits	\$ 986,043	\$ 986,043	\$ 923,666	\$ 62,377
Travel	9,000	9,000	6,727	2,273
Contract services	17,000	22,000	19,409	2,591
General operations	116,700	111,200	77,245	33,955
Equipment/vehicle maintenance	4,200	4,700	4,500	200
	<u>1,132,943</u>	<u>1,132,943</u>	<u>1,031,547</u>	<u>101,396</u>
Total general administrative	<u>5,815,593</u>	<u>5,648,133</u>	<u>5,015,628</u>	<u>632,505</u>
Facilities maintenance				
Facilities maintenance department				
Salaries and fringe benefits	1,190,030	1,190,030	1,133,205	56,825
Travel	20,222	20,222	10,709	9,513
General operations	53,290	56,650	50,223	6,427
Equipment/vehicle maintenance	20,750	20,750	14,218	6,532
	<u>1,284,292</u>	<u>1,287,652</u>	<u>1,208,355</u>	<u>79,297</u>
Courthouse				
Building repair/maintenance	148,150	148,150	19,869	128,281
	<u>148,150</u>	<u>148,150</u>	<u>19,869</u>	<u>128,281</u>
Courts building				
General operations	4,500	4,500	-	4,500
Building repair/maintenance	346,668	650,938	553,159	97,779
	<u>351,168</u>	<u>655,438</u>	<u>553,159</u>	<u>102,279</u>
Library building				
Building repair/maintenance	86,600	86,600	8,856	77,744
	<u>86,600</u>	<u>86,600</u>	<u>8,856</u>	<u>77,744</u>
Extension service building				
Building repair/maintenance	16,200	16,200	10,031	6,169
	<u>16,200</u>	<u>16,200</u>	<u>10,031</u>	<u>6,169</u>
React building				
Building repair/maintenance	6,250	6,250	1,484	4,766
	<u>6,250</u>	<u>6,250</u>	<u>1,484</u>	<u>4,766</u>
Santa Fe building				
Building repair/maintenance	605,938	605,938	381,434	224,504
	<u>605,938</u>	<u>605,938</u>	<u>381,434</u>	<u>224,504</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2011

Exhibit B-1
Page 4 of 11

	Original Budget	Final Budget	Actual	Variance from Final Budget
Baseball Stadium				
Building repair/maintenance	\$ 29,290	\$ 29,290	\$ 11,004	\$ 18,286
	<u>29,290</u>	<u>29,290</u>	<u>11,004</u>	<u>18,286</u>
JP#3 Office				
Building repair/maintenance	19,980	19,980	15,351	4,629
	<u>19,980</u>	<u>19,980</u>	<u>15,351</u>	<u>4,629</u>
Leased Buildings (Lessor)				
Building repair/maintenance	-	13,000	8,410	4,590
	<u>-</u>	<u>13,000</u>	<u>8,410</u>	<u>4,590</u>
Bowie Annex				
Building repair/maintenance	55,800	42,800	16,268	26,532
	<u>55,800</u>	<u>42,800</u>	<u>16,268</u>	<u>26,532</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	36,096	6,030
	<u>42,126</u>	<u>42,126</u>	<u>36,096</u>	<u>6,030</u>
Total facilities maintenance	<u>2,647,168</u>	<u>2,954,798</u>	<u>2,270,317</u>	<u>684,481</u>
Election administration				
Elections				
Salaries and fringe benefits	315,554	315,554	233,124	82,430
Travel	3,500	3,500	858	2,642
Contract services	40,000	40,000	5,114	34,886
General operations	50,000	50,000	11,907	38,093
	<u>409,054</u>	<u>409,054</u>	<u>251,003</u>	<u>158,051</u>
Voter registration				
Travel	3,000	3,000	-	3,000
General operations	50,600	50,600	6,437	44,163
Equipment/vehicle maintenance	3,000	3,000	-	3,000
	<u>56,600</u>	<u>56,600</u>	<u>6,437</u>	<u>50,163</u>
Total election administration	<u>465,654</u>	<u>465,654</u>	<u>257,440</u>	<u>208,214</u>
Judicial				
County clerk				
Salaries and fringe benefits	839,292	839,292	822,925	16,367
Travel	4,000	4,000	2,712	1,288
Contract services	200	125,800	16	125,784
General operations	57,450	57,450	40,087	17,363
Equipment/vehicle maintenance	20,000	20,000	6,931	13,069
	<u>920,942</u>	<u>1,046,542</u>	<u>872,671</u>	<u>173,871</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget
District clerk				
Salaries and fringe benefits	\$ 978,189	\$ 978,189	\$ 924,624	\$ 53,565
Travel	5,000	5,000	2,490	2,510
Contract services	9,500	9,500	7,627	1,873
General operations	53,250	53,250	48,843	4,407
Equipment/vehicle maintenance	7,500	7,500	3,488	4,012
Miscellaneous	4,125	4,125	3,781	344
	<u>1,057,564</u>	<u>1,057,564</u>	<u>990,853</u>	<u>66,711</u>
Court of appeals				
Salaries and fringe benefits	10,115	10,115	10,100	15
	<u>10,115</u>	<u>10,115</u>	<u>10,100</u>	<u>15</u>
Bail bond board				
Salaries and fringe benefits	1,195	1,195	1,185	10
General operations	-	500	75	425
	<u>1,195</u>	<u>1,695</u>	<u>1,260</u>	<u>435</u>
47th district court				
Salaries and fringe benefits	265,892	265,892	251,250	14,642
Travel	10,650	10,650	3,142	7,508
General operations	15,500	17,235	13,357	3,878
Equipment/vehicle maintenance	3,000	3,000	1,042	1,958
	<u>295,042</u>	<u>296,777</u>	<u>268,791</u>	<u>27,986</u>
108th district court				
Salaries and fringe benefits	277,967	277,967	262,027	15,940
Travel	10,250	10,250	6,933	3,317
General operations	12,200	12,000	6,087	5,913
Equipment/vehicle maintenance	1,100	1,300	1,290	10
	<u>301,517</u>	<u>301,517</u>	<u>276,337</u>	<u>25,180</u>
181st district court				
Salaries and fringe benefits	262,909	262,909	255,605	7,304
Travel	10,250	10,250	190	10,060
General operations	10,238	10,238	4,028	6,210
Equipment/vehicle maintenance	800	800	601	199
	<u>284,197</u>	<u>284,197</u>	<u>260,424</u>	<u>23,773</u>
251st district court				
Salaries and fringe benefits	262,900	262,900	257,730	5,170
Travel	10,250	10,250	1,536	8,714
General operations	12,700	14,435	7,334	7,101
Equipment/vehicle maintenance	1,200	1,200	797	403
	<u>287,050</u>	<u>288,785</u>	<u>267,397</u>	<u>21,388</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget
320th district court				
Salaries and fringe benefits	\$ 278,408	\$ 278,408	\$ 273,723	\$ 4,685
Travel	12,250	12,250	2,821	9,429
General operations	11,050	11,050	7,012	4,038
Equipment/vehicle maintenance	1,600	1,600	1,166	434
	<u>303,308</u>	<u>303,308</u>	<u>284,722</u>	<u>18,586</u>
County court at law #1				
Salaries and fringe benefits	474,097	474,097	469,718	4,379
Travel	9,250	9,250	4,252	4,998
General operations	8,150	8,150	3,879	4,271
Equipment/vehicle maintenance	1,000	1,000	303	697
	<u>492,497</u>	<u>492,497</u>	<u>478,152</u>	<u>14,345</u>
County court at law #2				
Salaries and fringe benefits	470,738	470,738	433,151	37,587
Travel	9,650	9,650	1,124	8,526
General operations	6,650	6,650	4,301	2,349
Equipment/vehicle maintenance	300	300	248	52
	<u>487,338</u>	<u>487,338</u>	<u>438,824</u>	<u>48,514</u>
Justice of the Peace, precinct #1				
Salaries and fringe benefits	220,329	220,329	207,274	13,055
Travel	3,500	3,500	722	2,778
Contract services	500	500	-	500
General operations	13,600	13,600	9,383	4,217
Equipment/vehicle maintenance	1,500	1,500	1,484	16
	<u>239,429</u>	<u>239,429</u>	<u>218,863</u>	<u>20,566</u>
Justice of the Peace, precinct #2				
Salaries and fringe benefits	173,305	173,305	172,753	552
Travel	3,500	3,500	2,972	528
General operations	18,000	18,000	10,131	7,869
Equipment/vehicle maintenance	1,500	1,500	247	1,253
	<u>196,305</u>	<u>196,305</u>	<u>186,103</u>	<u>10,202</u>
Justice of the Peace, precinct #3				
Salaries and fringe benefits	215,943	215,943	195,226	20,717
Travel	3,500	3,500	3,056	444
Contract services	500	500	-	500
General operations	18,900	18,800	15,565	3,235
Equipment/vehicle maintenance	1,500	1,600	1,549	51
	<u>240,343</u>	<u>240,343</u>	<u>215,396</u>	<u>24,947</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget
Justice of the Peace, precinct #4				
Salaries and fringe benefits	\$ 173,305	\$ 173,305	\$ 172,848	\$ 457
Travel	3,500	3,500	1,902	1,598
General operations	12,100	12,100	8,048	4,052
Equipment/vehicle maintenance	600	600	281	319
	<u>189,505</u>	<u>189,505</u>	<u>183,079</u>	<u>6,426</u>
Jury and jury related				
Salaries and fringe benefits	166,088	166,088	164,133	1,955
Travel	2,000	2,000	-	2,000
Contract services	137,500	137,500	125,759	11,741
General operations	45,800	45,800	42,250	3,550
Equipment/vehicle maintenance	5,800	5,800	4,474	1,326
	<u>357,188</u>	<u>357,188</u>	<u>336,616</u>	<u>20,572</u>
County attorney				
Salaries and fringe benefits	1,815,673	1,815,673	1,766,318	49,355
Travel	35,000	36,115	23,325	12,790
Contract services	21,750	21,750	13,689	8,061
General operations	65,405	61,405	50,770	10,635
Equipment/vehicle maintenance	10,180	14,180	13,970	210
	<u>1,948,008</u>	<u>1,949,123</u>	<u>1,868,072</u>	<u>81,051</u>
District attorney				
Salaries and fringe benefits	2,508,194	2,508,194	2,428,166	80,028
Travel	25,000	25,984	16,560	9,424
Contract services	121,500	122,000	121,910	90
General operations	76,994	72,994	63,605	9,389
Equipment/vehicle maintenance	10,400	13,700	13,654	46
	<u>2,742,088</u>	<u>2,742,872</u>	<u>2,643,895</u>	<u>98,977</u>
General judicial				
Salaries and fringe benefits	13,181	13,181	11,070	2,111
Contract services	2,145,000	2,145,000	1,872,219	272,781
General operations	82,100	82,100	83,176	(1,076)
Miscellaneous	738,052	638,052	63,831	574,221
	<u>2,978,333</u>	<u>2,878,333</u>	<u>2,030,296</u>	<u>848,037</u>
Indigent defense				
Salaries and fringe benefits	46,504	46,504	46,411	93
General operations	1,000	1,500	1,404	96
Equipment/vehicle maintenance	3,000	2,500	172	2,328
	<u>50,504</u>	<u>50,504</u>	<u>47,987</u>	<u>2,517</u>
Total judicial	<u>13,382,468</u>	<u>13,413,937</u>	<u>11,879,838</u>	<u>1,534,099</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget
Public safety				
Forensic science lab				
Contract services	\$ 325,000	\$ 425,000	\$ 359,620	\$ 65,380
General operations	1,400	1,400	-	1,400
	<u>326,400</u>	<u>426,400</u>	<u>359,620</u>	<u>66,780</u>
Constable, precinct #1				
Salaries and fringe benefits	61,018	61,018	60,863	155
Travel	1,500	1,500	809	691
General operations	4,195	4,195	590	3,605
Equipment/vehicle maintenance	4,100	4,100	3,787	313
	<u>70,813</u>	<u>70,813</u>	<u>66,049</u>	<u>4,764</u>
Constable, precinct #2				
Salaries and fringe benefits	61,018	61,018	60,669	349
Travel	1,500	1,500	1,196	304
General operations	1,050	700	463	237
Equipment/vehicle maintenance	2,050	2,400	2,368	32
	<u>65,618</u>	<u>65,618</u>	<u>64,696</u>	<u>922</u>
Constable, precinct #3				
Salaries and fringe benefits	6,420	6,420	-	6,420
Travel	1,000	1,000	341	659
General operations	100	100	2	98
	<u>7,520</u>	<u>7,520</u>	<u>343</u>	<u>7,177</u>
Constable, precinct #4				
Salaries and fringe benefits	61,018	61,018	17,610	43,408
Travel	1,500	1,500	495	1,005
General operations	3,195	3,195	124	3,071
Equipment/vehicle maintenance	6,500	6,500	1,585	4,915
	<u>72,213</u>	<u>72,213</u>	<u>19,814</u>	<u>52,399</u>
Courthouse security				
Salaries and fringe benefits	-	-	-	-
Travel	-	-	-	-
General operations	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sheriff				
Salaries and fringe benefits	5,170,076	5,170,076	5,076,531	93,545
Travel	93,000	135,183	117,499	17,684
Contract services	13,000	14,200	14,087	113
General operations	173,900	204,860	167,758	37,102
Equipment/vehicle maintenance	264,000	264,000	251,589	12,411
	<u>5,713,976</u>	<u>5,788,319</u>	<u>5,627,464</u>	<u>160,855</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget
Special crimes unit				
General operations	\$ 1,000	\$ 1,000	\$ 428	\$ 572
	<u>1,000</u>	<u>1,000</u>	<u>428</u>	<u>572</u>
Sheriff offices				
Building repairs/maintenance	100,000	100,000	84,512	15,488
	<u>100,000</u>	<u>100,000</u>	<u>84,512</u>	<u>15,488</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	495,950	545,761	437,412	108,349
	<u>500,450</u>	<u>550,261</u>	<u>437,412</u>	<u>112,849</u>
Fire / rescue department				
Salaries and fringe benefits	227,255	233,755	233,600	155
Travel	30,000	44,900	40,133	4,767
Contract services	5,000	5,000	-	5,000
General operations	62,800	67,903	55,965	11,938
Equipment/vehicle maintenance	156,000	199,500	187,193	12,307
Building repair/maintenance	50,000	49,700	31,032	18,668
	<u>531,055</u>	<u>600,758</u>	<u>547,923</u>	<u>52,835</u>
Total public safety	<u>7,389,045</u>	<u>7,682,902</u>	<u>7,208,261</u>	<u>474,641</u>
Corrections and rehabilitation				
Detention center				
Salaries and fringe benefits	7,219,494	7,219,494	7,023,567	195,927
Contract services	38,250	38,250	32,537	5,713
General operations	85,940	90,240	67,531	22,709
Prisoner care	972,000	972,000	881,031	90,969
Equipment/vehicle maintenance	32,000	27,200	25,281	1,919
Building repairs/maintenance	515,375	499,075	484,845	14,230
	<u>8,863,059</u>	<u>8,846,259</u>	<u>8,514,792</u>	<u>331,467</u>
Community supervision and corrections				
General operations	12,000	10,700	633	10,067
Equipment/vehicle maintenance	13,000	14,300	14,222	78
	<u>25,000</u>	<u>25,000</u>	<u>14,855</u>	<u>10,145</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget
Juvenile probation	\$ 3,096,914	\$ 3,096,914	\$ 3,096,914	\$ -
	<u>3,096,914</u>	<u>3,096,914</u>	<u>3,096,914</u>	<u>-</u>
Total corrections and rehabilitation	<u>11,984,973</u>	<u>11,968,173</u>	<u>11,626,561</u>	<u>341,612</u>
Health and human services				
Mental health - community service				
Salaries and fringe benefits	52,245	52,245	52,150	95
Travel	1,000	1,000	-	1,000
Contract services	66,500	66,500	53,888	12,612
General operations	700	700	-	700
	<u>120,445</u>	<u>120,445</u>	<u>106,038</u>	<u>14,407</u>
County extension services				
Salaries and fringe benefits	167,751	167,751	159,608	8,143
Travel	10,500	9,500	8,225	1,275
General operations	18,004	17,804	17,034	770
Equipment/vehicle maintenance	16,000	17,200	17,170	30
Miscellaneous	1,500	1,500	988	512
	<u>213,755</u>	<u>213,755</u>	<u>203,025</u>	<u>10,730</u>
Welfare				
Salaries and fringe benefits	9,328	9,328	9,286	42
Contract services	27,000	27,000	26,681	319
General operations	1,225	1,225	5	1,220
	<u>37,553</u>	<u>37,553</u>	<u>35,972</u>	<u>1,581</u>
Family crime unit				
Salaries and fringe benefits	157,560	157,560	137,298	20,262
Travel	3,000	3,000	402	2,598
General operations	7,425	7,425	5,731	1,694
Equipment/vehicle maintenance	3,193	3,193	2,240	953
	<u>171,178</u>	<u>171,178</u>	<u>145,671</u>	<u>25,507</u>
Victim assistance - VOCA				
Salaries and fringe benefits	112,016	112,016	111,771	245
Travel	4,618	4,618	(396)	5,014
	<u>116,634</u>	<u>116,634</u>	<u>111,375</u>	<u>5,259</u>
Victim assistance - VCLG				
Salaries and fringe benefits	54,432	54,632	54,617	15
Travel	2,627	2,627	334	2,293
	<u>57,059</u>	<u>57,259</u>	<u>54,951</u>	<u>2,308</u>
Total health and human services	<u>716,624</u>	<u>716,824</u>	<u>657,032</u>	<u>59,792</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget
Road and bridge expenditures				
Salaries and fringe benefits	\$ 1,124,091	\$ 1,124,091	\$ 1,042,342	\$ 81,749
Travel	14,500	14,500	6,874	7,626
Contract services	9,545	9,545	-	9,545
General operations	900,205	736,170	517,628	218,542
Equipment/vehicle maintenance	297,375	327,375	247,585	79,790
Building repairs/maintenance	60,000	60,000	37,041	22,959
Total Road and bridge expenditures	<u>2,405,716</u>	<u>2,271,681</u>	<u>1,851,470</u>	<u>420,211</u>
Capital outlay	<u>286,600</u>	<u>662,716</u>	<u>618,476</u>	<u>44,240</u>
Total expenditures	<u>45,093,841</u>	<u>45,784,818</u>	<u>41,385,023</u>	<u>4,399,795</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,395,891)	(2,008,023)	2,509,848	4,517,871
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(3,785,000)</u>	<u>(3,785,000)</u>	<u>(3,785,747)</u>	<u>(747)</u>
Total other financing sources (uses)	<u>(3,785,000)</u>	<u>(3,785,000)</u>	<u>(3,785,747)</u>	<u>(747)</u>
NET CHANGE IN FUND BALANCE	(5,180,891)	(5,793,023)	(1,275,899)	4,517,124
FUND BALANCE AT BEGINNING OF YEAR	<u>17,242,748</u>	<u>17,242,748</u>	<u>17,242,748</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 12,061,857</u>	<u>\$ 11,449,725</u>	<u>\$ 15,966,849</u>	<u>\$ 4,517,124</u>

