

POTTER COUNTY, TEXAS

Comprehensive Annual Financial Report

For the Year Ended
September 30, 2014

Prepared by: Office of County Auditor
Kerry Hood
County Auditor

POTTER COUNTY, TEXAS
 Comprehensive Annual Financial Report
 Year Ended September 30, 2014

Table of Contents

	<u>Exhibit No.</u>	<u>Page No.</u>
INTRODUCTORY SECTION		
Letter of Transmittal		i
GFOA Certificate		iv
Organizational Chart		v
County Officials		vi
FINANCIAL SECTION		
Report of Independent Auditors		1
Management's Discussion and Analysis		3
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position	A-1	12
Statement of Activities	A-2	13
Fund Financial Statements:		
Balance Sheet – Governmental Funds	A-3	14
Reconciliation of the Balance Sheet of Governmental Funds		
Balance Sheet to the Statement of Net Position	A-4	15
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds	A-5	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities	A-6	17
Statement of Net Position – Proprietary Funds	A-7	18
Statement of Revenues, Expenses and Changes in Fund Net Position –		
Proprietary Funds	A-8	19
Statement of Cash Flows – Proprietary Funds	A-9	20
Statement of Fiduciary Net Position – Fiduciary Funds	A-10	21
Notes to Basic Financial Statements		22
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedule:		
General Fund	B-1	43
Schedule of Funding Progress, Texas County and District Retirement System		54
Schedule of Funding Progress, Other Postretirement Benefits		55
Notes to Required Supplementary Information		56

POTTER COUNTY, TEXAS
 Comprehensive Annual Financial Report
 Year Ended September 30, 2014

Table of Contents

	<u>Exhibit No.</u>	<u>Page No.</u>
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Nonmajor Governmental Funds Combining Balance Sheet	C-1	57
Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-2	58
Special Revenue Funds:		
Nonmajor Special Revenue Funds Combining Balance Sheet	C-3	59
Nonmajor Special Revenue Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-4	62
Budgetary Comparison Schedules:		
Vehicle Inventory Tax Interest Fund	C-5	65
Law Library Fund	C-6	66
Courthouse Security Fund	C-7	67
Justice Court Building Security Fund	C-8	68
Graffiti Eradication Fund	C-9	69
Child Abuse Prevention Fund	C-10	70
County Clerk Records Management Fund	C-11	71
Election Fund	C-12	72
Voter Registration Fund	C-13	73
Court Records Management Fund	C-14	74
District Clerk Records Management Fund	C-15	75
Justice Court Technology Fund	C-16	76
County Clerk / District Clerk Technology Fund	C-17	77
County Attorney Hot Check Fund	C-18	78
County Attorney Forfeiture Fund	C-19	79
District Attorney Hot Check Fund	C-20	80
District Attorney Payroll Fund	C-21	81
District Attorney Forfeiture Release Fund	C-22	82
District Attorney Forfeiture Fund	C-23	83
Sheriff Federal Forfeiture Fund	C-24	84
Law Enforcement Grants Fund	C-25	85
Sheriff Office Forfeiture Fund	C-26	86
Debt Service Funds:		
Nonmajor Debt Service Funds Combining Balance Sheet	C-27	87
Nonmajor Debt Service Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-28	88
Budgetary Comparison Schedules:		
Series 2008 Refunding Bond	C-29	89
Series 2012 Refunding Bond	C-30	90

POTTER COUNTY, TEXAS
 Comprehensive Annual Financial Report
 Year Ended September 30, 2014

Table of Contents

	<u>Exhibit No.</u>	<u>Page No.</u>
Capital Projects Funds:		
Nonmajor Capital Projects Funds Combining Balance Sheet	C-31	91
Nonmajor Capital Projects Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-32	92
Budgetary Comparison Schedules:		
Courthouse Preservation Fund	C-33	93
2003 Capital Projects Funds	C-34	94
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities	C-35	95
Combining Statement of Changes in Assets and Liabilities	C-36	96
STATISTICAL SECTION		
Net Position by Component	Table 1	100
Changes in Net Position	Table 2	101
Fund Balances, Governmental Funds	Table 3	103
Changes in Fund Balances, Governmental Funds	Table 4	104
General Governmental Tax Revenues by Source	Table 5	105
Assessed and Estimated Actual Value of Property	Table 6	106
Property Tax Rates and Levies	Table 7	107
Principal Taxpayers	Table 8	108
Property Tax Levies and Collections	Table 9	109
Ratios of Outstanding Debt by Type	Table 10	110
Ratios of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	Table 11	111
Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds	Table 12	112
Computation of Legal Debt Margin	Table 13	113
Demographic and Economic Statistics	Table 14	114
Principal Employers, Current Year and Nine Years Ago	Table 15	115
Full-time Equivalent County Employees by Function	Table 16	116
Operating Indicators by Function	Table 17	118
Capital Assets by Function	Table 18	119
OTHER REPORTING		
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		120

INTRODUCTORY SECTION

County of Potter
State of Texas
900 S. Polk, Suite 716
Amarillo, Texas 79101-3412



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

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

March 6, 2015

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

The Comprehensive Annual Financial Report of Potter County, Texas (the County) for the year ended September 30, 2014 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, 2014, 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, 2014 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 experienced a slight growth and is currently estimated to be 123,380. This is up 1.59% over the 2010 census of 121,448 and 26.06% over the 1990 census of 97,874. The County consists of approximately 591,577 acres of mostly level plain, broken by the Canadian River and its tributaries.

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

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

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

All governmental funds are appropriated annually with the exception of the following funds: District Attorney Crime Victim and Sheriff's Commissary.

Local Economy

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

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

Long-term Financial Planning and Relevant Financial Policies

As a sound financial management practice, members of the Commissioners' Court emphasize maintaining a sufficient undesignated fund balance level to meet first quarter obligations, thus assisting in maintaining financial stability and retaining or enhancing the County's bond ratings. Potter County has achieved this goal since fiscal year 2004. At that time, the court evaluated the county's physical and financial condition and chose to begin an annual transfer of funds to capital project funds to reduce the amount that will need to be borrowed to finance future construction. The current Commissioners' Court has also made every effort to hold steady or reduce the tax rate. The rate remained at the 2013 rate of \$0.63402 for 2014.

Major Initiatives

Some of the major initiatives in fiscal year 2015 include the construction of a new fire station in the Bushland community. Bushland, an unincorporated area of the county with a population estimated at 465, is 13 miles east of Amarillo along I-40. The current judicial administration computer system is an in-house software dating back to the early 1990s. Potter County is in the process of procuring new software that will be used by the courts, prosecutors and clerks.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Potter County for its comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the twentieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Potter County was awarded a 2014 Leadership Circle Platinum Award by the Texas Comptroller of Public Accounts. The Leadership Circle recognized local governments across Texas that are striving to meet a high standard for financial transparency online by opening their books to the public; providing clear, consistent pictures of spending; and sharing information in a user-friendly format. The Platinum designation highlights those entities that are setting the bar in their transparency efforts and is valid for one year.

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

Respectfully submitted,



Kerry Hood
Potter County Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

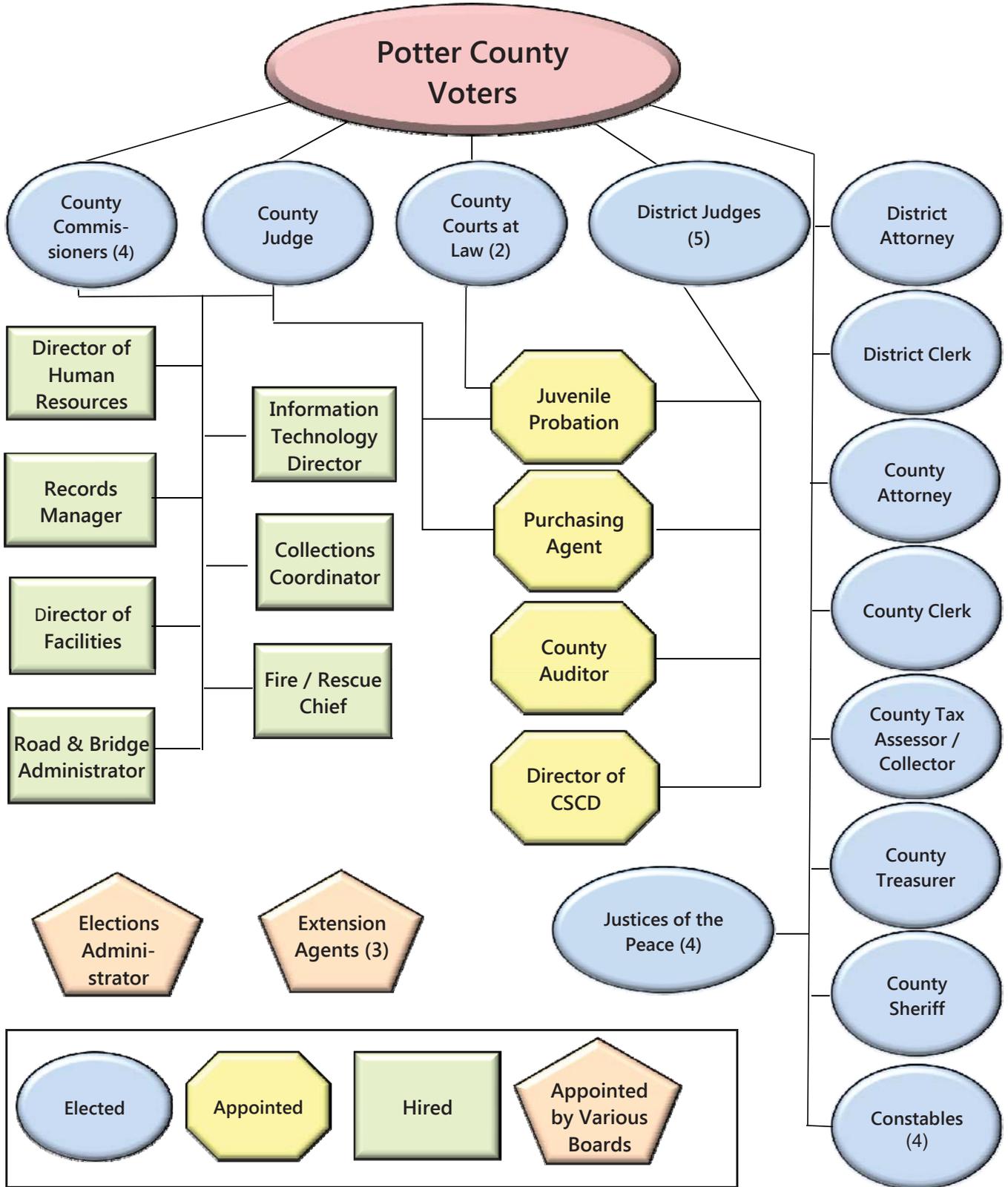
**Potter County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

Potter County, Texas
Organization Chart



**Potter County, Texas
County Officials**

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

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Potter County, Texas (the County), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the General Fund Budgetary Comparison Schedule, Schedule of Funding Progress (Texas County and District Retirement System) and the Schedule of Funding Progress (Other Postretirement Benefits) on pages 3 through 11 and 43 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements (including the budgetary comparison schedules for nonmajor funds) and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Dennis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 6, 2015

Management's Discussion and Analysis

As management of Potter County, we offer readers of Potter County's financial statements this narrative overview and analysis of the financial activities of Potter County for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report.