POTTER COUNTY, TEXAS
Required Supplementary Information
Schedule of Funding Progress, Texas County and District Retirement System
For the Year Ended September 30, 2011

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability Entry Age</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
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%
12/31/2010	76,473,392	90,523,539	14,050,147	84.48%	25,492,185	55.12%

POTTER COUNTY, TEXAS
Required Supplementary Information
Schedule of Funding Progress, Other Postretirement Benefits (1)
For the Year Ended September 30, 2011

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

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

POTTER COUNTY, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2011

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:

<u>Department</u>	<u>Category</u>	<u>Amount</u>
General judicial	General operations	\$ 1,076

**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, 2011

Exhibit C-1

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Funds</u>
ASSETS				
Pooled cash and cash equivalents	\$ 2,544,863	\$ 1,237,944	\$ 10,205	\$ 3,793,012
Investments	862,845		2,209,243	3,072,088
Accounts receivable				
Taxes		68,099		68,099
Other	37,219	13,748		50,967
Due from other funds	23,505			23,505
Due from other governments	591			591
	<u>591</u>	<u> </u>	<u> </u>	<u>591</u>
 Total assets	 <u>\$ 3,469,023</u>	 <u>\$ 1,319,791</u>	 <u>\$ 2,219,448</u>	 <u>\$ 7,008,262</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$ 65,048	\$	\$ 76,960	\$ 142,008
Due to other funds	31,831			31,831
Deferred revenue				
Taxes		59,685		59,685
	<u> </u>	<u>59,685</u>	<u> </u>	<u>59,685</u>
 Total liabilities	 96,879	 59,685	 76,960	 233,524
Fund balances				
Restricted fund balances:				
Restricted for election administration	\$ 20,216			20,216
Restricted for debt service		1,260,106		1,260,106
Assigned:				
Capital project funds assigned for specific purposes			2,142,488	2,142,488
Special revenue funds	3,351,928			3,351,928
	<u>3,351,928</u>	<u> </u>	<u> </u>	<u>3,351,928</u>
 Total fund balance	 <u>3,372,144</u>	 <u>1,260,106</u>	 <u>2,142,488</u>	 <u>6,774,738</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 3,469,023</u>	 <u>\$ 1,319,791</u>	 <u>\$ 2,219,448</u>	 <u>\$ 7,008,262</u>

POTTER COUNTY, TEXAS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2011

Exhibit C-2

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Funds
REVENUES				
Taxes	\$	\$ 2,327,166	\$	\$ 2,327,166
License and fees	722,483			722,483
Intergovernmental	149,457			149,457
Charges for services	7,383			7,383
Investment earnings	5,181	3,029	2,806	11,016
Miscellaneous	229,476		24,000	253,476
Total revenues	1,113,980	2,330,195	26,806	3,470,981
EXPENDITURES				
Current:				
General administrative	34,382	1,500	31,814	67,696
Facilities maintenance			83,804	83,804
Election administration	77,318			77,318
Judicial	1,007,835			1,007,835
Public safety	71,795			71,795
Corrections and rehabilitation	118,842		150,000	268,842
Road and bridge				
Debt service				
Principal		1,595,000		1,595,000
Interest and fiscal charges		462,955		462,955
Capital outlay	426,202		1,367,153	1,793,355
Total expenditures	1,736,374	2,059,455	1,632,771	5,428,600
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(622,394)	270,740	(1,605,965)	(1,957,619)
OTHER FINANCING SOURCES				
Transfers in	785,747		2,000,000	2,785,747
Transfers out				
Total other financing sources (uses)	785,747	-	2,000,000	2,785,747
NET CHANGE IN FUND BALANCES	163,353	270,740	394,035	828,128
FUND BALANCES AT BEGINNING OF YEAR	3,208,791	989,366	1,748,453	5,946,610
FUND BALANCES AT END OF YEAR	\$ 3,372,144	\$ 1,260,106	\$ 2,142,488	\$ 6,774,738

SPECIAL REVENUE FUNDS

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2011

	210 Vehicle Inventory Tax Interest	215 Law Library	220 Courthouse Security	221 Justice Courts Building Security
ASSETS				
Pooled cash and cash equivalents	\$ 30	\$ 35,509	\$ 165,269	\$ 25,000
Investments	173,504			
Accounts receivable (net)				
Other		6,919	4,549	325
Due from other funds				
Due from other governments	591			
Total assets	\$ 174,125	\$ 42,428	\$ 169,818	\$ 25,325
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$ 12,881	\$ 13,130	\$
Due to other funds				
Total liabilities	-	12,881	13,130	-
Fund balance				
Restricted				
Assigned	174,125	29,547	156,688	25,325
Total fund balance	174,125	29,547	156,688	25,325
TOTAL LIABILITIES AND FUND BALANCE	\$ 174,125	\$ 42,428	\$ 169,818	\$ 25,325

225 Graffiti Eradication	226 Child Abuse Prevention	235 County Clerk Records Management	236 Election	237 Voter Registration	240 Court Records Management	245 District Clerk Records Management	250 Justice Court Technology
\$ 673	\$ 7,692	\$ 72,532	\$ 296,810	\$ 43,721	\$ 41,757	\$ 101,737	\$ 147,867
3	151	9,135	23,505		4,942	3,482	1,371
<u>\$ 676</u>	<u>\$ 7,843</u>	<u>\$ 81,667</u>	<u>\$ 320,315</u>	<u>\$ 43,721</u>	<u>\$ 46,699</u>	<u>\$ 105,219</u>	<u>\$ 149,238</u>
\$	\$	\$ 14,617	\$ 5,512	\$ 23,505	\$	\$	\$
-	-	14,617	5,512	23,505	-	-	-
<u>676</u>	<u>7,843</u>	<u>67,050</u>	<u>314,803</u>	<u>20,216</u>	<u>46,699</u>	<u>105,219</u>	<u>149,238</u>
<u>676</u>	<u>7,843</u>	<u>67,050</u>	<u>314,803</u>	<u>20,216</u>	<u>46,699</u>	<u>105,219</u>	<u>149,238</u>
<u>\$ 676</u>	<u>\$ 7,843</u>	<u>\$ 81,667</u>	<u>\$ 320,315</u>	<u>\$ 43,721</u>	<u>\$ 46,699</u>	<u>\$ 105,219</u>	<u>\$ 149,238</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2011

	251 County Clerk / District Clerk Technology	255 County Attorney Hot Check	256 County Attorney Forfeiture	260 District Attorney Hot Check
ASSETS				
Pooled cash and cash equivalents	\$ 6,130	\$ 71,623	\$ 396,091	\$ 121,928
Investments				
Accounts receivable (net)				
Other	368	3,280		
Due from other funds				
Due from other governments				
Total assets	\$ 6,498	\$ 74,903	\$ 396,091	\$ 121,928
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$	\$ 2,451	\$
Due to other funds		13		20
Total liabilities	-	13	2,451	20
Fund balance				
Restricted				
Assigned	6,498	74,890	393,640	121,908
Total fund balance	6,498	74,890	393,640	121,908
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,498	\$ 74,903	\$ 396,091	\$ 121,928

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
\$ 1	\$ 455,961 689,341	\$ 88,936	\$ 23,539	\$ 18,583	\$ 76,748	\$ 9,891	\$ 54,115
1,797	187					362	348
<u>\$ 1,798</u>	<u>\$ 1,145,489</u>	<u>\$ 88,936</u>	<u>\$ 23,539</u>	<u>\$ 18,583</u>	<u>\$ 76,748</u>	<u>\$ 10,253</u>	<u>\$ 54,463</u>
\$ 1,798	\$ 9,710 968	\$ 15	\$	\$	\$ 212	\$ 10,247	\$
1,798	10,678	15	-	-	212	10,247	-
	<u>1,134,811</u>	<u>88,921</u>	<u>23,539</u>	<u>18,583</u>	<u>76,536</u>	<u>6</u>	<u>54,463</u>
-	<u>1,134,811</u>	<u>88,921</u>	<u>23,539</u>	<u>18,583</u>	<u>76,536</u>	<u>6</u>	<u>54,463</u>
<u>\$ 1,798</u>	<u>\$ 1,145,489</u>	<u>\$ 88,936</u>	<u>\$ 23,539</u>	<u>\$ 18,583</u>	<u>\$ 76,748</u>	<u>\$ 10,253</u>	<u>\$ 54,463</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2011

Exhibit C-3
Page 3 of 3

	<u>274</u>		<u>Total</u>
	Sheriff		Nonmajor
	Office		Special
	Commissary		Revenue
			Funds
ASSETS			
Pooled cash and cash equivalents	\$ 282,720	\$	2,544,863
Investments			862,845
Accounts receivable (net)			
Other			37,219
Due from other funds			23,505
Due from other governments			591
			<u>591</u>
Total assets	<u>\$ 282,720</u>	<u>\$</u>	<u>3,469,023</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and other current liabilities	\$ 1,800	\$	65,048
Due to other funds			31,831
			<u>31,831</u>
Total liabilities	1,800		96,879
Fund balance			
Restricted			20,216
Assigned	280,920		3,351,928
			<u>3,351,928</u>
Total fund balance	<u>280,920</u>		<u>3,372,144</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 282,720</u>	<u>\$</u>	<u>3,469,023</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2011

	210 Vehicle Inventory Tax Interest	215 Law Library	220 Courthouse Security	221 Justice Courts Building Security
REVENUES				
Licenses and fees	\$	\$ 81,423	\$ 59,288	\$ 4,858
Intergovernmental				
Charges for services		2,663		
Investment earnings	621		392	
Miscellaneous				
Total revenues	<u>621</u>	<u>84,086</u>	<u>59,680</u>	<u>4,858</u>
Expenditures:				
Current:				
General administrative	735			
Election administration				
Judicial		136,992	296,760	2,122
Public safety				
Corrections				
Capital outlay			6,980	
Total expenditures	<u>735</u>	<u>136,992</u>	<u>303,740</u>	<u>2,122</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(114)</u>	<u>(52,906)</u>	<u>(244,060)</u>	<u>2,736</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		50,000	250,000	
Transfers out				
Total other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>250,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(114)	(2,906)	5,940	2,736
FUND BALANCES AT BEGINNING OF YEAR	<u>174,239</u>	<u>32,453</u>	<u>150,748</u>	<u>22,589</u>
FUND BALANCES AT END OF YEAR	<u>\$ 174,125</u>	<u>\$ 29,547</u>	<u>\$ 156,688</u>	<u>\$ 25,325</u>

225 Graffiti Eradication	226 Child Abuse Prevention	235 County Clerk Records Management	236 Election	237 Voter Registration	240 Court Records Management	245 District Clerk Records Management	250 Justice Court Technology
\$ 216	\$ 1,189	\$ 118,810	\$ 1,192	\$ 22,724	\$ 61,084	\$ 35,998	\$ 20,282
		199	743	78		182	
216	1,189	119,009	1,935	22,802	61,084	36,180	20,282
		152,582	53,813	23,505	33,647		1,250
						6,687	
-	-	152,582	53,813	23,505	33,647	6,687	1,250
216	1,189	(33,573)	(51,878)	(703)	27,437	29,493	19,032
-	-	-	-	-	-	-	-
216	1,189	(33,573)	(51,878)	(703)	27,437	29,493	19,032
460	6,654	100,623	366,681	20,919	19,262	75,726	130,206
<u>\$ 676</u>	<u>\$ 7,843</u>	<u>\$ 67,050</u>	<u>\$ 314,803</u>	<u>\$ 20,216</u>	<u>\$ 46,699</u>	<u>\$ 105,219</u>	<u>\$ 149,238</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2011

	251 County Clerk / District Clerk Technology	255 County Attorney Hot Check	256 County Attorney Forfeiture	260 District Attorney Hot Check
REVENUES				
Licenses and fees	\$	\$ 110,436	\$	\$ 7,484
Intergovernmental				427
Charges for services	4,720			
Investment earnings				
Miscellaneous			134,641	
Total revenues	4,720	110,436	134,641	7,911
Expenditures:				
Current:				
General administrative				
Election administration				
Judicial		120,802	226,748	1,273
Public safety				
Corrections				
Capital outlay				
Total expenditures	-	120,802	226,748	1,273
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	4,720	(10,366)	(92,107)	6,638
OTHER FINANCING SOURCES (USES)				
Transfers in			485,747	
Transfers out				
Total other financing sources (uses)	-	-	485,747	-
NET CHANGE IN FUND BALANCE	4,720	(10,366)	393,640	6,638
FUND BALANCES AT BEGINNING OF YEAR	1,778	85,256	-	115,270
FUND BALANCES AT END OF YEAR	\$ 6,498	\$ 74,890	\$ 393,640	\$ 121,908

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
\$ 32,065	\$ 1,825	\$	\$	\$ 780	\$	\$ 91,636	\$
	1,820		26	40	144	344	96
	44,241	5,320	2,724		31,063		11,487
32,065	47,886	5,320	2,750	820	31,207	91,980	11,583
32,065	30,737	5,408	33	1,063			
					11,370	26,608	33,817
					54,993	342,279	15,263
32,065	30,737	5,408	33	1,063	66,363	368,887	49,080
-	17,149	(88)	2,717	(243)	(35,156)	(276,907)	(37,497)
-	-	-	-	-	-	-	-
-	17,149	(88)	2,717	(243)	(35,156)	(276,907)	(37,497)
-	1,117,662	89,009	20,822	18,826	111,692	276,913	91,960
\$ -	\$ 1,134,811	\$ 88,921	\$ 23,539	\$ 18,583	\$ 76,536	\$ 6	\$ 54,463

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2011

Exhibit C-4
Page 3 of 3

	274 Sheriff Office Commissary	Total Nonmajor Special Revenue Funds
REVENUES		
Licenses and fees	\$ 220,223	\$ 722,483
Intergovernmental		149,457
Charges for services		7,383
Investment earnings	496	5,181
Miscellaneous		229,476
	<u>220,719</u>	<u>1,113,980</u>
Total revenues		
Expenditures:		
Current:		
General administrative		34,382
Election administration		77,318
Judicial		1,007,835
Public safety		71,795
Corrections	118,842	118,842
Capital outlay		426,202
	<u>118,842</u>	<u>1,736,374</u>
Total expenditures		
EXCESS (DEFICIT) OF		
REVENUES OVER EXPENDITURES	<u>101,877</u>	<u>(622,394)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in		785,747
Transfers out		
	<u>-</u>	<u>785,747</u>
Total other financing sources (uses)		
NET CHANGE IN FUND BALANCE	101,877	163,353
FUND BALANCES AT		
BEGINNING OF YEAR	<u>179,043</u>	<u>3,208,791</u>
FUND BALANCES AT END OF YEAR	<u>\$ 280,920</u>	<u>\$ 3,372,144</u>

POTTER COUNTY, TEXAS
Vehicle Inventory Tax Interest Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-5

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 2,000	\$ 2,000	\$ 621	\$ (1,379)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>621</u>	<u>(1,379)</u>
EXPENDITURES				
Current				
General administrative				
General operations	<u>1,000</u>	<u>1,000</u>	<u>735</u>	<u>265</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>735</u>	<u>265</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,000	1,000	(114)	(1,114)
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,000	1,000	(114)	(1,114)
FUND BALANCE AT BEGINNING OF YEAR	<u>174,239</u>	<u>174,239</u>	<u>174,239</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 175,239</u>	<u>\$ 175,239</u>	<u>\$ 174,125</u>	<u>\$ (1,114)</u>

POTTER COUNTY, TEXAS
Law Library Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-6

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 81,500	\$ 81,500	\$ 81,423	\$ (77)
Charges for services	2,500	2,500	2,663	163
Total revenues	<u>84,000</u>	<u>84,000</u>	<u>84,086</u>	<u>86</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	37,465	37,465	37,145	320
Travel	500	500	-	500
General operations	116,100	116,100	99,582	16,518
Equipment/vehicle maintenance	500	500	265	235
Total expenditures	<u>154,565</u>	<u>154,565</u>	<u>136,992</u>	<u>17,573</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(70,565)	(70,565)	(52,906)	17,659
OTHER FINANCING SOURCES				
Transfers in	-	-	50,000	50,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCE	(70,565)	(70,565)	(2,906)	67,659
FUND BALANCE AT BEGINNING OF YEAR	<u>32,453</u>	<u>32,453</u>	<u>32,453</u>	
FUND BALANCE AT END OF YEAR	<u>\$ (38,112)</u>	<u>\$ (38,112)</u>	<u>\$ 29,547</u>	<u>\$ 67,659</u>