Financial Highlights

- The assets and deferred outflows of resources of Potter County exceeded its liabilities at the close of the most recent fiscal year by \$96,127,345 (*net position*). Of this amount, \$27,408,567 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- Potter County's total net position increased \$6,268,366 due to donated assets and a reduction of debt.
- At the close of the current fiscal year, Potter County's governmental funds reported combined fund balances of \$30,883,601 an increase of \$3,383,253 in comparison with the prior year. Approximately 46% of this amount (\$14,102,331) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$17,102,331 or approximately 36% of total general fund expenditures.
- Potter County's total outstanding long-term debt decreased by \$1,705,000 during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Potter County's basic financial statements. Potter County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how Potter County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 12-13 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Potter County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Potter County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

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

The proprietary fund financial statements can be found on pages 18-20 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support Potter County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-42 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 43-99 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of Potter County, assets and deferred outflows of resources exceeded liabilities by \$96,127,345 at the close of the most recent fiscal year.

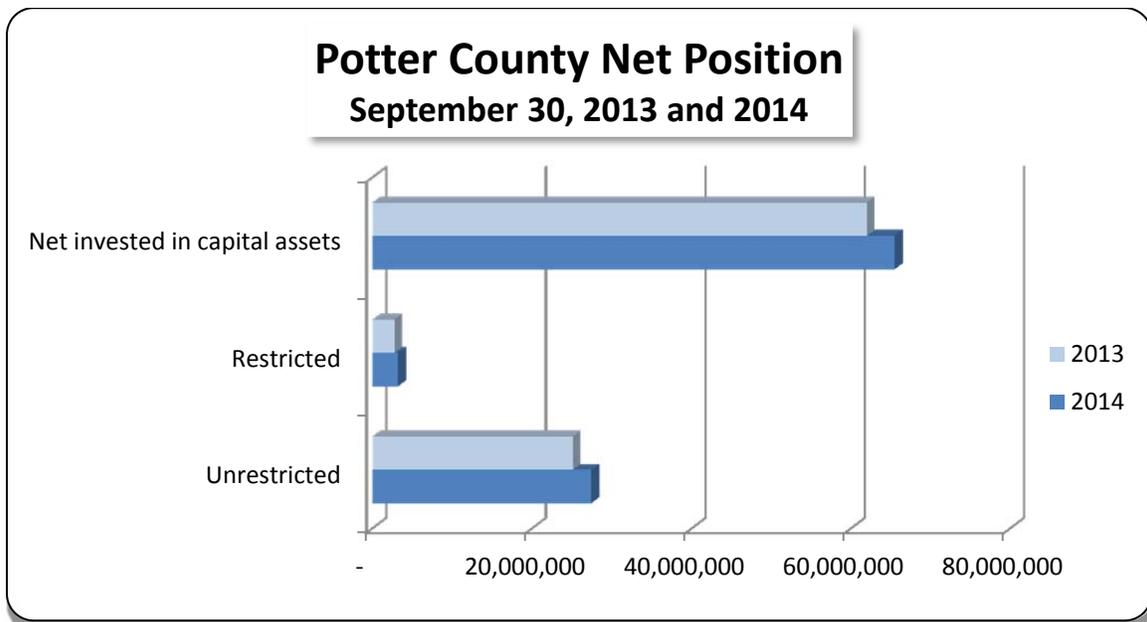
Potter County's Net Position

	Governmental Activities	
	2014	2013
Current and other assets	\$ 35,435,919	\$ 32,823,483
Capital assets	72,337,808	70,616,262
Total assets	107,773,727	103,439,745
Long-term liabilities outstanding	9,523,588	10,948,007
Other liabilities	2,122,794	2,632,759
Total liabilities	11,646,382	13,580,766
Net position:		
Net investment in capital assets	65,492,484	61,999,277
Restricted	3,226,294	2,758,943
Unrestricted	27,408,567	25,100,759
Total net position	96,127,345	89,858,979

By far, the largest portion of Potter County's net position (68%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. Potter County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although Potter County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Potter County's net position (3.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$27,408,567 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

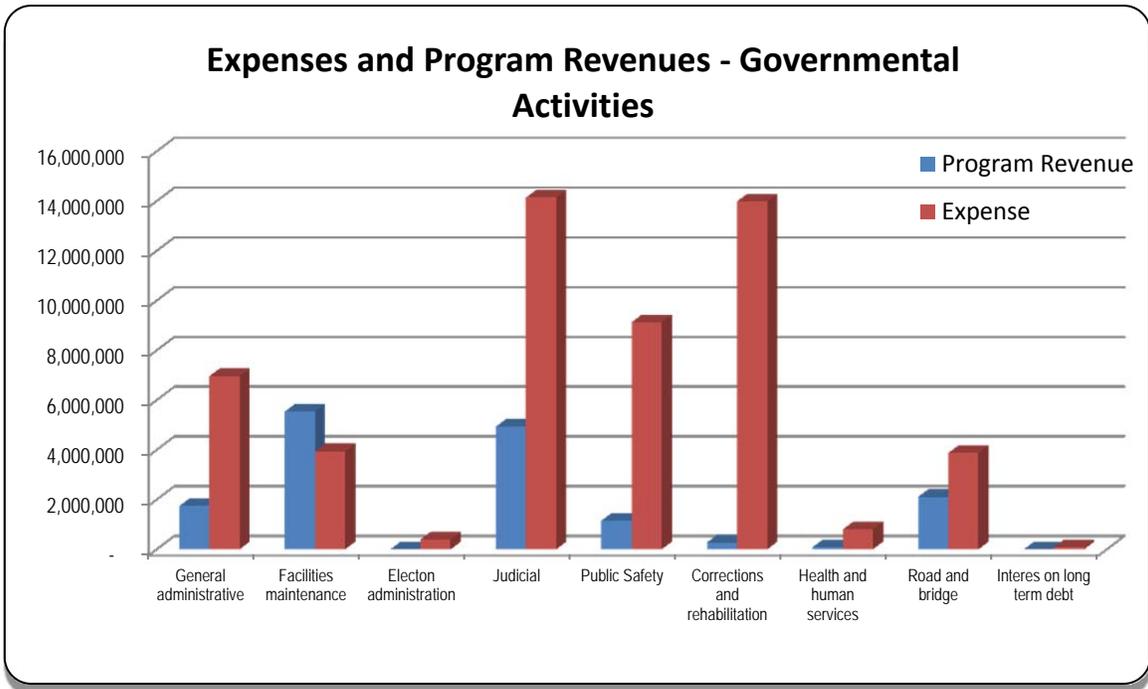
At the end of the current fiscal year, Potter County is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.



Governmental Activities. During the current fiscal year, net position for governmental activities increased \$6,268,366 from the prior fiscal year for an ending balance of \$96,127,345. The increase in the overall net position of governmental activities is the result of increasing rates for certain revenue sources and refinancing debt.

Potter County's Changes in Net Position

	Governmental activities	
	2014	2013
Charges for services	\$ 8,473,599	\$ 7,645,230
Operating grants and contributions	1,847,566	1,457,688
Capital grants and contributions	5,538,985	581,456
Property taxes	42,614,323	40,969,190
Other taxes	791,996	675,748
Other	339,343	547,368
Total revenues	59,605,812	51,876,680
General administrative	6,966,432	5,843,096
Facilities maintenance	3,940,745	3,891,407
Election administration	399,450	343,204
Judicial	14,145,048	13,432,209
Public safety	9,129,698	8,674,589
Corrections and rehabilitation	13,994,064	12,970,815
Health and human services	799,112	745,435
Road and bridge	3,876,443	3,413,410
Interest on long term debt	86,454	138,799
Total expenses	53,337,446	49,452,964
Increase (decrease) in net position	6,268,366	2,423,716
Net position – beginning	89,858,979	87,541,605
Prior period adjustment – debt issuance cost	--	(106,342)
Net position – ending	96,127,345	89,858,979

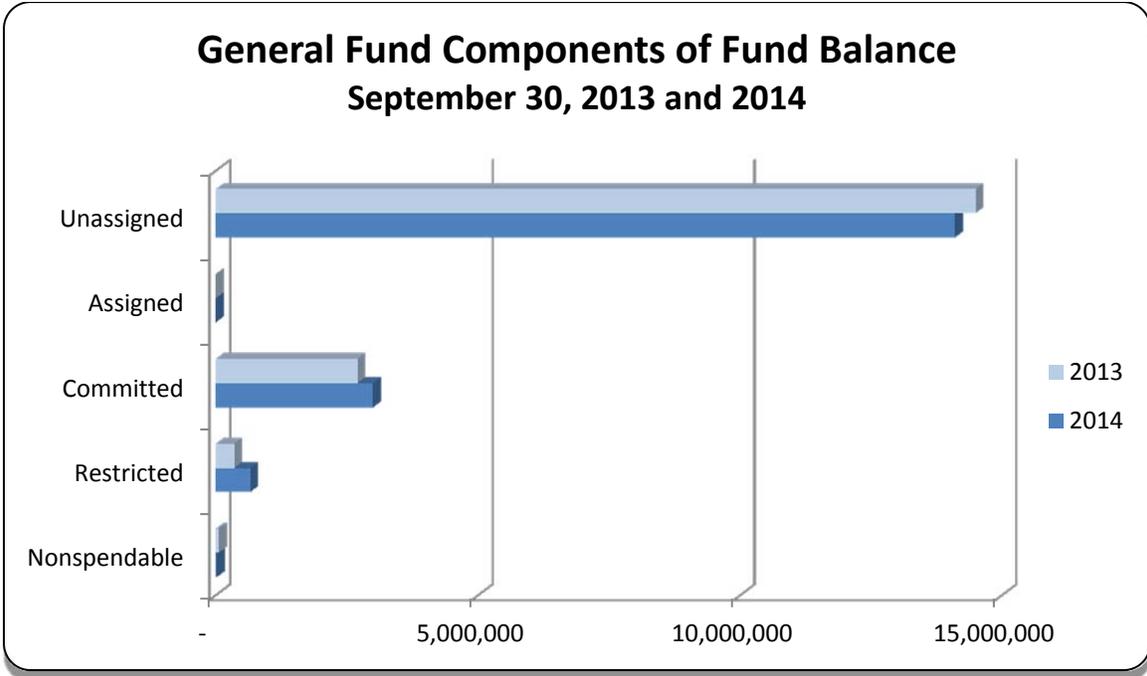


Financial Analysis of Governmental Funds

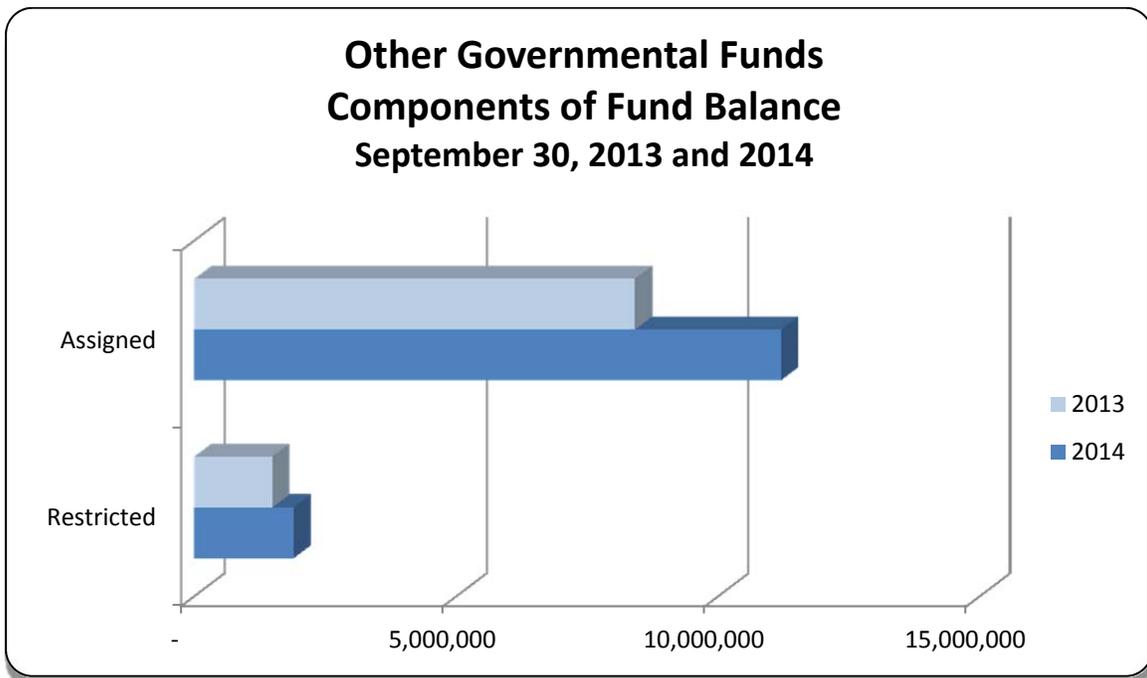
As noted earlier, Potter County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Potter County’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Potter County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, Potter County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by Potter County’s Commissioners’ Court.