POTTER COUNTY, TEXAS
Courthouse Security Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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	\$ 62,000	\$ 62,000	\$ 59,288	\$ (2,712)
Investment earnings	700	700	392	(308)
Total revenue	<u>62,700</u>	<u>62,700</u>	<u>59,680</u>	<u>(3,020)</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	292,617	292,617	267,220	25,397
Travel	1,000	1,000	-	1,000
General operations	22,000	22,000	1,875	20,125
Building repairs and maintenance	20,000	34,535	27,665	6,870
Capital outlay	10,000	10,000	6,980	3,020
Total expenditures	<u>345,617</u>	<u>360,152</u>	<u>303,740</u>	<u>56,412</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(282,917)	(297,452)	(244,060)	53,392
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	250,000	250,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
NET CHANGE IN FUND BALANCE	(282,917)	(297,452)	5,940	303,392
FUND BALANCE AT BEGINNING OF YEAR	<u>150,748</u>	<u>150,748</u>	<u>150,748</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (132,169)</u>	<u>\$ (146,704)</u>	<u>\$ 156,688</u>	<u>\$ 303,392</u>

POTTER COUNTY, TEXAS
Justice Court Building Security Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-8

	<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	\$ 5,500	\$ 5,500	\$ 4,858	\$ (642)
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>4,858</u>	<u>(642)</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	-	2,500	2,122	378
General operations	2,500	2,500	-	2,500
Building repairs and maintenance	2,500	2,500	-	2,500
Total expenditures	<u>5,000</u>	<u>7,500</u>	<u>2,122</u>	<u>5,378</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	500	(2,000)	2,736	4,736
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	500	(2,000)	2,736	4,736
FUND BALANCE AT BEGINNING OF YEAR	<u>22,589</u>	<u>22,589</u>	<u>22,589</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 23,089</u>	<u>\$ 20,589</u>	<u>\$ 25,325</u>	<u>\$ 4,736</u>

POTTER COUNTY, TEXAS
County Clerk Records Management Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-9

	<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	\$ 118,000	\$ 118,000	\$ 118,810	\$ 810
Investment earnings	280	280	199	(81)
Total revenues	<u>118,280</u>	<u>118,280</u>	<u>119,009</u>	<u>729</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	59,267	59,267	58,465	802
Travel	4,000	4,000	-	4,000
Contract services	100,000	100,000	87,892	12,108
General operations	8,000	8,000	3,394	4,606
Equipment/vehicle maintenance	8,000	8,000	2,831	5,169
Capital outlay	30,000	30,000	-	30,000
Total expenditures	<u>209,267</u>	<u>209,267</u>	<u>152,582</u>	<u>56,685</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(90,987)</u>	<u>(90,987)</u>	<u>(33,573)</u>	<u>57,414</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(90,987)</u>	<u>(90,987)</u>	<u>(33,573)</u>	<u>57,414</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>100,623</u>	<u>100,623</u>	<u>100,623</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 9,636</u>	<u>\$ 9,636</u>	<u>\$ 67,050</u>	<u>\$ 57,414</u>

POTTER COUNTY, TEXAS
Election Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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				
Licenses and fees	\$ -	\$ -	\$ 1,192	\$ 1,192
Investment earnings	850	850	743	(107)
Total revenues	<u>850</u>	<u>850</u>	<u>1,935</u>	<u>1,085</u>
EXPENDITURES				
Current:				
Election administration				
Travel	5,000	5,000	900	4,100
Contract services	40,000	40,000	-	40,000
General operations	8,000	68,045	52,913	15,132
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>29,700</u>	<u>-</u>	<u>29,700</u>
Total expenditures	<u>153,000</u>	<u>172,745</u>	<u>53,813</u>	<u>118,932</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(152,150)	(171,895)	(51,878)	120,017
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	(152,150)	(171,895)	(51,878)	120,017
FUND BALANCE AT BEGINNING OF YEAR	<u>366,681</u>	<u>366,681</u>	<u>366,681</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 214,531</u>	<u>\$ 194,786</u>	<u>\$ 314,803</u>	<u>\$ 120,017</u>

POTTER COUNTY, TEXAS
Voter Registration Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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	\$ -	\$ -	\$ 22,724	\$ 22,724
Investment earnings	40	40	78	38
Total revenues	<u>40</u>	<u>40</u>	<u>22,802</u>	<u>22,762</u>
EXPENDITURES				
Current:				
Election administration				
Travel	2,000	2,000	3,760	(1,760)
General operations	1,000	1,000	19,745	(18,745)
Miscellaneous	1,000	1,000	-	1,000
Capital outlay	6,000	6,000	-	6,000
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>23,505</u>	<u>(13,505)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,960)	(9,960)	(703)	9,257
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(9,960)	(9,960)	(703)	9,257
FUND BALANCE AT BEGINNING OF YEAR	<u>20,919</u>	<u>20,919</u>	<u>20,919</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 10,959</u>	<u>\$ 10,959</u>	<u>\$ 20,216</u>	<u>\$ 9,257</u>

POTTER COUNTY, TEXAS
Court Records Management Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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	\$ 60,000	\$ 60,000	\$ 61,084	\$ 1,084
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>61,084</u>	<u>1,084</u>
EXPENDITURES				
Current:				
General administrative				
Salaries and fringe benefits	39,427	39,427	28,547	10,880
Travel	2,000	2,000	-	2,000
General operations	11,570	11,570	5,100	6,470
Capital outlay	-	-	-	-
Total expenditures	<u>52,997</u>	<u>52,997</u>	<u>33,647</u>	<u>19,350</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,003	7,003	27,437	20,434
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	7,003	7,003	27,437	20,434
FUND BALANCE AT BEGINNING OF YEAR	<u>19,262</u>	<u>19,262</u>	<u>19,262</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 26,265</u>	<u>\$ 26,265</u>	<u>\$ 46,699</u>	<u>\$ 20,434</u>

POTTER COUNTY, TEXAS
 District Clerk Records Management Fund
 Budgetary Comparison Fund
 For the Year Ended September 30, 2011

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	\$ 27,000	\$ 27,000	\$ 35,998	\$ 8,998
Investment earnings	120	120	182	62
Total revenues	<u>27,120</u>	<u>27,120</u>	<u>36,180</u>	<u>9,060</u>
EXPENDITURES				
Current:				
Judicial				
Contract services	-	-	-	-
Travel	-	-	-	-
General operations	-	-	-	-
Capital outlay	<u>9,000</u>	<u>9,000</u>	<u>6,687</u>	<u>2,313</u>
Total expenditures	<u>9,000</u>	<u>9,000</u>	<u>6,687</u>	<u>2,313</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENCITURES	18,120	18,120	29,493	11,373
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	18,120	18,120	29,493	11,373
FUND BALANCE AT BEGINNING OF YEAR	<u>75,726</u>	<u>75,726</u>	<u>75,726</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 93,846</u>	<u>\$ 93,846</u>	<u>\$ 105,219</u>	<u>\$ 11,373</u>

POTTER COUNTY, TEXAS
Justice Court Technology Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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	\$ 24,000	\$ 24,000	\$ 20,282	\$ (3,718)
Total revenues	<u>24,000</u>	<u>24,000</u>	<u>20,282</u>	<u>(3,718)</u>
EXPENDITURES				
Current:				
Judicial				
General operations	30,000	30,000	1,250	28,750
Equipment/vehicle maintenance	8,000	8,000	-	8,000
Building repairs/maintenance	4,000	4,000	-	4,000
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>52,000</u>	<u>52,000</u>	<u>1,250</u>	<u>50,750</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(28,000)	(28,000)	19,032	47,032
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	(28,000)	(28,000)	19,032	47,032
FUND BALANCE AT BEGINNING OF YEAR	<u>130,206</u>	<u>130,206</u>	<u>130,206</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 102,206</u>	<u>\$ 102,206</u>	<u>\$ 149,238</u>	<u>\$ 47,032</u>

POTTER COUNTY, TEXAS
County Attorney Hot Check Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-15

	<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	\$ 137,000	\$ 137,000	\$ 110,436	\$ (26,564)
Total revenues	<u>137,000</u>	<u>137,000</u>	<u>110,436</u>	<u>(26,564)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	177,262	177,262	115,194	62,068
Travel expenses	2,000	2,000	1,101	899
General operations	5,000	700	235	465
Equipment/vehicle maintenance	-	4,300	4,272	28
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>184,262</u>	<u>184,262</u>	<u>120,802</u>	<u>63,460</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(47,262)	(47,262)	(10,366)	36,896
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	(47,262)	(47,262)	(10,366)	36,896
FUND BALANCE AT BEGINNING OF YEAR	<u>85,256</u>	<u>85,256</u>	<u>85,256</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 37,994</u>	<u>\$ 37,994</u>	<u>\$ 74,890</u>	<u>\$ 36,896</u>

POTTER COUNTY, TEXAS
County Attorney Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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				
Miscellaneous	\$ 50,500	\$ 50,500	\$ 134,641	\$ 84,141
Investment earnings	5,000	5,000	-	(5,000)
Total revenues	<u>55,500</u>	<u>55,500</u>	<u>134,641</u>	<u>79,141</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	192,456	192,456	185,173	7,283
Travel expenses	6,500	6,500	24,195	(17,695)
General operations	17,000	17,400	17,380	20
Equipment/vehicle maintenance	10,000	19,900	-	19,900
Capital outlay	-	-	-	-
Total expenditures	<u>225,956</u>	<u>236,256</u>	<u>226,748</u>	<u>9,508</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(170,456)	(180,756)	(92,107)	88,649
OTHER FINANCING SOURCES				
Transfers in	-	-	485,747	485,747
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>485,747</u>	<u>485,747</u>
NET CHANGE IN FUND BALANCE	(170,456)	(180,756)	393,640	574,396
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ (170,456)</u></u>	<u><u>\$ (180,756)</u></u>	<u><u>\$ 393,640</u></u>	<u><u>\$ 574,396</u></u>

POTTER COUNTY, TEXAS
District Attorney Hot Check Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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				
Licenses and fees	\$ 15,000	\$ 15,000	\$ 7,484	\$ (7,516)
Intergovernmental	-	-	427	427
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>7,911</u>	<u>(7,089)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	15,000	15,000	-	15,000
Travel expenses	3,000	3,000	-	3,000
General operations	55,000	55,000	1,273	53,727
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>83,000</u>	<u>83,000</u>	<u>1,273</u>	<u>81,727</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(68,000)	(68,000)	6,638	74,638
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	(68,000)	(68,000)	6,638	74,638
FUND BALANCE AT BEGINNING OF YEAR	<u>115,270</u>	<u>115,270</u>	<u>115,270</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 47,270</u>	<u>\$ 47,270</u>	<u>\$ 121,908</u>	<u>\$ 74,638</u>

POTTER COUNTY, TEXAS
District Attorney Payroll Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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	\$ 42,000.00	\$ 42,000	\$ 32,065	\$ (9,935)
Total revenues	<u>42,000</u>	<u>42,000</u>	<u>32,065</u>	<u>(9,935)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	<u>34,383</u>	<u>34,383</u>	<u>32,065</u>	<u>2,318</u>
Total expenditures	<u>34,383</u>	<u>34,383</u>	<u>32,065</u>	<u>2,318</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,617	7,617	-	(7,617)
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	7,617	7,617	-	(7,617)
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 7,617</u>	<u>\$ 7,617</u>	<u>\$ -</u>	<u>\$ (7,617)</u>

POTTER COUNTY, TEXAS
District Attorney Forfeiture Release Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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				
Intergovernmental	\$ -	\$ -	\$ 1,825	\$ 1,825
Investment earnings	2,000	2,000	1,820	(180)
Miscellaneous	<u>75,000</u>	<u>75,000</u>	<u>44,241</u>	<u>(30,759)</u>
Total revenues	<u>77,000</u>	<u>77,000</u>	<u>47,886</u>	<u>(29,114)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	161,698	161,698	14,483	147,215
Travel	7,500	7,500	1,299	6,201
General operations	321,000	321,000	14,955	306,045
Equipment/vehicle maintenance	2,000	2,000	-	2,000
Capital outlay	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>65,000</u>
Total expenditures	<u>557,198</u>	<u>557,198</u>	<u>30,737</u>	<u>526,461</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(480,198)	(480,198)	17,149	497,347
OTHER FINANCING SOURCES				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(480,198)	(480,198)	17,149	497,347
FUND BALANCE AT BEGINNING OF YEAR	<u>1,117,662</u>	<u>1,117,662</u>	<u>1,117,662</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 637,464</u>	<u>\$ 637,464</u>	<u>\$ 1,134,811</u>	<u>\$ 497,347</u>

POTTER COUNTY, TEXAS
District Attorney Welfare Fraud
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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				
Miscellaneous	\$ 12,000	\$ 12,000	\$ 5,320	\$ (6,680)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>5,320</u>	<u>(6,680)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	8,000	8,000	-	8,000
Travel	2,000	2,000	1,219	781
General operations	40,000	40,000	4,189	35,811
Equipment/vehicle maintenance	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>5,408</u>	<u>54,592</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(48,000)	(48,000)	(88)	47,912
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	(48,000)	(48,000)	(88)	47,912
FUND BALANCE AT BEGINNING OF YEAR	<u>89,009</u>	<u>89,009</u>	<u>89,009</u>	<u></u>
FUND BALANCE AT END OF YEAR	<u>\$ 41,009</u>	<u>\$ 41,009</u>	<u>\$ 88,921</u>	<u>\$ 47,912</u>

POTTER COUNTY, TEXAS
District Attorney Federal Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

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	\$ 1,000	\$ 1,000	\$ 780	\$ (220)
Investment earnings	-	-	40	40
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>820</u>	<u>(180)</u>
EXPENDITURES				
Current:				
Judicial				
Travel	5,000	5,000	283	4,717
General operations	<u>10,000</u>	<u>10,000</u>	<u>780</u>	<u>9,220</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>1,063</u>	<u>13,937</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(14,000)	(14,000)	(243)	13,757
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
NET CHANGE IN FUND BALANCE	(14,000)	(14,000)	(243)	13,757
FUND BALANCE AT BEGINNING OF YEAR	<u>18,826</u>	<u>18,826</u>	<u>18,826</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 4,826</u>	<u>\$ 4,826</u>	<u>\$ 18,583</u>	<u>\$ 13,757</u>

POTTER COUNTY, TEXAS
Sheriff Federal Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-22

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 200	\$ 200	\$ 144	\$ (56)
Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>31,063</u>	<u>6,063</u>
Total revenues	<u>25,200</u>	<u>25,200</u>	<u>31,207</u>	<u>6,007</u>
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	5,000	5,000	-	5,000
Travel	4,000	4,000	4,098	(98)
General operations	19,000	19,000	7,272	11,728
Equipment/vehicle maintenance	5,000	5,000	-	5,000
Capital outlay	<u>61,000</u>	<u>61,000</u>	<u>54,993</u>	<u>6,007</u>
Total expenditures	<u>94,000</u>	<u>94,000</u>	<u>66,363</u>	<u>27,637</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(68,800)	(68,800)	(35,156)	33,644
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	(68,800)	(68,800)	(35,156)	33,644
FUND BALANCE AT BEGINNING OF YEAR	<u>111,692</u>	<u>111,692</u>	<u>111,692</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 42,892</u>	<u>\$ 42,892</u>	<u>\$ 76,536</u>	<u>\$ 33,644</u>

POTTER COUNTY, TEXAS
Law Enforcement Grants Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-23

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 91,626	\$ 91,636	\$ 10
Investment earnings	-	-	344	344
Total revenues		<u>91,626</u>	<u>91,980</u>	<u>354</u>
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	-	-	-	-
Travel	-	11,646	-	11,646
General operations	-	15,003	26,608	(11,605)
Capital outlay	<u>445,000</u>	<u>509,977</u>	<u>342,279</u>	<u>167,698</u>
Total expenditures	<u>445,000</u>	<u>536,626</u>	<u>368,887</u>	<u>167,739</u>
EXCESS (DEFICIENCY) OF REVENUES OVER				
(UNDER) EXPENDITURES	(445,000)	(445,000)	(276,907)	168,093
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	(445,000)	(445,000)	(276,907)	168,093
FUND BALANCE AT BEGINNING OF YEAR	<u>276,913</u>	<u>276,913</u>	<u>276,913</u>	
FUND BALANCE AT END OF YEAR	<u>\$ (168,087)</u>	<u>\$ (168,087)</u>	<u>\$ 6</u>	<u>\$ 168,093</u>

POTTER COUNTY, TEXAS
Sheriff Office Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-24

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Interest on investments	\$ 500	\$ 500	\$ 96	\$ (404)
Miscellaneous	3,000	3,000	11,487	8,487
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>11,583</u>	<u>8,083</u>
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	9,000	9,000	2,880	6,120
Travel	3,000	6,279	6,055	224
Contract services	-	200	124	76
General operations	22,000	34,521	24,758	9,763
Other	2,500	2,500	-	2,500
Capital outlay	56,000	40,000	15,263	24,737
Total expenditures	<u>92,500</u>	<u>92,500</u>	<u>49,080</u>	<u>43,420</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(89,000)	(89,000)	(37,497)	51,503
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(89,000)	(89,000)	(37,497)	51,503
FUND BALANCE AT BEGINNING OF YEAR	<u>91,960</u>	<u>91,960</u>	<u>91,960</u>	<u></u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,960</u>	<u>\$ 2,960</u>	<u>\$ 54,463</u>	<u>\$ 51,503</u>

DEBT SERVICE FUNDS

POTTER COUNTY, TEXAS
Nonmajor Debt Service Funds
Combining Balance Sheet
September 30, 2011

Exhibit C-25

	330 Series 2003 I&S Certificates	340 Series 2008 Refunding Bond	Total Nonmajor Debt Service Funds
ASSETS			
Pooled cash and cash equivalents	\$ 120,839	\$ 1,117,105	\$ 1,237,944
Receivables (net)			
Taxes	9,205	58,894	68,099
Other	1,858	11,890	13,748
Total assets	\$ 131,902	\$ 1,187,889	\$ 1,319,791
LIABILITIES AND FUND BALANCE			
Liabilities:			
Deferred revenue			
Taxes	\$ 8,068	\$ 51,617	\$ 59,685
Total liabilities	8,068	51,617	59,685
Fund Balances:			
Restricted:			
Restricted for debt service	123,834	1,136,272	1,260,106
Total fund balances	123,834	1,136,272	1,260,106
TOTAL LIABILITIES AND FUND BALANCE	\$ 131,902	\$ 1,187,889	\$ 1,319,791

POTTER COUNTY, TEXAS
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2011

Exhibit C-26

	330 Series 2003 I&S Certificates	340 Series 2008 Refunding Bond	Total Nonmajor Debt Service Funds
REVENUES			
Taxes	\$ 314,572	\$ 2,012,594	\$ 2,327,166
Investment earnings	<u>432</u>	<u>2,597</u>	<u>3,029</u>
Total revenues	315,004	2,015,191	2,330,195
EXPENDITURES			
General administrative			
General operations	1,000	500	1,500
Debt service:			
Principal		1,595,000	1,595,000
Interest and fiscal charges	<u>277,543</u>	<u>185,412</u>	<u>462,955</u>
Total expenditures	<u>278,543</u>	<u>1,780,912</u>	<u>2,059,455</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	36,461	234,279	270,740
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	36,461	234,279	270,740
FUND BALANCES AT BEGINNING OF YEAR	<u>87,373</u>	<u>901,993</u>	<u>989,366</u>
FUND BALANCES AT END OF YEAR	<u>\$ 123,834</u>	<u>\$ 1,136,272</u>	<u>\$ 1,260,106</u>

POTTER COUNTY, TEXAS
 Series 2003 I&S Certificates
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2011

Exhibit C-27

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 279,542	\$ 279,542	\$ 314,572	\$ 35,030
Investment earnings	300	300	432	132
Total revenues	279,842	279,842	315,004	35,162
EXPENDITURES				
Current:				
General administrative				
General operations	1,000	1,000	1,000	-
Debt service	277,542	277,542	277,543	(1)
Total expenditures	278,542	278,542	278,543	(1)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,300	1,300	36,461	35,161
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
NET CHANGE IN FUND BALANCE	1,300	1,300	36,461	35,161
FUND BALANCE AT BEGINNING OF YEAR	87,373	87,373	87,373	
FUND BALANCE AT END OF YEAR	\$ 88,673	\$ 88,673	\$ 123,834	\$ 35,161

POTTER COUNTY, TEXAS
Series 2008 Refunding Bond
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-28

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes	\$ 1,788,413	\$ 1,788,413	\$ 2,012,594	\$ 224,181
Investment earnings	2,000	2,000	2,597	597
Total revenues	1,790,413	1,790,413	2,015,191	224,778
EXPENDITURES				
Current:				
General administrative				
General operations	1,000	1,000	500	500
Debt service	1,780,413	1,780,413	1,780,412	1
Total expenditures	1,781,413	1,781,413	1,780,912	501
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,000	9,000	234,279	225,279
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
NET CHANGE IN FUND BALANCE	9,000	9,000	234,279	225,279
FUND BALANCE AT BEGINNING OF YEAR	901,993	901,993	901,993	
FUND BALANCE AT END OF YEAR	\$ 910,993	\$ 910,993	\$ 1,136,272	\$ 225,279

CAPITAL PROJECT FUNDS

POTTER COUNTY, TEXAS
Nonmajor Capital Projects Funds
Combining Balance Sheet
September 30, 2011

Exhibit C-29

	400 Capital Projects Fund	Total Nonmajor Capital Projects Funds
ASSETS		
Pooled cash and cash equivalents	\$ 10,205	\$ 10,205
Investments	2,209,243	2,209,243
Total assets	\$ 2,219,448	\$ 2,219,448
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and other current liabilities	\$ 76,960	\$ 76,960
Total liabilities	76,960	76,960
Fund Balances:		
Assigned Assigned for capital projects	2,142,488	2,142,488
Total fund balances	2,142,488	2,142,488
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,219,448	\$ 2,219,448

POTTER COUNTY, TEXAS
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2011

Exhibit C-30

	400 Capital Projects Fund	Total Nonmajor Capital Projects Funds
REVENUES		
Investment earnings	\$ 2,806	\$ 2,806
Miscellaneous	<u>24,000</u>	<u>24,000</u>
Total revenues	26,806	26,806
EXPENDITURES		
Current:		
General administrative	31,814	31,814
Facilities maintenance	83,804	83,804
Corrections	150,000	150,000
Capital outlay	<u>1,367,153</u>	<u>1,367,153</u>
Total expenditures	<u>1,632,771</u>	<u>1,632,771</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(1,605,965)	(1,605,965)
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>2,000,000</u>	<u>2,000,000</u>
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,000,000</u>
NET CHANGE IN FUND BALANCE	394,035	394,035
FUND BALANCES		
AT BEGINNING OF YEAR	<u>1,748,453</u>	<u>1,748,453</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,142,488</u>	<u>\$ 2,142,488</u>

POTTER COUNTY, TEXAS
Courthouse Preservation Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-31

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 1,900,000	\$ 1,900,000	\$ 1,886,767	\$ (13,233)
Investment earnings	<u>40,000</u>	<u>40,000</u>	<u>7,575</u>	<u>(32,425)</u>
Total revenues	1,940,000	1,940,000	1,894,342	(45,658)
EXPENDITURES				
Facilities				
Contract services	500,000	500,000	195,044	304,956
Equipment/vehicle maintenance	50,000	50,000	-	50,000
Capital outlay	<u>7,000,000</u>	<u>7,000,000</u>	<u>5,415,397</u>	<u>1,584,603</u>
Total expenditures	<u>7,550,000</u>	<u>7,550,000</u>	<u>5,610,441</u>	<u>1,939,559</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,610,000)</u>	<u>(5,610,000)</u>	<u>(3,716,099)</u>	<u>1,893,901</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
NET CHANGE IN FUND BALANCE	(5,610,000)	(5,610,000)	(2,716,099)	2,893,901
FUND BALANCE AT BEGINNING OF YEAR	<u>5,703,542</u>	<u>5,703,542</u>	<u>5,703,542</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 93,542</u>	<u>\$ 93,542</u>	<u>\$ 2,987,443</u>	<u>\$ 2,893,901</u>

POTTER COUNTY, TEXAS
2003 Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2011