At September 30, 2014, Potter County’s governmental funds reported combined fund balances of \$30,883,601, an increase of \$3,383,253 in comparison with the prior year. Approximately 46% of this amount (\$14,102,331) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$23,245), 2) restricted for particular purposes (\$2,555,931), 3) committed for particular purposes (\$3,000,000), or 4) assigned for particular purposes (\$11,202,094).



The general fund is the chief operating fund of Potter County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$14,102,331, while total fund balance increased to \$17,781,381. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 30 percent of total general fund expenditures, while total fund balance represents approximately 37.7 percent of that same amount.



There were no significant changes in Potter County’s fund balance of the general fund. The fund balance increased by \$179,547 during the fiscal year.

The capital projects fund, a major governmental fund, had an increase of \$3,294,026 in fund balance during the current fiscal year for an ending fund balance of \$7,679,758. The majority of this fund comes from transfers from the general fund. The current year expenditures of \$109,202 provided consulting services for future projects related to our District Courts building, Sheriff’s Administration offices, the Detention Center and land purchased for the Bushland fire station. Continued transfers into the fund will lower the amount financed when the projects begin.

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

Restricted net position of the fund at the end of the year was \$670,363. The decrease in net position was \$245,569. The decrease is a result of several high claims, including one claimant whose claims are not covered by reinsurance until the County pays the first \$300,000.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, significant amendments to increase the original budgeted revenue resulted from unanticipated grant proceeds (\$326,274), various donations (\$8,400) and reinstated State funding for law enforcement education (\$17,288). Corresponding appropriations were added to the budget along with carryover for encumbrances from the prior year (\$804,288), budgeting for records preservation expenditures from restricted fund balance (\$200,000) and emergency use of unrestricted fund balance for repairs at the Detention Center on a collapsed water line (\$355,000). Generally, the movement of the appropriations between departments was not significant.

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

Estimated Revenue source	Budgeted revenues	Actual revenues	Difference
Taxes	\$ 41,203,800	\$ 41,151,736	\$(52,064)
License and fees	4,439,300	4,482,267	42,967
Rents and recoveries	768,800	1,681,012	912,212

Although tax collections were slightly lower than anticipated, the overall current collection rate remains strong at 98.76% compared to 98.24% in the prior fiscal year. An increase in vehicle registrations and the associated road and bridge fees increased the overall collection of fees. Rents and recoveries exceeded budget due to a carryover of unearned insurance proceeds from the prior year. Of the \$875,684 classified as unearned revenue from FY13, \$841,763 was earned in FY14.

A review of actual expenditures compared to the appropriations in the final budget yields significant variances in the following categories: salaries and fringe benefits are below budget by \$1,456,022 as a result of employee turnover, contract services in the judicial section (court appointed attorneys, investigators, court reporters, capital cases and visiting judges) were \$565,500 under budget, capital outlay budget remaining was \$618,146 due to several large purchases not being received until FY15, county-wide general operating expenditures were expensed \$514,817 less than budget, and equipment operation costs had a remaining budget of \$292,243.

Capital Assets and Debt Administration

Capital assets. Potter County’s investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$65,492,484 (net of accumulated depreciation). This investment in capital assets

includes land, buildings, machinery, equipment, vehicles, roads, and bridges. The total increase in capital assets for the current fiscal year was approximately 2.4%.

Potter County's Capital Assets (net of depreciation)

	Governmental activities	
	2014	2013
Land	\$ 5,050,536	\$ 5,019,608
Buildings and improvements	51,477,181	47,775,983
Streets and bridges	10,710,503	12,358,984
Furniture and equipment	4,564,050	4,941,186
Construction in progress	535,538	520,501
Total	\$72,337,808	\$70,616,262

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

- Assets were donated to the County from private parties in the amount of \$5,515,082.
- Land was purchased for a fire station (\$27,968).
- The purchase of various vehicles and equipment at a total cost of \$633,880.

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

Long-term Debt. At the end of the current fiscal year, Potter County had total bonded debt outstanding of \$6,655,000. This amount is primarily paid from ad valorem taxes.

Potter County's Outstanding Debt

(net of depreciation)

	Governmental activities	
	2014	2013
General obligation, refunding bonds	\$ 0	\$ 1,140,000
Advanced GO, refunding bonds	6,655,000	7,220,000
Total	\$ 6,655,000	\$ 8,360,000

Potter County's total debt decreased by \$1,705,000 (20%) during the current fiscal year. Potter County maintains an "AA" rating from Standard & Poor's and an "Aa2" rating from Moody's Investors Service for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of the assessed valuation of real property. The current debt limitation for Potter County is \$334,013,008, which is significantly in excess of Potter County's outstanding general obligation debt.

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

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect Potter County and were considered in developing the 2014-2015 fiscal year budget.

The unemployment rate for Potter County is currently 4.51%, which is a decrease from a rate of 5.3% a year ago. Potter County continues to remain below the National average of 5.9% and the State average of 5.0%

Growth in the taxable assessed value used to budget for fiscal year 2015 was \$218,949,591 or 3.28% compared to fiscal year 2014.

Interest rates are expected to remain at record low levels throughout fiscal year 2015.

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

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

At the end of the current fiscal year, the unassigned fund balance in the general fund was \$14,102,331. Potter County has appropriated \$397,873 of this amount for spending in the 2014-2015 fiscal year budget.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

POTTER COUNTY, TEXAS

Exhibit A-1

Statement of Net Position

September 30, 2014

	Governmental Activities
ASSETS:	
Pooled cash and cash equivalents	\$ 18,232,825
Investments	12,823,027
Receivables (net of allowance for uncollectibles)	
Taxes	879,383
Other	1,226,918
Fines, fees, and court costs	1,142,350
Prepaid expenses	23,245
Restricted assets:	
Pooled cash and cash equivalents	1,075,383
Investments	30,730
Accounts receivable	2,058
Capital assets not being depreciated	5,586,074
Capital assets (net of accumulated depreciation)	<u>66,751,734</u>
 Total assets	 107,773,727
LIABILITIES:	
Accounts payable and other current liabilities	1,607,888
Unearned revenues	67,238
Accrued interest payable	9,204
Claims payable from restricted assets	438,464
Noncurrent liabilities	
Net other postemployment benefit liability	1,257,910
Due within one year	2,159,141
Due in more than one year	<u>6,106,537</u>
 Total liabilities	 11,646,382
NET POSITION:	
Net investment in capital assets	65,492,484
Restricted for:	
Debt service	1,517,693
Insurance claims	670,363
Restricted for drug court programs	30,375
Restricted for preservation and restoration of County records	582,674
Restricted for continuing education of local law enforcement	14,669
Restricted for bail bond board	32,165
Restricted for victim assistance contributions	15,063
Restricted for state criminal alien assistance program	40,559
Restricted for other purposes	322,733
Unrestricted	<u>27,408,567</u>
 Total net position	 <u>\$ 96,127,345</u>

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

POTTER COUNTY, TEXAS
Statement of Activities
For the Year Ended September 30, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Capital Grants and Contributions
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT				
Governmental activities				
General administrative	\$ 6,966,432	\$ 1,676,695	\$ 67,203	\$ -
Facilities maintenance	3,940,745	-	-	5,538,985
Election administration	399,450	689	1,834	-
Judicial	14,145,048	3,784,998	1,150,118	-
Public safety	9,129,698	792,836	363,457	-
Corrections and rehabilitation	13,994,064	109,480	170,110	-
Health and human services	799,112	14,496	75,337	-
Road and bridge	3,876,443	2,094,405	19,507	-
Interest on long term debt	86,454	-	-	-
Total governmental activities	<u>53,337,446</u>	<u>8,473,599</u>	<u>1,847,566</u>	<u>5,538,985</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 53,337,446</u>	<u>\$ 8,473,599</u>	<u>\$ 1,847,566</u>	<u>\$ 5,538,985</u>

General Revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for debt purposes
- Mixed drink tax
- Vehicle inventory tax
- Bingo tax proceeds
- Unrestricted investment earnings
- Gain from disposition of assets
- Miscellaneous
- Total general revenues

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR

NET POSITION AT END OF YEAR

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	
Governmental Activities	Total
\$ (5,222,534)	\$ (5,222,534)
1,598,240	1,598,240
(396,927)	(396,927)
(9,209,932)	(9,209,932)
(7,973,405)	(7,973,405)
(13,714,474)	(13,714,474)
(709,279)	(709,279)
(1,762,531)	(1,762,531)
(86,454)	(86,454)
<u>(37,477,296)</u>	<u>(37,477,296)</u>
<u>(37,477,296)</u>	<u>(37,477,296)</u>
40,523,681	40,523,681
2,090,642	2,090,642
556,096	556,096
19,738	19,738
216,162	216,162
75,942	75,942
28,256	28,256
235,145	235,145
<u>43,745,662</u>	<u>43,745,662</u>
6,268,366	6,268,366
<u>89,858,979</u>	<u>89,858,979</u>
<u>\$ 96,127,345</u>	<u>\$ 96,127,345</u>

POTTER COUNTY, TEXAS

Balance Sheet
Governmental Funds
September 30, 2014

	General Fund	Capital Projects Fund
ASSETS		
Pooled cash and cash equivalents	\$ 12,552,313	\$ 1,147,929
Investments	5,422,775	6,534,010
Receivables (net of allowances for uncollectibles)		
Taxes	835,969	
Other	1,182,482	
Fines, fees, and court costs	1,142,350	
Due from other funds	846	
Prepaid items	23,245	
Total assets	<u>\$ 21,159,980</u>	<u>\$ 7,681,939</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable and other current liabilities	\$ 1,580,137	\$ 2,181
Due to other funds	656	
Unearned revenues	67,238	
Total liabilities	<u>1,648,031</u>	<u>2,181</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	727,817	
Unavailable revenue - fines, fees and court costs	1,002,751	
Total deferred inflows of resources	<u>1,730,568</u>	<u>-</u>
Fund balances:		
Nonspendable fund balances:		
Prepaid items	23,245	
Restricted fund balances:		
Restricted for debt service		
Restricted for drug court programs	30,375	
Restricted for preservation and restoration of County records	284,753	
Restricted for continuing education of local law enforcement	14,669	
Restricted for bail bond board	32,165	
Restricted for victim assistance contributions	15,063	
Restricted for state criminal alien assistance program	40,559	
Restricted for other purposes	238,221	
Committed fund balances:		
Committed for capital replacement expenditures	3,000,000	
Assigned fund balances:		
Capital project funds assigned for specific purposes		7,679,758
Special revenue funds assigned for specific purposes		
Unassigned fund balance	<u>14,102,331</u>	
Total fund balances	<u>17,781,381</u>	<u>7,679,758</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 21,159,980</u>	<u>\$ 7,681,939</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 4,532,583	\$ 18,232,825
866,242	12,823,027
43,414	879,383
44,436	1,226,918
	1,142,350
	846
	23,245
<u>\$ 5,486,675</u>	<u>\$ 34,328,594</u>
\$ 25,570	\$ 1,607,888
846	1,502
	67,238
<u>26,416</u>	<u>1,676,628</u>
37,797	765,614
	1,002,751
<u>37,797</u>	<u>1,768,365</u>
	23,245
1,517,693	1,517,693
	30,375
297,921	582,674
	14,669
	32,165
	15,063
	40,559
84,512	322,733
	3,000,000
	7,679,758
3,522,336	3,522,336
	14,102,331
<u>5,422,462</u>	<u>30,883,601</u>
<u>\$ 5,486,675</u>	<u>\$ 34,328,594</u>