Exhibit C-32

	<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	\$ 2,806	\$ (12,194)
Miscellaneous	-	-	24,000	24,000
Total revenues	15,000	15,000	26,806	11,806
EXPENDITURES				
Current:				
General administrative				
General operations	-	15,500	15,582	(82)
Contract services	-	12,000	11,505	495
Equipment/vehicle maintenance	-	5,000	4,727	273
Facilities maintenance				
Building repairs and maintenance	150,000	150,000	83,804	66,196
Corrections				
Building repairs and maintenance	-	84,000	150,000	(66,000)
Capital outlay	2,480,000	4,243,500	1,367,153	2,876,347
Total expenditures	2,630,000	4,510,000	1,632,771	2,877,229
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	(2,615,000)	(4,495,000)	(1,605,965)	2,889,035
OTHER FINANCING SOURCES				
Transfers in	-	-	2,000,000	2,000,000
Transfers out	-	-	-	-
Total other financing sources	-	-	2,000,000	2,000,000
NET CHANGE IN FUND BALANCE	(2,615,000)	(4,495,000)	394,035	4,889,035
FUND BALANCE AT BEGINNING OF YEAR	1,748,453	1,748,453	1,748,453	
FUND BALANCE AT END OF YEAR	\$ (866,547)	\$ (2,746,547)	\$ 2,142,488	\$ 4,889,035

AGENCY FUNDS

POTTER COUNTY, TEXAS
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
September 30, 2011

	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	\$ 507,467	\$ 1,351,146	\$ 65,000	\$ 190,177	\$ 2,849,903	\$ 489,361
Investments		399,049				
Accounts receivable						
Other	<u>4,648</u>	<u>225</u>	<u></u>	<u>86,168</u>	<u></u>	<u></u>
TOTAL ASSETS	<u>\$ 512,115</u>	<u>\$ 1,750,420</u>	<u>\$ 65,000</u>	<u>\$ 276,345</u>	<u>\$ 2,849,903</u>	<u>\$ 489,361</u>
LIABILITIES:						
Accounts payable and other current liabilities	\$ 131,307	\$	\$	\$ 1,612	\$	\$
Due to other governments	380,808	1,750,420		274,733		
Due to trust beneficiaries					2,849,903	489,361
Due to other entities						
Deposits	<u></u>	<u></u>	<u>65,000</u>	<u></u>	<u></u>	<u></u>
TOTAL LIABILITIES	<u>\$ 512,115</u>	<u>\$ 1,750,420</u>	<u>\$ 65,000</u>	<u>\$ 276,345</u>	<u>\$ 2,849,903</u>	<u>\$ 489,361</u>

<u>740</u> <u>County</u> <u>Attorney</u> <u>Restitution</u>	<u>750</u> <u>District</u> <u>Attorney</u> <u>Restitution</u>	<u>760</u> <u>District</u> <u>Attorney</u> <u>Seizure</u>	<u>771</u> <u>Detention</u> <u>Center</u> <u>Trust Fund</u>	<u>772</u> <u>Detention</u> <u>Center Bond</u> <u>Fund</u>	<u>200</u> <u>Unclaimed</u> <u>Property</u>	<u>Total</u> <u>Agency</u> <u>Funds</u>
\$ 88,325	\$ 17,183	\$ 199,032	\$ 75,592	\$ 8,250	\$ 89,015	\$ 5,930,451
						399,049
<u>7,752</u>						<u>98,793</u>
<u>\$ 96,077</u>	<u>\$ 17,183</u>	<u>\$ 199,032</u>	<u>\$ 75,592</u>	<u>\$ 8,250</u>	<u>\$ 89,015</u>	<u>\$ 6,428,293</u>
\$	\$	\$	\$ 75,592	\$ 8,250	\$	\$ 216,761
		199,032				2,604,993
96,077	17,183					3,452,524
					89,015	89,015
						<u>65,000</u>
<u>\$ 96,077</u>	<u>\$ 17,183</u>	<u>\$ 199,032</u>	<u>\$ 75,592</u>	<u>\$ 8,250</u>	<u>\$ 89,015</u>	<u>\$ 6,428,293</u>

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2011

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
STATE & COUNTY COLLECTIONS				
ASSETS				
Cash and cash equivalents	\$ 554,460	\$ 5,340,208	\$ 5,387,201	\$ 507,467
Accounts receivable	6,730	10,801	12,883	4,648
Total assets	561,190	5,351,009	5,400,084	512,115
LIABILITIES				
Accounts payable	132,308	442,439	443,440	131,307
Due to other governments	428,882	387,228	435,302	380,808
Total liabilities	\$ 561,190	\$ 829,667	\$ 878,742	\$ 512,115
TAX ASSESSOR/COLLECTOR				
ASSETS				
Cash and cash equivalents	\$ 1,266,410	\$ 149,650,435	\$ 149,565,699	\$ 1,351,146
Investments	325,953	601,890	528,794	399,049
Accounts receivable	225			225
Total assets	1,592,588	150,252,325	150,094,493	1,750,420
LIABILITIES				
Due to other governments	1,592,588	150,252,325	150,094,493	1,750,420
Deposits	-			-
Total liabilities	\$ 1,592,588	\$ 150,252,325	\$ 150,094,493	\$ 1,750,420
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, 2011

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
STATE COURT COSTS				
ASSETS				
Cash and cash equivalents	\$ 194,043	\$ 1,149,058	\$ 1,152,924	\$ 190,177
Accounts receivable	97,544	86,168	97,544	86,168
Total assets	291,587	1,235,226	1,250,468	276,345
LIABILITIES				
Accounts payable	1,838	8,039	8,265	1,612
Due to other governments	289,749	274,732	289,748	274,733
Total liabilities	\$ 291,587	\$ 282,771	\$ 298,013	\$ 276,345
DISTRICT CLERK REGISTRY FUND				
ASSETS				
Cash and cash equivalents	\$ 3,121,161	\$ 1,439,640	\$ 1,710,898	\$ 2,849,903
Total assets	3,121,161	1,439,640	1,710,898	2,849,903
LIABILITIES				
Due to trust beneficiaries	3,121,161	1,439,640	1,710,898	2,849,903
Total liabilities	\$ 3,121,161	\$ 1,439,640	\$ 1,710,898	\$ 2,849,903
COUNTY CLERK REGISTRY FUND				
ASSETS				
Cash and cash equivalents	\$ 491,528	\$ 213,533	\$ 215,700	\$ 489,361
Total assets	491,528	213,533	215,700	489,361
LIABILITIES				
Due to trust beneficiaries	491,528	213,533	215,700	489,361
Total liabilities	\$ 491,528	\$ 213,533	\$ 215,700	\$ 489,361
COUNTY ATTORNEY RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 85,984	\$ 855,433	\$ 853,092	\$ 88,325
Accounts receivable	3,888	7,752	3,888	7,752
Total assets	89,872	863,185	856,980	96,077
LIABILITIES				
Due to trust beneficiaries	89,872	860,337	854,132	96,077
Total liabilities	\$ 89,872	\$ 860,337	\$ 854,132	\$ 96,077

POTTER COUNTY, TEXAS
 Combining Statement of Changes in Assets and Liabilities - continued
 All Agency Funds
 For the Year Ended September 30, 2011

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
COUNTY ATTORNEY CREDIT CARD				
ASSETS				
Cash and cash equivalents	\$ 2,702	\$ -	\$ 2,702	\$ -
Total assets	<u>2,702</u>	<u>-</u>	<u>2,702</u>	<u>-</u>
LIABILITIES				
Due to trust beneficiaries	2,702	-	2,702	-
Total liabilities	<u>\$ 2,702</u>	<u>\$ -</u>	<u>\$ 2,702</u>	<u>\$ -</u>
DISTRICT ATTORNEY RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 17,639	\$ 24,119	\$ 24,575	\$ 17,183
Account receivables	-	-	-	-
Total assets	<u>17,639</u>	<u>24,119</u>	<u>24,575</u>	<u>17,183</u>
LIABILITIES				
Due to trust beneficiaries	17,639	24,119	24,575	17,183
Total liabilities	<u>\$ 17,639</u>	<u>\$ 24,119</u>	<u>\$ 24,575</u>	<u>\$ 17,183</u>
DISTRICT ATTORNEY SEIZURE				
ASSETS				
Cash and cash equivalents	\$ 81,175	\$ 264,029	\$ 146,172	\$ 199,032
Total assets	<u>81,175</u>	<u>264,029</u>	<u>146,172</u>	<u>199,032</u>
LIABILITIES				
Due to other governments	81,175	264,029	146,172	199,032
Total liabilities	<u>\$ 81,175</u>	<u>\$ 264,029</u>	<u>\$ 146,172</u>	<u>\$ 199,032</u>
DETENTION CENTER INMATE TRUST FUND				
ASSETS				
Cash and cash equivalents	\$ 43,031	\$ 834,930	\$ 802,369	\$ 75,592
Total assets	<u>43,031</u>	<u>834,930</u>	<u>802,369</u>	<u>75,592</u>
LIABILITIES				
Accounts payable	43,031	834,930	802,369	75,592
Total liabilities	<u>\$ 43,031</u>	<u>\$ 834,930</u>	<u>\$ 802,369</u>	<u>\$ 75,592</u>

POTTER COUNTY, TEXAS
 Combining Statement of Changes in Assets and Liabilities - continued
 All Agency Funds
 For the Year Ended September 30, 2011

	Balance 10/1/2010	Additions	Deductions	Balance 9/30/2011
DETENTION CENTER BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 6,000	\$ 35,808	\$ 33,558	\$ 8,250
Total assets	<u>6,000</u>	<u>35,808</u>	<u>33,558</u>	<u>8,250</u>
LIABILITIES				
Accounts payable	6,000	35,808	33,558	8,250
Total liabilities	<u>\$ 6,000</u>	<u>\$ 35,808</u>	<u>\$ 33,558</u>	<u>\$ 8,250</u>
UNCLAIMED PROPERTY				
ASSETS				
Cash and cash equivalents	\$ 88,993	\$ 2,802	\$ 2,780	\$ 89,015
Total assets	<u>88,993</u>	<u>2,802</u>	<u>2,780</u>	<u>89,015</u>
LIABILITIES				
Due to other entities	88,993	5,426	5,404	89,015
Total liabilities	<u>\$ 88,993</u>	<u>\$ 5,426</u>	<u>\$ 5,404</u>	<u>\$ 89,015</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 6,018,126	\$ 159,809,995	\$ 159,897,670	\$ 5,930,451
Investments	325,953	601,890	528,794	399,049
Accounts receivable	108,387	104,721	114,315	98,793
Total assets	<u>6,452,466</u>	<u>160,516,606</u>	<u>160,540,779</u>	<u>6,428,293</u>
LIABILITIES				
Accounts payable	183,177	1,321,216	1,287,632	216,761
Due to other governments	2,392,394	151,178,314	150,965,715	2,604,993
Due to trust beneficiaries	3,722,902	2,537,629	2,808,007	3,452,524
Due to other entities	88,993	5,426	5,404	89,015
Deposits	65,000	-	-	65,000
Total liabilities	<u>\$ 6,452,466</u>	<u>\$ 155,042,585</u>	<u>\$ 155,066,758</u>	<u>\$ 6,428,293</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.	96
Revenue Capacity These schedules contain information to help the reader assess the County's most significant revenue source, property taxes.	101
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.	106
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.	110
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.	114