POTTER COUNTY, TEXAS
 Reconciliation of the Balance Sheet of Governmental Funds
 To The Statement of Net Position
 September 30, 2014

Exhibit A-4

Total Fund Balances - Governmental Fund Balance Sheet	\$	30,883,601
<p>Amounts reported for governmental activities in the statement of net position (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 position.</p>		72,337,808
<p>The due to/from amounts on the governmental funds balance sheet are eliminated on the statement of net position in the amount of \$1,502. This causes no change to the net position.</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 position. The net effect is an increase to net position.</p>		670,363
<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 inflows in the governmental funds. Unavailable revenue recognized in the government-wide financial statements results in a net increase to net position.</p>		1,768,365
<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 position.</p>		(9,523,588)
<p>Payables for bond interest which are not due in the current period are not reported in the funds.</p>		(9,204)
Net Position of Governmental Activities - Statement of Net Position	\$	96,127,345

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

POTTER COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2014

	General Fund	Capital Projects Fund
REVENUES:		
Taxes	\$ 41,151,736	\$
License and fees	4,482,267	
Intergovernmental	1,990,751	
Fines and forfeitures	1,216,979	
Charges for services	1,681,012	
Investment earnings	58,356	5,067
Miscellaneous	69,751	23,903
	<u>50,650,852</u>	<u>28,970</u>
Total revenues		
EXPENDITURES:		
Current:		
General administrative	6,355,975	3,120
Facilities maintenance	2,387,130	
Election administration	384,767	
Judicial	12,859,341	
Public safety	8,261,044	
Corrections and rehabilitation	13,498,180	
Health and human services	788,055	
Road and bridge	1,973,601	
Debt service:		
Principal		
Interest and fiscal charges		
Capital outlay	633,881	106,082
	<u>47,141,974</u>	<u>109,202</u>
Total expenditures		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>3,508,878</u>	<u>(80,232)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	3,374,258
Transfers out	(3,329,331)	-
	<u>(3,329,331)</u>	<u>3,374,258</u>
Total other financing sources (uses)		
NET CHANGE IN FUND BALANCES	179,547	3,294,026
FUND BALANCES AT BEGINNING OF YEAR	<u>17,601,834</u>	<u>4,385,732</u>
FUND BALANCES AT END OF YEAR	<u>\$ 17,781,381</u>	<u>\$ 7,679,758</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 2,097,286	\$ 43,249,022
796,229	5,278,496
126,152	2,116,903
	1,216,979
8,088	1,689,100
10,127	73,550
402,347	496,001
<u>3,440,229</u>	<u>54,120,051</u>
109,292	6,468,387
	2,387,130
3,334	388,101
1,022,398	13,881,739
56,496	8,317,540
129,660	13,627,840
	788,055
	1,973,601
1,705,000	1,705,000
161,525	161,525
297,917	1,037,880
<u>3,485,622</u>	<u>50,736,798</u>
<u>(45,393)</u>	<u>3,383,253</u>
1,876,298	5,250,556
<u>(1,921,225)</u>	<u>(5,250,556)</u>
<u>(44,927)</u>	<u>-</u>
(90,320)	3,383,253
<u>5,512,782</u>	<u>27,500,348</u>
<u>\$ 5,422,462</u>	<u>\$ 30,883,601</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, 2014

Net Change in Fund Balances - Total Government Funds	\$ 3,383,253
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays subject to capitalization is to increase net position.	786,058
Assets donated to governmental entities by private parties are not recorded in the governmental fund financial statements whereas in the government-wide financial statements are recorded as capital contributions.	5,515,082
Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of recording current year depreciation expense is to decrease net position.	(4,106,860)
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 position.	(472,734)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. The current year decrease in revenue recognized in the government-wide financial statements results in a decrease in net position.	(23,693)
Current year long-term debt principal payments on long-term debt are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements. This results in an increase in net position.	1,705,000
The net increase in compensated absences payable is a decrease to net position.	(78,307)
Internal service funds are used by management to charge the costs of self-insurance in individual funds. The change in net position of the internal service funds are included in governmental activities in the statement of activities. This results in a decrease to net position.	(245,569)
Bond premiums are recorded as expenditures when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is the current year amortization.	66,661
The net increase in the obligation for other postemployment benefits is a decrease to net position.	(268,935)
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>8,410</u>
Change in Net Position of Governmental Activities - Statement of Activities	<u>\$ 6,268,366</u>

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

POTTER COUNTY, TEXAS
Statement of Net Position
Proprietary Funds
September 30, 2014

Exhibit A-7

	<u>Governmental Activities Internal Service Fund</u>
ASSETS	
Current assets:	
Restricted assets:	
Pooled cash and cash equivalents	\$ 1,075,383
Investments	30,730
Accounts receivable:	
Other	2,058
Due from other funds	<u>656</u>
Total current assets	<u>1,108,827</u>
Total assets	1,108,827
LIABILITIES	
Current liabilities:	
Claims payable from restricted assets	<u>438,464</u>
Total current liabilities	438,464
Total liabilities	<u>438,464</u>
NET POSITION	
Restricted for insurance claims	<u>670,363</u>
Total net position	<u>\$ 670,363</u>

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

POTTER COUNTY, TEXAS
Statement of Revenues,
Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended September 30, 2014

Exhibit A-8

	<u>Governmental Activities Internal Service Fund</u>
OPERATING REVENUES	
Insurance premiums	\$ 4,511,727
Charges for services	<u>55,983</u>
Total operating revenues	4,567,710
OPERATING EXPENSES	
Claims	3,589,604
Premiums	529,067
Administrative expenses	<u>697,000</u>
Total operating expenses	<u>4,815,671</u>
OPERATING LOSS	(247,961)
NONOPERATING REVENUES	
Investment earnings	<u>2,392</u>
Total non-operating revenues	<u>2,392</u>
CHANGE IN NET POSITION	(245,569)
NET POSITION AT BEGINNING OF YEAR	<u>915,932</u>
NET POSITION AT END OF YEAR	<u><u>\$ 670,363</u></u>

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

POTTER COUNTY, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2014

Exhibit A-9

	Governmental Activities <u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from participants	\$ 4,628,469
Cash received from recoveries and other	55,983
Cash payments for claims	(3,296,850)
Cash payments for administrative fees	(697,000)
Cash payments for insurance premiums	<u>(529,067)</u>
Net cash provided by operating activities	<u>161,535</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	2,392
Purchases of investments	<u>(9)</u>
Net cash provided by investing activities	<u>2,383</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	163,918
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>911,465</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,075,383</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (247,961)
Net change in:	
Accounts receivable	110,544
Due from other funds	6,198
Claims payable	<u>292,754</u>
Total adjustments	<u>409,496</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 161,535</u></u>

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

POTTER COUNTY, TEXAS
Statement of Fiduciary Net Position - Fiduciary Funds
September 30, 2014

Exhibit A-10

	Agency Funds
ASSETS	
Pooled cash and cash equivalents	\$ 6,361,787
Investments	134
Accounts receivable:	
Other	112,686
Total assets	\$ 6,474,607
LIABILITIES	
Accounts payable and other current liabilities	\$ 527,217
Due to other governments	2,434,417
Due to trust beneficiaries	3,315,398
Due to other entities	132,575
Deposits	65,000
Total liabilities	\$ 6,474,607

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 1: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

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

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

Basis of Presentation

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Governmental Fund Types:

The County reports the following major governmental funds:

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

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

In addition, the County reports the following fund types:

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

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 1: Summary of Significant Accounting Policies (continued)

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

Proprietary Fund Types:

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

Fiduciary Fund Types:

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

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

Measurement Focus and Basis of Accounting

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

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

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 1: Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Inflows/Outflows of Revenues, and Net Position or Equity

Cash and Cash Equivalents

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

Property Taxes

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

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

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

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The County uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed. In the fund financial statements, they are offset by a designation of nonspendable fund balance which indicates they do not represent "available spendable resources".

Capital Assets

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

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

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 1: Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Inflows and Outflows of Revenues, and Net Position or Equity (continued)

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

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

Receivables and Payable Balances

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

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

The County expects to collect the following amounts net of deferral in one year:

1. Taxes receivable of \$113,769
2. Fines receivable of \$139,599

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, 2014

Note 1: Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Inflows and Outflows of Revenues and Net Position or Equity (continued)

Interfund Activity

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

Use of Estimates

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

Long-term Obligations

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

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

Deferred Inflows of Resources

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

Unearned Revenue

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

Assets limited as to use or restricted

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

Legally adopted budgets

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

1. District Attorney Crime Victim
2. Sheriff Office Commissary

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

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, 2014, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$25,669,995 and the bank balance was \$25,686,538. The County's cash deposits at September 30, 2014, 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, 2014 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fair Value</u>	<u>Rating</u>
TexPool	45	\$ 9,827,745	AAAm
TexPool Prime	34	26,012	AAAm
CDARs	N/A	<u>3,000,000</u>	Non-rated
Total investments		<u>\$ 12,853,757</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, 2014

Note 2: Deposits and Investments (continued)

Investments (continued)

The County has investments with the following public funds investment pools as of September 30, 2014:

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

Analysis of Specific Deposit and Investment Risks

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

A. Interest Rate Risk

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

B. Credit Risk.

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

C. Concentration of Credit Risk

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

D. Investment Accounting Policy

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 2: Deposits and Investments (continued)

E. Public Funds Investment Pools:

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

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

Note 3: Receivables

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

	Governmental			Proprietary	Fiduciary
	General Fund	Capital Projects Fund	Other Governmental Funds	Internal Service	Agency
Receivables					
Taxes	\$ 1,863,623	\$	\$ 96,781	\$	\$
Fines, fees, and court costs	39,009,663				
Other	1,182,482		44,436	2,058	112,686
Total gross receivables	42,055,768	-	141,217	2,058	112,686
Less: Allowance for uncollectibles					
Taxes	(1,027,654)		(53,367)		
Fines, fees, and court costs	(37,867,313)				
Net total receivables	\$ 3,160,801	\$ -	\$ 87,850	\$ 2,058	\$ 112,686

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

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, 2015	\$ 52,238
Total minimum rental	<u>\$ 52,238</u>
Rental expenditures in 2014	<u>\$ 106,713</u>

Note 5: Capital Assets

Capital asset activity for the period ended September 30, 2014 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	\$ 30,928	\$ -	\$ 5,050,536
Construction in progress	<u>520,501</u>	<u>15,037</u>	<u>-</u>	<u>535,538</u>
Total capital assets not being depreciated	5,540,109	45,965	-	5,586,074
Capital assets being depreciated				
Streets and bridges	36,460,339	-	(464,714)	35,995,625
Buildings and improvements	72,118,647	5,515,082	-	77,633,729
Furniture and equipment	<u>13,107,093</u>	<u>740,093</u>	<u>(130,693)</u>	<u>13,716,493</u>
Total capital assets being depreciated	121,686,079	6,255,175	(595,407)	127,345,847
Less accumulated depreciation for:				
Streets and bridges	(24,101,355)	(1,183,767)	-	(25,285,122)
Buildings and improvements	(24,342,664)	(1,813,884)	-	(26,156,548)
Furniture and equipment	<u>(8,165,907)</u>	<u>(1,109,209)</u>	<u>122,673</u>	<u>(9,152,443)</u>
Total accumulated depreciation	(56,609,926)	(4,106,860)	122,673	(60,594,113)
Total capital assets being depreciated, net	<u>65,076,153</u>	<u>2,148,315</u>	<u>(472,734)</u>	<u>66,751,734</u>
Governmental activities capital assets, net	<u>\$ 70,616,262</u>	<u>\$ 2,194,280</u>	<u>\$ (472,734)</u>	<u>\$ 72,337,808</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 5: Capital Assets (continued)

Depreciation was charged to functions as follows:

General administrative	\$ 403,683
Road and bridge	1,415,985
Facilities maintenance	1,520,018
Judicial	97,719
Public safety	459,880
Correctional	<u>209,575</u>
Total depreciation expense	<u>\$ 4,106,860</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, 2014, 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	\$ 846	Short-term loans
Internal service fund	General fund	<u>656</u>	Short-term loans
	Total	<u>\$ 1,502</u>	

Transfers to and from Other Funds

Transfers to and from other funds at September 30, 2014, consisted of the following:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>	<u>Purpose</u>
General fund	Other governmental funds	\$ 629,331	Supplement other funds sources
General fund	Capital projects fund	2,700,000	Capital acquisition projects
Other governmental funds	Capital projects fund	674,258	To close out fund assets
Other governmental funds	Other governmental funds	35,885	Supplement other funds sources
Other governmental funds	Other governmental funds	<u>1,211,082</u>	To close out fund assets
	Total	<u>\$ 5,250,556</u>	

The General Fund transferred \$2,700,000 to the Capital Projects Fund to provide additional funding for ongoing capital acquisition projects. The General Fund transferred \$75,000 to the Law Library Fund, \$375,000 to the Courthouse Security Fund, and \$179,331 to the Election Fund to supplement those funds for anticipated expenditures. The Courthouse Preservation Fund transferred \$674,258 to the Capital Project Fund in order to close out this fund. The Series 2008 Refunding Bond Fund transferred \$1,211,082 to the Series 2012 Refunding Bond Fund to service current debt obligations and to close out this fund. The Election Fund transferred \$35,885 to the Voter Registration 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, 2014

Note 8: Long-Term Obligations

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

Bonds

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

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

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

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

The County issued General Obligation Refunding bonds, Series 2012 to refund the Certificates of Obligation, Series 2003 in order to restructure the County's debt service and to pay costs related to the issuance of the bonds. The proceeds were used to refund \$7,770,000 of the outstanding bonds. The refunding bonds were issued with a premium of \$306,365 which is being amortized over the life of the Series 2012 bonds.

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

The following are general obligation bond issues outstanding at September 30, 2014:

	Interest rates	Date of issue	Date of Maturity	Bonds Outstanding
General obligation, Series 2012 refunding bonds	2.00 - 3.00	2012	2018	\$ <u>6,655,000</u>
Total general obligations debt				\$ <u><u>6,655,000</u></u>

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

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2015	\$ 1,820,000	\$ 114,900	\$ 1,934,900
2016	1,860,000	78,100	1,938,100
2017	1,900,000	40,500	1,940,500
2018	<u>1,075,000</u>	<u>10,750</u>	<u>1,085,750</u>
Totals	<u>\$ 6,655,000</u>	<u>\$ 244,250</u>	<u>\$ 6,899,250</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 8: Long-Term Obligations (continued)

Compensated Absences

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

OPEB Liability

The OPEB liability is estimated using the actuarial methods and assumptions as further described in Note 14. Typically, the General Fund has been used to liquidate the OPEB liability.

Long-Term Obligation Activity

Long-Term Obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2014, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
General obligations bonds	\$ 8,360,000	\$ -	\$ 1,705,000	\$ 6,655,000	\$ 1,820,000
Total bonds payable	8,360,000	-	1,705,000	6,655,000	1,820,000
Compensated absences	1,342,047	1,419,906	1,341,599	1,420,354	284,071
OPEB liability	988,975	332,973	64,038	1,257,910	-
Unamortized bond premium	256,985	-	66,661	190,324	55,070
Total Governmental Activities	<u>\$ 10,948,007</u>	<u>\$ 1,752,879</u>	<u>\$ 3,177,298</u>	<u>\$ 9,523,588</u>	<u>\$ 2,159,141</u>

Note 9: Pension Plan

Plan Description

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

The plan provisions are adopted by the governing body of the County (employer), within the options available in the Texas state statutes governing the TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight or more years of service, with 20 years of service, regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 9: Pension Plan (continued)

Funding Policy

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

The County contributed using the actuarially determined rate of 12.97% for the months of the accounting year in 2013, and 13.78% for the months of the accounting year in 2014.

The contribution rate payable by the employee members for fiscal year 2014 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, 2014, the annual pension cost for the TCDRS plan for its employees was \$3,257,587 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, 2012, and December 31, 2013, the basis for determining the contribution rates for calendar years 2013 and 2014. The December 31, 2013 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>
9/30/12	2,690,292	100%	-
9/30/13	2,982,357	100%	-
9/30/14	3,257,587	100%	-

Actuarial Valuation Information

Actuarial valuation date	12/31/11	12/31/12	12/31/13
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10 year smoothed value ESF: Fund value	SAF: 10 year smoothed value ESF: Fund value	SAF: 5 year smoothed value ESF: Fund value
Actuarial assumptions:			
Investment return*	8.00%	8.00%	8.00%
Projected salary increases*	5.40%	5.40%	4.90%
Inflation	3.50%	3.50%	3.00%
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, 2014

Note 9: Pension Plan (continued)

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 81.81% funded. The actuarial accrued liability for benefits was \$108,943,306, and the actuarial value of assets was \$89,130,035, resulting in an unfunded actuarial accrued liability of \$19,813,271. The covered payroll (annual payroll of active employees covered by the plan) was \$28,018,224, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 70.72%.

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 \$656 per month, per employee. The County's liability is limited to \$125,000 per covered person per year (to \$300,000 for one claimant currently receiving special medical treatment) and an aggregate limit of \$4,264,814 per year under the present plan. The County has obtained stop loss insurance through a private insurance carrier for claims in excess of the above coverage. The County's third party administrator processes all the claims and bills the County weekly for processed claims that are within the coverage of the fund. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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

For the Year Ended	Beginning Balance	Claims and Changes In Estimates	Claims Payments	Ending Balance
September 30, 2012	\$ 421,734	\$ 3,576,864	\$ (3,803,070)	\$ 195,528
September 30, 2013	195,528	3,546,169	(3,595,987)	145,710
September 30, 2014	145,710	3,589,604	(3,296,850)	438,464

100% of claims and judgments are due within one year of September 30, 2014. 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, 2014

Note 11: Contingencies

Contingencies

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

Litigation

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

Note 12: Fund Balance

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

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

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

Nonspendable Fund Balance

At September 30, 2014, the nonspendable fund balance is composed of the following:

Prepaid items	\$ 23,245
---------------	-----------

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 12: Fund Balance (continued)

Restricted Fund Balance

At September 30, 2014, the restricted fund balance is composed of the following:

Debt service	\$ 1,517,693
Drug court programs	30,375
Preservation and restoration of County records	582,674
Continuing education of local law enforcement	14,669
Bail bond board	32,165
Victim assistance contributions	15,063
State criminal alien assistance program	40,559
Other purposes	322,733

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, 2014, the following amount of fund balance is committed by a formal action of the Commissioners' Court:

Capital replacement expenditures	\$ 3,000,000
----------------------------------	--------------

Assigned Fund Balance

Pursuant to the County's adopted fund balance policy in accordance with GASB 54, the Commissioners' Court has delegated the authority to assign fund balance for specific purposes to the County Auditor and County Judge when it has been determined to be appropriate for fund balance to be assigned. At September 30, 2014, the following amounts of fund balance have been assigned:

Other capital projects	\$ 7,679,758
Court security	36,377
Records management	172,232
Election administration	444,253
Technology	174,508
Forfeiture funds	1,909,374
Sheriff office commissary	247,383
Hot check funds	276,969
Other purposes	261,240

Order of Fund Balance Spending Policy

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

Minimum Fund Balance Policy

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 13: Joint Venture

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

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

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

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

Note 14: Other Postemployment Benefits

Plan Description

The County provides postretirement benefits for employees who meet certain eligibility requirements through a single employer defined benefit plan. A separate audit report for the benefit plan is not available. For the year ended September 30, 2014, 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 2014, the County paid claims of \$75,860 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 \$117,504 through their required contribution of \$714 per month for retiree-only coverage and \$877 for retiree and spouse coverage.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 14: Other Postemployment Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation

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

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

Annual required contribution	\$	355,292
Interest on net OPEB obligation		39,559
Adjustment to annual required contribution		<u>(61,878)</u>
Annual OPEB cost (expense)		332,973
Contributions made		<u>(64,038)</u>
Increase in net OPEB obligation		268,935
Net OPEB obligation - beginning of year		<u>988,975</u>
Net OPEB obligation - end of year	\$	<u><u>1,257,910</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

For the Year Ended	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2012	\$ 269,549	30.1 %	\$ 711,164
September 30, 2013	339,243	18.1	988,975
September 30, 2014	332,973	19.2	1,257,910

Funded Status and Funding Progress

The funded status of the plan, under GASB Statement No. 45 as of October 1, 2013 (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
2011	\$ -	\$ 2,400,350	\$ 2,400,350	0.0%	\$ 26,196,785	9.2%
2012	-	2,998,158	2,998,158	0.0%	27,005,912	11.1%
2013	-	2,998,158	2,998,158	0.0%	28,018,224	10.7%

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 14: Other Postemployment Benefits (continued)

Funded Status and Funding Progress (continued)

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

Actuarial Methods and Assumptions

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

In the October 1, 2013 actuarial valuation, the most recent actuarial valuation date, the following significant methods and assumptions were used:

Actuarial cost method	Entry age normal actuarial cost method
Amortization method	Level dollar, closed
Amortization period	26 years
Asset valuation method	N/A
Discount rate for valuing liabilities	4.0 %
Projected salary increases	N/A
Inflation rate	2.5 %
Health care cost trend rate	7.2 %
Ultimate health care cost trend rate	4.5 %
Year ultimate health care cost trend rate reached	2095

The projected future benefit payments are as follows:

<u>Year Ended September 30,</u>	<u>Payments</u>
2015	\$ 71,987
2016	85,888
2017	95,913
2018	116,818
2019	140,748
2020 to 2024	811,483
2025 to 2029	1,240,850
2030 to 2032	992,259

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2014

Note 15: Unearned Revenues and Deferred Inflows of Resources

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

Description	Fund	Deferred Amount
Insurance proceeds	General	\$ 33,921
County Attorney Seizures	General	33,317
		<u>\$ 67,238</u>

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

Description	Fund	Deferred Amount
Property taxes	General	\$ 727,817
Property taxes	Series 2012 Refunding Bond	37,797
Fines, fees and court costs	General	1,002,751
		<u>\$ 1,768,365</u>

Note 16: Upcoming Accounting Pronouncements

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

The County will fully analyze the impact of this new statement prior to the effective dates for the statements listed above.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