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				
	2007 (1)	2008	2009	2010	2011
Governmental activities					
Invested in capital assets, net of related debt	\$ 42,548,919	\$ 42,873,285	\$ 43,565,161	\$ 49,746,604	\$ 56,232,807
Restricted	816,179	1,074,466	1,447,462	2,049,256	2,439,212
Unrestricted	23,603,860	26,736,887	29,552,344	28,372,058	24,775,385
Total governmental activities net assets	<u>\$ 66,968,958</u>	<u>\$ 70,684,638</u>	<u>\$ 74,564,967</u>	<u>\$ 80,167,918</u>	<u>\$ 83,447,404</u>
Primary government					
Invested in capital assets, net of related debt	\$ 42,548,919	\$ 42,873,285	\$ 43,565,161	\$ 49,746,604	\$ 56,232,807
Restricted	816,179	1,074,466	1,447,462	2,049,256	2,439,212
Unrestricted	23,603,860	26,736,887	29,552,344	28,372,058	24,775,385
Total primary government net assets	<u>\$ 66,968,958</u>	<u>\$ 70,684,638</u>	<u>\$ 74,564,967</u>	<u>\$ 80,167,918</u>	<u>\$ 83,447,404</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				
	2007	2008	2009	2010	2011
Expenses					
Governmental activities					
General administrative	\$ 4,417,536	\$ 4,716,743	\$ 4,878,648	\$ 4,894,116	\$ 5,221,623
Facilities maintenance	2,806,032	3,233,525	2,880,638	3,049,154	3,227,551
Election administration	354,817	212,444	252,589	311,674	335,654
Judicial	11,230,890	11,586,395	12,088,428	12,505,640	12,958,440
Public safety	7,017,487	7,107,000	7,531,800	7,904,306	7,846,797
Corrections and rehabilitation	10,957,800	11,177,365	11,463,293	11,504,942	12,136,464
Health and human services	591,621	579,078	595,105	602,072	659,153
Road and bridge	2,931,038	3,073,675	2,810,403	2,898,176	3,289,488
Interest and fiscal charges	825,966	750,445	543,890	500,346	445,151
Total governmental activities expenses	<u>41,133,187</u>	<u>42,436,670</u>	<u>43,044,794</u>	<u>44,170,426</u>	<u>46,120,321</u>
Program Revenues					
Governmental activities					
Charges for services					
General administrative	1,103,936	1,089,631	979,641	1,121,886	779,092
Facilities maintenance					
Election administration	21,228				
Judicial	4,023,808	3,634,570	3,276,434	3,579,564	3,632,345
Public safety	1,092,913	747,184	748,658	763,450	738,341
Corrections and rehabilitation	65,390	87,677	56,579	53,917	37,384
Health and human services	9,044	8,213	8,167	8,280	8,614
Road and bridge	1,923,258	1,999,896	1,986,477	1,757,544	1,823,296
Operating grants and contributions	1,812,703	1,420,446	1,509,675	1,597,284	1,637,501
Capital grants and contributions	51,339	56,445	191,617	2,177,997	1,886,767
Total governmental activities program revenues	<u>10,103,619</u>	<u>9,044,062</u>	<u>8,757,248</u>	<u>11,059,922</u>	<u>10,543,340</u>
Net (expense) revenue					
Governmental activities	(31,029,568)	(33,392,608)	(34,287,546)	(33,110,504)	(35,576,981)
Total primary government government net expense	<u>\$ (31,029,568)</u>	<u>\$ (33,392,608)</u>	<u>\$ (34,287,546)</u>	<u>\$ (33,110,504)</u>	<u>\$ (35,576,981)</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				
	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets					
Governmental activities					
Taxes					
Property taxes, levied					
for general purposes	\$ 31,012,054	\$ 32,885,969	\$ 34,717,944	\$ 34,927,427	\$ 35,437,310
Property taxes, levied					
for debt purposes	2,156,007	2,151,785	2,269,041	2,316,528	2,331,124
Mixed drink tax	387,175	396,055	406,726	404,397	428,519
Vehicle inventory tax	1,396	2,603	7,925	10,920	11,047
Bingo tax proceeds	189,217	195,213	206,297	208,384	207,010
Investment Income	1,645,416	1,079,408	379,686	218,336	71,349
Gain (loss) on					
sale of capital assets	-	(83,303)	53,110	(3,759)	-
Miscellaneous	48,640	480,558	127,146	631,222	370,108
Total governmental activities	<u>35,439,905</u>	<u>37,108,288</u>	<u>38,167,875</u>	<u>38,713,455</u>	<u>38,856,467</u>
Total primary government	<u>35,439,905</u>	<u>37,108,288</u>	<u>38,167,875</u>	<u>38,713,455</u>	<u>38,856,467</u>
Changes in Net Assets					
Governmental activities	<u>4,410,337</u>	<u>3,715,680</u>	<u>3,880,329</u>	<u>5,602,951</u>	<u>3,279,486</u>
Total primary government	<u>\$ 4,410,337</u>	<u>\$ 3,715,680</u>	<u>\$ 3,880,329</u>	<u>\$ 5,602,951</u>	<u>\$ 3,279,486</u>

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

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

Table 3

Fiscal Year				
2007	2008	2009	2010	2011 (1)
\$ 489,157	\$ 116,685	\$ 131,550	\$ 425,469	\$ -
-	-	-	-	62,109
-	-	-	-	297,123
-	-	-	-	3,000,000
-	-	-	-	-
<u>14,986,535</u>	<u>16,047,905</u>	<u>16,918,011</u>	<u>16,817,279</u>	<u>12,607,617</u>
<u>\$ 15,475,692</u>	<u>\$ 16,164,590</u>	<u>\$ 17,049,561</u>	<u>\$ 17,242,748</u>	<u>\$ 15,966,849</u>
\$ 440,461	\$ 534,661	\$ 732,268	\$ 989,366	\$ -
-	-	-	-	-
-	-	-	-	-
611,403	1,253,119	395,122	479,476	-
-	-	-	-	1,280,322
-	-	-	-	5,129,931
-	-	-	-	3,351,928
2,707,338	2,781,788	2,721,110	2,952,805	-
<u>5,223,091</u>	<u>6,767,146</u>	<u>8,860,744</u>	<u>7,228,505</u>	<u>-</u>
<u>\$ 8,982,293</u>	<u>\$ 11,336,714</u>	<u>\$ 12,709,244</u>	<u>\$ 11,650,152</u>	<u>\$ 9,762,181</u>

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

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

Source: Statement of Activities from County CAFRs

Table 4

		Fiscal Year				
		2007	2008	2009	2010	2011
\$	33,868,870	\$ 35,373,010	\$ 37,220,666	\$ 37,617,375	\$ 38,143,874	
	3,964,127	4,782,390	4,744,096	4,724,465	4,824,188	
	1,986,215	1,672,104	1,701,292	3,983,665	3,636,198	
	1,729,089	1,630,752	1,386,758	1,410,844	1,414,392	
	1,115,763	1,042,421	946,385	887,002	817,292	
	1,588,175	1,058,154	374,434	216,028	68,799	
	1,494,943	664,826	329,658	844,620	355,451	
	<u>45,747,182</u>	<u>46,223,657</u>	<u>46,703,289</u>	<u>49,683,999</u>	<u>49,260,194</u>	
	4,215,460	4,620,124	4,769,440	4,845,930	5,083,324	
	2,403,939	2,741,042	2,142,823	2,385,538	2,549,165	
	200,820	212,444	252,124	312,223	334,758	
	11,095,322	11,624,598	12,022,407	12,480,138	12,887,673	
	6,536,554	6,807,111	7,186,687	7,546,648	7,280,056	
	10,585,748	11,031,909	11,267,983	11,322,711	11,895,403	
	570,136	583,017	593,662	603,442	657,032	
	1,669,391	1,707,486	1,843,461	1,904,364	1,851,470	
	1,414,773	1,460,900	1,559,400	1,540,000	1,595,000	
	835,988	816,721	572,206	517,817	462,955	
	1,832,684	1,663,975	1,470,595	7,091,093	7,827,228	
	<u>41,360,815</u>	<u>43,269,327</u>	<u>43,680,788</u>	<u>50,549,904</u>	<u>52,424,064</u>	
	<u>4,386,367</u>	<u>2,954,330</u>	<u>3,022,501</u>	<u>(865,905)</u>	<u>(3,163,870)</u>	
	-	9,120,000	-	-	-	
	-	151,329	-	-	-	
	-	(9,182,340)	-	-	-	
	2,192,046	3,713,937	2,316,262	3,285,291	3,785,747	
	(2,192,046)	(3,713,937)	(2,316,262)	(3,285,291)	(3,785,747)	
	-	-	-	-	-	
	<u>-</u>	<u>88,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	
\$	<u>4,386,367</u>	<u>3,043,319</u>	<u>3,022,501</u>	<u>(865,905)</u>	<u>(3,163,870)</u>	
	5.78%	5.52%	5.13%	4.80%	4.64%	

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
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
2011	37,768,434	428,519	11,047	207,010	38,415,010

(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	
2002	\$ 3,950,370	\$ 3,950,370	\$ 1,511,259	\$ 1,511,259	\$ 5,461,629	\$ 5,461,629	\$ 0.52
2003	4,152,857	4,152,857	1,502,434	1,502,434	5,655,291	5,655,291	0.55
2004	4,290,421	4,290,421	1,406,342	1,406,342	5,696,763	5,696,763	0.60
2005	4,470,539	4,470,539	1,613,062	1,613,062	6,083,601	6,083,601	0.61
2006	4,558,019	4,558,019	1,824,415	1,824,415	6,382,434	6,382,434	0.61
2007	4,771,318	4,771,318	1,879,772	1,879,772	6,651,090	6,651,090	0.60
2008	5,250,250	5,250,250	1,983,443	1,983,443	7,233,693	7,233,693	0.60
2009	5,551,896	5,551,896	2,153,062	2,153,062	7,704,958	7,704,958	0.60
2010	5,773,209	5,946,016	1,953,859	2,030,339	7,727,068	7,976,356	0.60
2011	6,257,274	6,506,527	1,469,795	1,469,829	7,727,069	7,976,356	0.60

(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					
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
2011	0.599110	0.310090	1.170000	0.189380	1.360000
TAX LEVIES					
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
2011	37,306,170	30,639,878	84,952,351	19,104,454	3,343,292

Table 7

<u>Underground Water Conservation District</u>	<u>County Common School District</u>	<u>Bishop Hills</u>	<u>Valle de Oro</u>	<u>Walnut Hills</u>	<u>Total</u>
TAX RATES / \$100 ASSESSED VALUATION					
0.023900	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
0.016910	2.442490	0.080000			6.16798
TAX LEVIES					
\$ 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
570,800	21,596,596	14,068			197,527,609

POTTER COUNTY, TEXAS

Principal Taxpayers

September 30, 2011

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2010 Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Southwestern Public Service (Xcel)	Electric Utility	\$ 200,175,505	1	3.22%
Pioneer Natural Resources	Natural Gas Utility	105,626,898	2	1.70%
Asarco Inc.	Copper Refinery	90,299,924	3	1.45%
Tyson Fresh Meats Inc.	Food Distribution	86,230,349	4	1.39%
Northwest Texas Healthcare	Healthcare	84,540,339	5	1.36%
BNSF Railway Company	Railroad	73,570,233	6	1.19%
Amarillo Mall, LLC	Shopping Mall	60,722,582	7	0.98%
Wal Mart Real Estate	Retailer	48,175,393	8	0.78%
Ben E. Keith Company	Food Distribution	47,962,029	9	0.77%
Amarillo Economic Dev Corporation	Economic Development	<u>34,988,427</u>	10	<u>0.56%</u>
		<u>\$ 832,291,679</u>		<u>13.41%</u>
Iowa Beef Processors, Inc.	Beef Processors			
Colorado Interstate Gas Company	Natural Gas Pipeline			
UHS of Amarillo	Healthcare			
Southwestern Bell Telephone Company	Telephone			
Schroder Amarillo	Hotel/Motel			
Pioneer Natural Resources	Pipeline			
Amarillo National Bank	Banking			

	2001 Valuation	Rank	Percentage of Total Assessed Valuation
\$	352,086,686	1	6.45%
	186,972,545	2	3.42%
	48,496,248	6	0.89%
	107,673,034	3	1.97%
	85,346,850	4	1.56%
	67,060,200	5	1.23%
	43,341,136	7	0.79%
	30,330,151	8	0.56%
	29,374,245	9	0.54%
	23,469,311	10	0.43%
\$	<u>974,150,406</u>		<u>17.84%</u>

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

Table 9

Fiscal Year	Total Tax Levy	Collected within the Fiscal year of Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
2002	\$ 22,538,053	\$ 21,427,848	95.07%	\$ 1,024,674	\$ 22,452,522	99.62%
2003	24,811,120	23,870,089	96.21%	796,122	24,666,211	99.42%
2004	27,216,547	26,130,672	96.01%	1,007,064	27,137,736	99.71%
2005	29,636,469	28,973,425	97.76%	580,751	29,554,176	99.72%
2006	31,425,558	30,388,380	96.70%	935,168	31,323,548	99.68%
2007	32,576,226	31,984,967	98.18%	472,961	32,457,928	99.64%
2008	34,619,979	33,988,984	98.18%	465,515	34,454,499	99.52%
2009	36,435,657	35,668,444	97.89%	502,768	36,171,212	99.27%
2010	36,838,767	36,040,234	97.83%	393,172	36,433,406	98.90%
2011	37,151,855	36,511,897	98.28%	-	36,511,897	98.28%

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)
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
2011	12,270,000	-	12,270,000	0.37%	100

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)
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	12,875,634	161%	105
2011	12,270,000	1,260,106	11,009,894	138%	91

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 102 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 110.