	2014			Variance from Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 41,203,800	\$ 41,203,800	\$ 41,151,736	\$ (52,064)
License and fees	4,439,300	4,439,300	4,482,267	42,967
Intergovernmental	1,681,100	2,024,318	1,990,751	(33,567)
Fines and forfeitures	1,196,500	1,196,500	1,216,979	20,479
Rents and recoveries	768,800	768,800	1,681,012	912,212
Investment earnings	50,000	50,000	58,356	8,356
Miscellaneous	51,000	60,400	69,751	9,351
Total revenues	49,390,500	49,743,118	50,650,852	907,734
EXPENDITURES				
General administrative				
Current:				
County judge				
Salaries and fringe benefits	201,797	201,797	167,367	34,430
Travel	4,000	4,000	1,117	2,883
Contract services	1,000	1,000	775	225
General operations	3,350	3,350	2,013	1,337
Equipment/vehicle maintenance	600	850	769	81
	<u>210,747</u>	<u>210,997</u>	<u>172,041</u>	<u>38,956</u>
County commissioners				
Salaries and fringe benefits	209,590	209,590	190,875	18,715
Travel	12,000	12,000	6,818	5,182
General operations	3,300	3,300	2,905	395
	<u>224,890</u>	<u>224,890</u>	<u>200,598</u>	<u>24,292</u>
Human resources				
Salaries and fringe benefits	239,942	239,942	230,723	9,219
Travel	3,650	4,650	2,559	2,091
General operations	6,100	4,995	3,167	1,828
Equipment/vehicle maintenance	3,500	3,605	3,605	-
	<u>253,192</u>	<u>253,192</u>	<u>240,054</u>	<u>13,138</u>
Information technology				
Salaries and fringe benefits	653,373	665,018	637,045	27,973
Travel	15,000	16,045	16,044	1
Contract services	183,933	200,098	198,599	1,499
General operations	135,375	288,176	288,164	12
Equipment/vehicle maintenance	1,300	1,300	1,177	123
	<u>988,981</u>	<u>1,170,637</u>	<u>1,141,029</u>	<u>29,608</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2014

Exhibit B-1
Page 2 of 11

	Original Budget	Final Budget	Actual	Variance from Final Budget
Information and records management				
Salaries and fringe benefits	\$ 397,583	\$ 397,583	\$ 395,950	\$ 1,633
Travel	4,200	4,200	3,290	910
Contract services	6,300	6,300	3,003	3,297
General operations	32,000	32,000	20,926	11,074
Equipment/vehicle maintenance	1,000	2,170	1,937	233
	<u>441,083</u>	<u>442,253</u>	<u>425,106</u>	<u>17,147</u>
General administrative				
Contract services	497,180	497,180	486,419	10,761
General operations	56,500	92,083	61,036	31,047
Equipment/vehicle maintenance	153,885	114,661	32,839	81,822
Miscellaneous	1,165,000	1,546,114	1,189,020	357,094
	<u>1,872,565</u>	<u>2,250,038</u>	<u>1,769,314</u>	<u>480,724</u>
County auditor				
Salaries and fringe benefits	483,106	483,106	456,829	26,277
Travel	10,000	10,000	10,000	-
Contract services	61,500	61,500	57,150	4,350
General operations	8,850	8,715	5,903	2,812
Equipment/vehicle maintenance	800	935	934	1
	<u>564,256</u>	<u>564,256</u>	<u>530,816</u>	<u>33,440</u>
County treasurer				
Salaries and fringe benefits	199,911	199,911	191,349	8,562
Travel	6,800	7,050	5,942	1,108
General operations	11,250	12,500	10,840	1,660
Equipment/vehicle maintenance	1,000	1,000	611	389
	<u>218,961</u>	<u>220,461</u>	<u>208,742</u>	<u>11,719</u>
Purchasing agent				
Salaries and fringe benefits	381,198	381,198	349,295	31,903
Travel	10,000	10,000	5,591	4,409
General operations	11,800	15,000	12,990	2,010
Equipment/vehicle maintenance	6,000	6,000	3,169	2,831
	<u>408,998</u>	<u>412,198</u>	<u>371,045</u>	<u>41,153</u>
Collections				
Salaries and fringe benefits	173,711	173,711	170,574	3,137
Travel	2,000	2,000	1,561	439
General operations	12,150	14,800	14,772	28
Equipment/vehicle maintenance	1,500	1,500	989	511
	<u>189,361</u>	<u>192,011</u>	<u>187,896</u>	<u>4,115</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance from Final Budget
Tax assessor/collector				
Salaries and fringe benefits	\$ 1,105,854	\$ 1,105,854	\$ 1,003,809	\$ 102,045
Travel	9,000	9,000	6,059	2,941
Contract services	21,000	21,000	16,906	4,094
General operations	99,100	99,100	78,885	20,215
Equipment/vehicle maintenance	4,200	4,200	3,675	525
	<u>1,239,154</u>	<u>1,239,154</u>	<u>1,109,334</u>	<u>129,820</u>
Total general administrative	<u>6,612,188</u>	<u>7,180,087</u>	<u>6,355,975</u>	<u>824,112</u>
Facilities maintenance				
Facilities maintenance department				
Salaries and fringe benefits	1,375,815	1,375,815	1,289,830	85,985
Travel	17,800	17,800	10,801	6,999
General operations	75,700	98,607	90,490	8,117
Equipment/vehicle maintenance	30,830	30,830	22,984	7,846
	<u>1,500,145</u>	<u>1,523,052</u>	<u>1,414,105</u>	<u>108,947</u>
Courthouse				
Building repair/maintenance	251,800	214,800	180,973	33,827
	<u>251,800</u>	<u>214,800</u>	<u>180,973</u>	<u>33,827</u>
Courts building				
General operations	2,650	2,650	-	2,650
Building repair/maintenance	333,455	282,254	236,397	45,857
	<u>336,105</u>	<u>284,904</u>	<u>236,397</u>	<u>48,507</u>
Library building				
Building repair/maintenance	11,100	11,100	8,203	2,897
	<u>11,100</u>	<u>11,100</u>	<u>8,203</u>	<u>2,897</u>
Extension service building				
Building repair/maintenance	22,950	22,950	20,484	2,466
	<u>22,950</u>	<u>22,950</u>	<u>20,484</u>	<u>2,466</u>
Santa Fe building				
Building repair/maintenance	425,139	529,929	474,401	55,528
	<u>425,139</u>	<u>529,929</u>	<u>474,401</u>	<u>55,528</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2014

Exhibit B-1
Page 4 of 11

	Original Budget	Final Budget	Actual	Variance from Final Budget
Baseball Stadium				
Building repair/maintenance	\$ 12,000	\$ 12,000	\$ 4,598	\$ 7,402
	<u>12,000</u>	<u>12,000</u>	<u>4,598</u>	<u>7,402</u>
JP#3 Office				
Building repair/maintenance	21,750	21,750	16,612	5,138
	<u>21,750</u>	<u>21,750</u>	<u>16,612</u>	<u>5,138</u>
Bowie Annex				
Building repair/maintenance	34,000	35,200	22,871	12,329
	<u>34,000</u>	<u>35,200</u>	<u>22,871</u>	<u>12,329</u>
Leased Building (Lessee)				
Building repair/maintenance	10,850	10,850	8,486	2,364
	<u>10,850</u>	<u>10,850</u>	<u>8,486</u>	<u>2,364</u>
Total facilities maintenance	<u>2,625,839</u>	<u>2,666,535</u>	<u>2,387,130</u>	<u>279,405</u>
Election administration				
Elections				
Salaries and fringe benefits	337,106	337,106	311,702	25,404
Travel	2,000	2,000	2,000	
Contract services	40,000	34,450	12,810	21,640
General operations	31,100	36,650	36,649	1
Equipment/vehicle maintenance	500	500	468	32
	<u>410,706</u>	<u>410,706</u>	<u>363,629</u>	<u>47,077</u>
Voter registration				
Travel	1,000	1,000	1,000	
General operations	38,000	38,000	20,138	17,862
	<u>39,000</u>	<u>39,000</u>	<u>21,138</u>	<u>17,862</u>
Total election administration	<u>449,706</u>	<u>449,706</u>	<u>384,767</u>	<u>64,939</u>
Judicial				
County clerk				
Salaries and fringe benefits	911,522	911,522	843,332	68,190
Travel	3,500	3,500	2,611	889
Contract services	100,000	100,000	-	100,000
General operations	52,800	52,800	26,940	25,860
Equipment/vehicle maintenance	15,000	15,000	5,079	9,921
	<u>1,082,822</u>	<u>1,082,822</u>	<u>877,962</u>	<u>204,860</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2014

Exhibit B-1
Page 5 of 11

	Original Budget	Final Budget	Actual	Variance from Final Budget
District clerk				
Salaries and fringe benefits	\$ 1,097,216	\$ 1,097,216	\$ 1,065,950	\$ 31,266
Travel	5,000	5,000	5,000	-
Contract services	1,000	1,310	1,305	5
General operations	73,000	72,690	56,040	16,650
Equipment/vehicle maintenance	17,500	17,500	5,413	12,087
Miscellaneous	4,125	4,125	3,482	643
	<u>1,197,841</u>	<u>1,197,841</u>	<u>1,137,190</u>	<u>60,651</u>
Court of appeals				
Salaries and fringe benefits	10,914	10,914	10,164	750
	<u>10,914</u>	<u>10,914</u>	<u>10,164</u>	<u>750</u>
Bail bond board				
Travel	1,500	1,500	919	581
General operations	550	550	33	517
	<u>2,050</u>	<u>2,050</u>	<u>952</u>	<u>1,098</u>
47th district court				
Salaries and fringe benefits	303,973	303,973	292,857	11,116
Travel	8,800	8,800	3,182	5,618
General operations	9,500	9,500	3,490	6,010
Equipment/vehicle maintenance	1,500	1,500	760	740
	<u>323,773</u>	<u>323,773</u>	<u>300,289</u>	<u>23,484</u>
108th district court				
Salaries and fringe benefits	310,083	310,083	293,478	16,605
Travel	11,750	11,750	4,810	6,940
General operations	7,930	9,680	6,552	3,128
Equipment/vehicle maintenance	1,400	1,400	1,155	245
	<u>331,163</u>	<u>332,913</u>	<u>305,995</u>	<u>26,918</u>
181st district court				
Salaries and fringe benefits	300,943	300,943	284,774	16,169
Travel	8,800	8,800	3,357	5,443
General operations	8,250	10,000	9,916	84
Equipment/vehicle maintenance	1,500	1,500	536	964
	<u>319,493</u>	<u>321,243</u>	<u>298,583</u>	<u>22,660</u>
251st district court				
Salaries and fringe benefits	300,943	300,943	295,157	5,786
Travel	8,800	8,800	1,562	7,238
General operations	7,500	10,150	7,954	2,196
Equipment/vehicle maintenance	1,500	1,500	606	894
	<u>318,743</u>	<u>321,393</u>	<u>305,279</u>	<u>16,114</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance from Final Budget
320th district court				
Salaries and fringe benefits	\$ 311,848	\$ 311,848	\$ 257,530	\$ 54,318
Travel	11,750	11,750	3,285	8,465
General operations	9,000	18,500	7,897	10,603
Equipment/vehicle maintenance	1,400	1,400	958	442
	<u>333,998</u>	<u>343,498</u>	<u>269,670</u>	<u>73,828</u>
Associate judge				
General operations	1,600	1,600	830	770
Equipment/vehicle maintenance	1,500	1,500	-	1,500
	<u>3,100</u>	<u>3,100</u>	<u>830</u>	<u>2,270</u>
County court at law #1				
Salaries and fringe benefits	524,942	524,942	517,939	7,003
Travel	8,150	8,150	4,458	3,692
General operations	5,200	11,450	5,202	6,248
Equipment/vehicle maintenance	400	600	544	56
	<u>538,692</u>	<u>545,142</u>	<u>528,143</u>	<u>16,999</u>
County court at law #2				
Salaries and fringe benefits	549,312	549,312	465,588	83,724
Travel	8,150	8,150	3,171	4,979
General operations	6,500	10,235	5,977	4,258
Equipment/vehicle maintenance	400	400	216	184
	<u>564,362</u>	<u>568,097</u>	<u>474,952</u>	<u>93,145</u>
Justice of the Peace, precinct #1				
Salaries and fringe benefits	239,994	239,994	229,935	10,059
Travel	3,500	3,500	605	2,895
General operations	11,750	11,750	10,732	1,018
Equipment/vehicle maintenance	1,700	1,700	1,656	44
	<u>256,944</u>	<u>256,944</u>	<u>242,928</u>	<u>14,016</u>
Justice of the Peace, precinct #2				
Salaries and fringe benefits	193,839	193,839	193,097	742
Travel	3,500	3,500	3,073	427
General operations	8,180	9,680	9,658	22
Equipment/vehicle maintenance	400	725	681	44
	<u>205,919</u>	<u>207,744</u>	<u>206,509</u>	<u>1,235</u>
Justice of the Peace, precinct #3				
Salaries and fringe benefits	244,370	244,370	227,532	16,838
Travel	3,500	3,500	2,288	1,212
General operations	11,750	11,750	11,368	382
Equipment/vehicle maintenance	2,100	2,100	1,982	118
	<u>261,720</u>	<u>261,720</u>	<u>243,170</u>	<u>18,550</u>

POTTER COUNTY, TEXAS
 General Fund
 Budgetary Comparison Schedule - continued
 For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance from Final Budget
Justice of the Peace, precinct #4				
Salaries and fringe benefits	\$ 193,839	\$ 193,839	\$ 185,366	\$ 8,473
Travel	3,500	3,500	2,125	1,375
General operations	8,180	8,180	7,134	1,046
Equipment/vehicle maintenance	400	1,300	1,189	111
	<u>205,919</u>	<u>206,819</u>	<u>195,814</u>	<u>11,005</u>
Jury and jury related				
Salaries and fringe benefits	185,421	185,421	173,007	12,414
Contract services	128,800	128,800	87,232	41,568
General operations	45,000	45,000	40,206	4,794
Equipment/vehicle maintenance	5,000	5,000	4,534	466
	<u>364,221</u>	<u>364,221</u>	<u>304,979</u>	<u>59,242</u>
County attorney				
Salaries and fringe benefits	2,031,182	2,031,182	1,994,024	37,158
Travel	30,000	31,100	16,984	14,116
Contract services	15,500	15,500	6,641	8,859
General operations	50,500	51,300	37,819	13,481
Equipment/vehicle maintenance	14,000	14,000	13,039	961
	<u>2,141,182</u>	<u>2,143,082</u>	<u>2,068,507</u>	<u>74,575</u>
District attorney				
Salaries and fringe benefits	2,800,588	2,800,588	2,746,264	54,324
Travel	25,000	26,772	24,873	1,899
Contract services	115,500	108,245	66,891	41,354
General operations	56,650	68,072	68,064	8
Equipment/vehicle maintenance	13,600	13,655	13,651	4
	<u>3,011,338</u>	<u>3,017,332</u>	<u>2,919,743</u>	<u>97,589</u>
General judicial				
Salaries and fringe benefits	28,894	28,894	11,853	17,041
Travel	3,000	3,000	-	3,000
Contract services	2,213,000	2,213,000	1,908,739	304,261
General operations	85,000	85,000	67,748	17,252
Miscellaneous	460,500	388,557	127,318	261,239
	<u>2,790,394</u>	<u>2,718,451</u>	<u>2,115,658</u>	<u>602,793</u>
Indigent defense				
Salaries and fringe benefits	52,170	52,170	52,024	146
	<u>52,170</u>	<u>52,170</u>	<u>52,024</u>	<u>146</u>
Total judicial	<u>14,316,758</u>	<u>14,281,269</u>	<u>12,859,341</u>	<u>1,421,928</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Public safety				
Forensic science lab				
Contract services	\$ 395,000	\$ 395,000	\$ 321,268	\$ 73,732
	<u>395,000</u>	<u>395,000</u>	<u>321,268</u>	<u>73,732</u>
Constable, precinct #1				
Salaries and fringe benefits	66,271	68,240	67,780	460
Travel	2,500	3,150	3,070	80
General operations	3,850	3,850	2,441	1,409
Equipment/vehicle maintenance	6,700	6,700	5,946	754
	<u>79,321</u>	<u>81,940</u>	<u>79,237</u>	<u>2,703</u>
Constable, precinct #2				
Salaries and fringe benefits	68,240	68,240	67,606	634
Travel	2,500	2,926	2,873	53
General operations	4,200	4,180	4,101	79
Equipment/vehicle maintenance	4,100	4,500	4,161	339
	<u>79,040</u>	<u>79,846</u>	<u>78,741</u>	<u>1,105</u>
Constable, precinct #3				
Salaries and fringe benefits	68,240	68,665	67,751	914
Travel	2,500	4,100	3,742	358
General operations	6,700	5,750	6,151	(401)
Equipment/vehicle maintenance	6,600	6,175	2,793	3,382
	<u>84,040</u>	<u>84,690</u>	<u>80,437</u>	<u>4,253</u>
Constable, precinct #4				
Salaries and fringe benefits	66,271	68,240	67,713	527
Travel	2,500	5,060	4,986	74
General operations	4,400	3,985	3,972	13
Equipment/vehicle maintenance	4,100	4,075	2,888	1,187
	<u>77,271</u>	<u>81,360</u>	<u>79,559</u>	<u>1,801</u>
Sheriff				
Salaries and fringe benefits	5,907,608	5,907,608	5,739,717	167,891
Travel	122,000	134,616	97,245	37,371
Contract services	13,000	14,100	14,011	89
General operations	135,800	168,155	147,114	21,041
Equipment/vehicle maintenance	370,300	370,500	304,298	66,202
	<u>6,548,708</u>	<u>6,594,979</u>	<u>6,302,385</u>	<u>292,594</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance from Final Budget
Special crimes unit				
General operations	\$ 750	\$ 750	\$ -	\$ 750
	<u>750</u>	<u>750</u>	<u>-</u>	<u>750</u>
Sheriff offices				
Building repairs/maintenance	54,000	54,500	45,322	9,178
	<u>54,000</u>	<u>54,500</u>	<u>45,322</u>	<u>9,178</u>
Public service				
Building repair/maintenance	4,500	4,500	-	4,500
Miscellaneous	569,616	569,616	494,516	75,100
	<u>574,116</u>	<u>574,116</u>	<u>494,516</u>	<u>79,600</u>
Fire / rescue department				
Salaries and fringe benefits	302,370	302,370	293,355	9,015
Travel	49,500	62,860	58,816	4,044
Contract services	2,000	2,000	-	2,000
General operations	115,100	280,860	147,771	133,089
Equipment/vehicle maintenance	213,500	220,981	218,412	2,569
Building repair/maintenance	56,500	61,245	61,225	20
	<u>738,970</u>	<u>930,316</u>	<u>779,579</u>	<u>150,737</u>
Total public safety	<u>8,631,216</u>	<u>8,877,497</u>	<u>8,261,044</u>	<u>616,453</u>
Corrections and rehabilitation				
Detention center				
Salaries and fringe benefits	8,292,035	8,292,035	7,994,681	297,354
Contract services	45,685	59,029	44,318	14,711
General operations	50,250	57,431	57,287	144
Prisoner care	986,800	1,054,573	1,054,434	139
Equipment/vehicle maintenance	35,000	35,000	24,811	10,189
Building repairs/maintenance	510,500	903,609	890,908	12,701
	<u>9,920,270</u>	<u>10,401,677</u>	<u>10,066,439</u>	<u>335,238</u>
Community supervision and corrections				
General operations	4,000	13,500	13,314	186
Equipment/vehicle maintenance	15,000	15,000	14,094	906
	<u>19,000</u>	<u>28,500</u>	<u>27,408</u>	<u>1,092</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance from Final Budget
Juvenile probation	\$ 3,406,947	\$ 3,406,947	\$ 3,404,333	\$ 2,614
	<u>3,406,947</u>	<u>3,406,947</u>	<u>3,404,333</u>	<u>2,614</u>
Total corrections and rehabilitation	<u>13,346,217</u>	<u>13,837,124</u>	<u>13,498,180</u>	<u>338,944</u>
Health and human services				
Mental health - community service				
Salaries and fringe benefits	58,546	58,546	58,356	190
Contract services	105,000	105,000	102,103	2,897
General operations	200	200	128	72
	<u>163,746</u>	<u>163,746</u>	<u>160,587</u>	<u>3,159</u>
County extension services				
Salaries and fringe benefits	186,595	186,595	180,125	6,470
Travel	10,500	11,500	10,505	995
General operations	12,550	11,550	7,151	4,399
Equipment/vehicle maintenance	18,500	18,500	13,964	4,536
Miscellaneous	2,200	2,200	1,559	641
	<u>230,345</u>	<u>230,345</u>	<u>213,304</u>	<u>17,041</u>
Welfare				
Salaries and fringe benefits	10,491	10,491	10,267	224
Contract services	43,000	42,850	42,100	750
General operations	1,600	1,750	1,713	37
Equipment/vehicle maintenance	400	400	304	96
	<u>55,491</u>	<u>55,491</u>	<u>54,384</u>	<u>1,107</u>
Family crime unit				
Salaries and fringe benefits	176,741	176,741	165,017	11,724
Travel	1,500	1,500	-	1,500
General operations	6,000	6,000	4,344	1,656
Equipment/vehicle maintenance	3,000	3,000	1,464	1,536
	<u>187,241</u>	<u>187,241</u>	<u>170,825</u>	<u>16,416</u>
Victim assistance - VOCA				
Salaries and fringe benefits	125,237	125,237	124,877	360
Travel	2,500	2,500	2,027	473
	<u>127,737</u>	<u>127,737</u>	<u>126,904</u>	<u>833</u>
Victim assistance - VCLG				
Salaries and fringe benefits	61,262	61,262	60,863	399
Travel	1,500	1,500	1,188.00	312
	<u>62,762</u>	<u>62,762</u>	<u>62,051</u>	<u>711</u>
Total health and human services	<u>827,322</u>	<u>827,322</u>	<u>788,055</u>	<u>39,267</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Road and bridge expenditures				
Salaries and fringe benefits	\$ 1,241,128	\$ 1,241,128	\$ 1,140,257	\$ 100,871
Travel	10,000	10,000	4,700	5,300
Contract services	2,500	2,500	-	2,500
General operations	695,150	709,945	541,971	167,974
Equipment/vehicle maintenance	308,500	311,900	234,525	77,375
Building repairs/maintenance	64,365	64,365	52,148	12,217
Total road and bridge expenditures	<u>2,321,643</u>	<u>2,339,838</u>	<u>1,973,601</u>	<u>366,237</u>
Capital outlay	724,610	1,252,027	633,881	618,146
Total expenditures	<u>49,855,499</u>	<u>51,711,405</u>	<u>47,141,974</u>	<u>4,569,431</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 (464,999)	 (1,968,287)	 3,508,878	 5,477,165
 OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>(3,329,331)</u>	<u>(3,329,331)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(3,329,331)</u>	<u>(3,329,331)</u>
 NET CHANGE IN FUND BALANCE	 (464,999)	 (1,968,287)	 179,547	 2,147,834
 FUND BALANCE AT BEGINNING OF YEAR	 <u>17,601,834</u>	 <u>17,601,834</u>	 <u>17,601,834</u>	 <u>-</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 17,136,835</u>	 <u>\$ 15,633,547</u>	 <u>\$ 17,781,381</u>	 <u>\$ 2,147,834</u>