Source: Potter County financial records

POTTER COUNTY, TEXAS
 Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds
 September 30, 2011

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	\$ 100,483,856	51.61%	\$ 51,859,718
Amarillo College District	56,575,338	50.50%	28,570,546
River Road Independent School District	16,253,192	100.00%	16,253,192
Highland Park Independent School District	12,369,997	100.00%	12,369,997
Bushland Independent School District	22,631,577	100.00%	22,631,577
City of Amarillo	28,165,686	100.00%	<u>28,165,686</u>
Subtotal, overlapping debt			159,850,716
Potter County, Texas	12,270,000	100.00%	<u>12,270,000</u>
Total direct and overlapping debt			<u>\$ 172,120,716</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

		\$ 6,207,710,705			
Legal debt margin					
Debt limitation - 25% of total assessed value		1,551,927,676			
Debt applicable to limitation:					
Total bonded debt	12,270,000				
Less: debt service funds	<u>(1,260,106)</u>				
Total debt applicable to limitation		<u>11,009,894</u>			
Legal debt margin		<u>\$ 1,540,917,782</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>2010</u>	<u>2011</u>
Debt limit	\$ 1,354,276,414	\$ 1,450,379,526	\$ 1,534,760,979	\$ 1,530,300,861	\$ 1,551,927,676
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>	<u>11,009,894</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>	<u>\$ 1,540,917,782</u>
Total net debt applicable to the limit as a percentage of debt limit	1.32%	1.13%	0.96%	0.84%	0.71%

(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)
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%
2011	121,073	3,018,049,020	24,928	6.80%

(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

<u>Employer</u>	2011		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Amarillo ISD	4,139	1	3.11%
Tyson Foods	3,700	2	2.78%
BWXT Pantex	3,398	3	2.56%
Baptist St. Anthony's Health Care System	2,700	4	2.03%
City of Amarillo	2,012	5	1.51%
Northwest Texas Healthcare System	1,490	6	1.12%
Xcel Energy	1,431	7	1.08%
Bell Helicopter Textron Inc.	1,382	8	1.04%
Texas Department of Criminal Justice	1,303	9	0.98%
Western National Life Insurance Company	1,035	10	0.78%
Total	22,590		17.00%

<u>Employer</u>	2002*		
	<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%
Xcel Energy	N/A	-	0.00%
Bell Helicopter Textron Inc.	N/A	-	0.00%
Texas Department of Criminal Justice	N/A	-	0.00%
Western National Life Insurance Company	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	2011
General Fund									
County Judge	3	3	3	3	3	3	3	3	3
County Commissioners	4	4	4	4	4	4	4	4	4
Human Resources	3	3	3	3.5	4	4	4	4	4
Information Technology	8	8	6	6	6	7	7	7	8
Information and Records Mgmt	6	6	6	6	6	6	6	7	7
County Auditor	7	7	6	6	6	6	6	6	6
County Treasurer	2	2	2	3	2	3	3	3	3
Purchasing Agent	5	5	5	5.5	5.5	6.0	6.0	6	6
Collections	-	-	-	3	3	3	3	3	3.5
Tax Assessor/Collector	21	21	21	21	21	21	21	21	21
Facilities Maintenance	27	27	26	26	26	26	26	26	26
Elections Administrator	-	-	-	-	-	-	-	4	4.5
County Clerk	20.5	20.5	21.5	22.5	22.5	22.5	21.5	18	17.5
District Clerk	20.0	19.5	20.5	21.5	21.5	21.5	21.5	21.5	21.5
Court of Appeals	4	4	4	4	4	4	4	4	4
47th District Court	4	4	4	4	4	4	4	4	4
108th District Court	4	4	4	4	4	4	4	4	4
181st District Court	4	4	4	4	4	4	4	4	4
251st District Court	4	4	4	4	4	4	4	4	4
320th District Court	4	4	4	4	4	4	4	4	4
County Court at Law #1	5	5	5	5	5	5	5	5	5
County Court at Law #2	5	5	5	5	4	5	5	5	5
Justice of the Peace, #1	4	4	4	4	4	4	4	4	4
Justice of the Peace, #2	3	3	3	3	3	3	3	3	3
Justice of the Peace, #3	4	4	4	4	4	4	4	4	4
Justice of the Peace, #4	3	3	3	3	3	3	3	3	3
Jury and Jury Related	4	4	4	3.5	3.5	3.5	3.5	3.5	3.5
County Attorney	26.0	26.0	25.5	25.5	25.5	28.5	28.5	29.5	27.0
Family Crime Unit	2	2	2	2	2	2	2	2	2
District Attorney	27	27	27	27	28	32	32	32	32
Forensic Science Lab	1	1	1	1	1	1	1	1	1
Constables	3	3	4	3	3	4	4	4	3
Sheriff	80	80	80	80.5	81.5	81.0	81.0	80	80
Fire/Rescue Department	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Detention Center	118.2	118.2	120.2	121.2	121.2	122.2	122.2	123	123
County Extension Services	6	5	5	5	5	5	5	5	5
Welfare	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Victim Assistance	3	3	3	3	3	3	3	3	3
Road and Bridge	21	20	20	19	19	19	19	19	19
Total General Fund	469.7	467.2	467.7	473.7	474.2	486.2	485.2	487.5	485.5

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,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Governmental Funds									
Law Library	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Courthouse Security	1	1	1	1	1	1	2	4	5
County Clerk Record Mgmt	1.5	1.5	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	1	1
Juvenile Probation	22	22	22	22	22	22	22	22	22
Sheriff Commissary	1.6	1.6	1.3	1.3	1.3	1.3	1.3	1	0
County Attorney Check	5.5	5.5	6	6	4	3	3.5	3.5	2
County Attorney Forfeiture Release	-	-	-	-	-	-	-	-	3
District Attorney State Payroll	-	-	1	2	1	0.5	0	-	-
District Attorney Forfeiture Release	-	-	-	-	1	-	-	2	2
District Attorney Welfare Fraud	-	-	0.5	-	-	-	0.50	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>	<u>36</u>	<u>37</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>	<u>522.5</u>

Source: Potter County employee records

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

POTTER COUNTY, TEXAS
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
Elections Administration				
Registered voters	-	-	-	-
Administration of Justice ⁽⁴⁾				
District Court Level				
Civil cases filed	3,874	2,995	3,234	3,404
Civil case dispositions	3,884	2,996	2,930	3,119
Criminal cases filed	2,638	2,647	2,713	2,968
Criminal case dispositions	2,500	2,859	2,674	2,891
County Court Level				
Civil cases filed	332	1,080	1,137	1,460
Civil case dispositions	343	1,055	1,019	1,074
Criminal cases filed	4,481	4,435	4,264	4,369
Criminal case dispositions	4,393	5,293	4,247	4,834
Justice of the Peace court level				
Civil cases filed	6,914	6,592	6,305	5,258
Civil case dispositions	6,406	6,145	5,907	5,146
Criminal cases filed	6,622	6,937	7,946	8,740
Criminal case dispositions	7,554	7,431	6,781	8,528
Public Safety and Correctional				
Sheriff ⁽⁵⁾				
Average daily jail population	534	512	530	543
Average daily prisoner cost	\$ 33.64	\$ 36.64	\$ 39.79	\$ 36.16
Human Services				
County Extension				
Number of programs	473	319	355	421
Number of contacts at programs	10,210	10,298	11,272	14,677
Number of individual, newsletter, and volunteer contacts	37,880	20,640	24,016	23,138

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

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

(3) Source: Potter County Clerk

(4) Source: Office of Court Administration

(5) Source: Potter County Sheriff

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

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	2011
General Government									
Office buildings / courthouses	4	4	4	5	6	6	6	6	7
Public safety and correctional									
Constables									
Patrol vehicles	1	1	2	2	3	3	3	3	2
Sheriff									
Enforcement vehicles	29	29	29	29	29	29	29	29	29
Corrections vehicles	9	9	9	9	9	9	11	11	11
Fire / Rescue									
Fire stations	7	7	7	7	7	7	7	7	7
Transportation									
County roads (miles)	227	227	234	220	233	261	299	301	301
Bridges	1	1	1	1	1	2	2	2	2

Source: Various County departments and County fixed asset reports.

OTHER SUPPLEMENTARY INFORMATION

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

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

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, 2011, and have issued our report thereon dated March 16, 2012. 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.

Daniel Kinard & Co., PC

Certified Public Accountants

Abilene, Texas
March 16, 2012

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

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, 2011. 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 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, 2011.

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.

Daniel Kenard & Co., PC
Certified Public Accountants

Abilene, Texas
March 16, 2012

POTTER COUNTY, TEXAS
Schedule of Findings and Questioned Costs
Year Ended September 30, 2011

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 Program Cluster
CFDA No.	16.804, 16.803 & 16.738
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, 2011

Status of Prior Year's Finding/Noncompliance

None

POTTER COUNTY, TEXAS
Corrective Action Plan
Year Ended September 30, 2011

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, 2011

Exhibit D-1

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Justice Assistance Grant - Bulletproof Vest Partnership	16.607	N/A	\$ 3,103
Justice Assistance Grant - Adult Drug Court Program	16.585	2010-DC-BX-0102	114,407
Justice Assistance Grant - DEA Overtime Reimbursement	16.595	3111036183	<u>17,085</u>
Total direct U.S. Department of Justice			<u>134,595</u>
Passed through City of Amarillo:			
Justice Assistance Grant - ARRA	16.803	2009-SB-B9-3021R	255,394
Justice Assistance Grant	16.804	2009-DJ-BX-1375	23,142
Justice Assistance Grant	16.804	2010-DJ-BX-0424	<u>81,961</u>
Total Passed through City of Amarillo			<u>360,497</u>
Passed through Office of the Governor - Criminal Justice Division			
Victim Assistance Program (VOCA)	16.575	VA-09-V3-02093301	37,500
Victim Support Services - ARRA	16.803	SU 2274401	<u>30,903</u>
Total Passed through Office of the Governor - Criminal Justice Division			<u>68,403</u>
Passed through Office of the Attorney General			
Victim Coordinator Liason Grant	16.575	1014455	34,138
Law Enforcement Standards and Education	16.738	9p100548	15,992
Victim Information & Notification Everyday (V.I.N.E.)	16.740	1012749	<u>30,710</u>
Total Passed Through Office of the Attorney General			<u>80,840</u>
Passed through the City of Dallas			
Internet Crimes Against Children Task Force	16.543	N/A	<u>3,634</u>
Total Passed through the City of Dallas			<u>3,634</u>
Total U.S. Department of Justice			<u><u>647,969</u></u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through Texas Department of Family and Protective Services			
Title IV-E-Legal Reimbursement	93.658	23393367	<u>69,393</u>
Total Passed Through Texas Department of Family and Protective Services			<u>69,393</u>
Passed Through Texas Juvenile Probation Commission			
Title IV-E-Administrative & Foster Care Reimbursement Program	93.658	TJPC-09-188	<u>239,418</u>
Total Passed Through Texas Juvenile Probation Commission			<u>239,418</u>
Passed Through the Texas Health and Human Services Commission			
Child Support Enforcement - Title IV-D	93.563	04-C0150	<u>196,389</u>
Total Passed Through the Texas Health and Human Services Commission			<u>196,389</u>
Total U.S. Department of Health and Human Services			<u><u>505,200</u></u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,153,169</u></u>

The accompanying notes are an integral part of this schedule

POTTER COUNTY, TEXAS
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2011

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.