POTTER COUNTY, TEXAS
 Required Supplementary Information
 Schedule of Funding Progress, Texas County and District Retirement System
 For the Year Ended September 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2009	\$ 71,195,120	\$ 83,750,275	\$ 12,555,155	85.01%	\$ 25,394,759	49.44%
12/31/2010	76,473,392	91,329,884	14,856,492	83.73%	25,492,185	58.28%
12/31/2011	80,747,081	98,557,811	17,810,730	81.93%	26,196,785	67.99%
12/31/2012	85,442,914	105,825,344	20,382,430	80.74%	27,005,912	75.47%
12/31/2013	89,130,035	108,943,306	19,813,271	81.81%	28,018,224	70.72%

POTTER COUNTY, TEXAS
 Required Supplementary Information
 Schedule of Funding Progress, Other Postretirement Benefits (1)
 For the Year Ended September 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2008	\$ -	\$ 2,303,355	\$ 2,303,355	0.00%	\$ 21,128,711	10.90%
10/1/2010	-	2,400,350	2,400,350	0.00%	25,492,185	9.42%
10/1/2012	-	2,998,158	2,998,158	0.00%	27,005,912	11.10%
10/1/2013	-	2,998,158	2,998,158	0.00%	28,018,224	10.70%

(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, 2014

BUDGETARY INFORMATION

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

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

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

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

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

Department	Category	Amount
Constable, precinct #3	General operations	\$ 401

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, 2014

Exhibit C-1

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Funds
ASSETS				
Pooled cash and cash equivalents	\$ 3,029,922	\$ 1,502,661	\$ -	\$ 4,532,583
Investments	866,242			866,242
Accounts receivable				
Taxes		43,414		43,414
Other	35,021	9,415		44,436
Total assets	\$ 3,931,185	\$ 1,555,490	\$ -	\$ 5,486,675
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$ 25,570	\$ -	\$ -	\$ 25,570
Due to other funds	846			846
Total liabilities	26,416	-	-	26,416
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes		37,797		37,797
Total deferred inflows of resources	-	37,797	-	37,797
Fund balances				
Restricted fund balances:				
Restricted for records management	297,921			297,921
Restricted for other purposes	84,512			84,512
Restricted for debt service		1,517,693		1,517,693
Assigned:				
Capital project funds assigned for specific purposes				-
Special revenue funds	3,522,336			3,522,336
Unassigned				-
Total fund balance	3,904,769	1,517,693	-	5,422,462
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,931,185	\$ 1,555,490	\$ -	\$ 5,486,675

POTTER COUNTY, TEXAS

Exhibit C-2

Nonmajor Governmental Funds

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

For the Year Ended September 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Funds
REVENUES				
Taxes	\$	\$ 2,097,286	\$	\$ 2,097,286
License and fees	796,229			796,229
Intergovernmental	126,152			126,152
Charges for services	8,088			8,088
Investment earnings	5,694	3,912	521	10,127
Miscellaneous	402,347			402,347
Total revenues	<u>1,338,510</u>	<u>2,101,198</u>	<u>521</u>	<u>3,440,229</u>
EXPENDITURES				
Current:				
General administrative	108,792	500		109,292
Election administration	3,334			3,334
Judicial	1,022,398			1,022,398
Public safety	56,496			56,496
Corrections and rehabilitation	129,660			129,660
Debt service				
Principal		1,705,000		1,705,000
Interest and fiscal charges		161,525		161,525
Capital outlay	297,917			297,917
Total expenditures	<u>1,618,597</u>	<u>1,867,025</u>	<u>-</u>	<u>3,485,622</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(280,087)	234,173	521	(45,393)
OTHER FINANCING SOURCES				
Transfers in	665,216	1,211,082		1,876,298
Transfers out	(35,885)	(1,211,082)	(674,258)	(1,921,225)
Total other financing sources (uses)	<u>629,331</u>	<u>-</u>	<u>(674,258)</u>	<u>(44,927)</u>
NET CHANGE IN FUND BALANCES	349,244	234,173	(673,737)	(90,320)
FUND BALANCES AT BEGINNING OF YEAR	<u>3,555,525</u>	<u>1,283,520</u>	<u>673,737</u>	<u>5,512,782</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,904,769</u>	<u>\$ 1,517,693</u>	<u>\$ -</u>	<u>\$ 5,422,462</u>

SPECIAL REVENUE FUNDS

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2014

	210 Vehicle Inventory <u>Tax Interest</u>	215 Law Library	220 Courthouse Security	221 Justice Courts Building Security
ASSETS				
Pooled cash and cash equivalents	\$	\$ 14,225	\$ 2,630	\$ 32,001
Investments	175,230			
Accounts receivable (net)				
Other	<u> </u>	<u>8,081</u>	<u>4,557</u>	<u>341</u>
Total assets	<u>\$ 175,230</u>	<u>\$ 22,306</u>	<u>\$ 7,187</u>	<u>\$ 32,342</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$ 12,894	\$ 29	\$ 2,148
Due to other funds	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	-	12,894	29	2,148
Fund balance				
Restricted				975
Assigned	<u>175,230</u>	<u>9,412</u>	<u>7,158</u>	<u>29,219</u>
Total fund balance	<u>175,230</u>	<u>9,412</u>	<u>7,158</u>	<u>30,194</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 175,230</u>	<u>\$ 22,306</u>	<u>\$ 7,187</u>	<u>\$ 32,342</u>

225 Graffiti Eradication	226 Child Abuse Prevention	235 County Clerk Records Management	236 Election	237 Voter Registration	240 Court Records Management	245 District Clerk Records Management	250 Justice Court Technology
\$ 1,713	\$ 14,421	\$ 165,728	\$ 444,120	\$ 26,374	\$ 61,453	\$ 227,549	\$ 188,461
<u>9</u>	<u>198</u>	<u>10,076</u>	<u>133</u>		<u>4,263</u>	<u>4,093</u>	<u>1,468</u>
<u>\$ 1,722</u>	<u>\$ 14,619</u>	<u>\$ 175,804</u>	<u>\$ 444,253</u>	<u>\$ 26,374</u>	<u>\$ 65,716</u>	<u>\$ 231,642</u>	<u>\$ 189,929</u>
\$	\$	\$	\$	\$ 1,575	\$ 3,009	\$	\$ 154
-	-	-	-	1,575	3,009	-	154
<u>1,722</u>	<u>14,619</u>	<u>175,804</u>	<u>444,253</u>	<u>24,799</u>	<u>28,917</u> <u>33,790</u>	<u>93,200</u> <u>138,442</u>	<u>27,137</u> <u>162,638</u>
<u>1,722</u>	<u>14,619</u>	<u>175,804</u>	<u>444,253</u>	<u>24,799</u>	<u>62,707</u>	<u>231,642</u>	<u>189,775</u>
<u>\$ 1,722</u>	<u>\$ 14,619</u>	<u>\$ 175,804</u>	<u>\$ 444,253</u>	<u>\$ 26,374</u>	<u>\$ 65,716</u>	<u>\$ 231,642</u>	<u>\$ 189,929</u>

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2014

	<u>251</u>	<u>255</u>	<u>256</u>	<u>260</u>
	County Clerk / District Clerk Technology	County Attorney Hot Check	County Attorney Forfeiture	District Attorney Hot Check
ASSETS				
Pooled cash and cash equivalents	\$ 22,944	\$ 147,297	\$ 253,766	\$ 129,341
Investments				
Accounts receivable (net)				
Other	<u>386</u>	<u> </u>	<u> </u>	<u>562</u>
Total assets	<u>\$ 23,330</u>	<u>\$ 147,297</u>	<u>\$ 253,766</u>	<u>\$ 129,903</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$	\$ 1,658	\$ 171
Due to other funds	<u> </u>	<u>32</u>	<u>786</u>	<u>28</u>
Total liabilities	-	32	2,444	199
 Fund balance				
Restricted	11,460			
Assigned	<u>11,870</u>	<u>147,265</u>	<u>251,322</u>	<u>129,704</u>
Total fund balance	<u>23,330</u>	<u>147,265</u>	<u>251,322</u>	<u>129,704</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 23,330</u>	<u>\$ 147,297</u>	<u>\$ 253,766</u>	<u>\$ 129,903</u>

261 District Attorney Payroll	262 DA Forfeiture Release	265 District Attorney Crime Victim	266 DA Federal Forfeiture	271 Sheriff Federal Forfeiture	272 Law Enforcement Grants	273 Sheriff Office Forfeiture
\$ 4,350	\$ 549,445 691,012	\$ 30,527	\$ 2	\$ 400,997	\$ 46,070	\$ 19,125
<u>581</u>				<u>273</u>		
<u>\$ 4,931</u>	<u>\$ 1,240,457</u>	<u>\$ 30,527</u>	<u>\$ 2</u>	<u>\$ 401,270</u>	<u>\$ 46,070</u>	<u>\$ 19,125</u>
\$	\$ 507	\$	\$	\$ 2,295	\$ 1,130	\$
-	507	-	-	2,295	1,130	-
<u>4,931</u>	<u>1,239,950</u>	<u>30,527</u>	<u>2</u>	<u>398,975</u>	<u>44,940</u>	<u>19,125</u>
<u>4,931</u>	<u>1,239,950</u>	<u>30,527</u>	<u>2</u>	<u>398,975</u>	<u>44,940</u>	<u>19,125</u>
<u>\$ 4,931</u>	<u>\$ 1,240,457</u>	<u>\$ 30,527</u>	<u>\$ 2</u>	<u>\$ 401,270</u>	<u>\$ 46,070</u>	<u>\$ 19,125</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2014

Exhibit C-3
Page 3 of 3

	<u>274 Sheriff Office Commissary</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS		
Pooled cash and cash equivalents	\$ 247,383	\$ 3,029,922
Investments		866,242
Accounts receivable (net)		
Other		35,021
	<u> </u>	<u> </u>
Total assets	<u>\$ 247,383</u>	<u>\$ 3,931,185</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and other current liabilities	\$	\$ 25,570
Due to other funds		846
	<u> </u>	<u> </u>
Total liabilities	-	26,416
 Fund balance		
Restricted		382,433
Assigned	247,383	3,522,336
	<u> </u>	<u> </u>
Total fund balance	<u>247,383</u>	<u>3,904,769</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 247,383</u>	 <u>\$ 3,931,185</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2014

	210 Vehicle Inventory Tax Interest	215 Law Library	220 Courthouse Security	221 Justice Court Building Security
REVENUES				
Licenses and fees	\$	\$ 93,625	\$ 57,429	\$ 4,483
Intergovernmental				
Charges for services		2,323		
Investment earnings	59		667	
Miscellaneous				
Total revenues	<u>59</u>	<u>95,948</u>	<u>58,096</u>	<u>4,483</u>
Expenditures:				
Current:				
General administrative				
Election administration				
Judicial		159,014	462,932	3,956
Public safety				
Corrections				
Capital outlay				
Total expenditures		<u>159,014</u>	<u>462,932</u>	<u>3,956</u>
EXCESS (DEFICIT) OF				
REVENUES OVER EXPENDITURES	<u>59</u>	<u>(63,066)</u>	<u>(404,836)</u>	<u>527</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		75,000	375,000	
Transfers out				
Total other financing sources (uses)	<u>-</u>	<u>75,000</u>	<u>375,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	59	11,934	(29,836)	527
FUND BALANCES AT				
BEGINNING OF YEAR	<u>175,171</u>	<u>(2,522)</u>	<u>36,994</u>	<u>29,667</u>
FUND BALANCES AT END OF YEAR	<u>\$ 175,230</u>	<u>\$ 9,412</u>	<u>\$ 7,158</u>	<u>\$ 30,194</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
\$ 191	\$ 2,135	\$ 109,620	\$ 4,324	\$ 1,834	\$ 60,011	\$ 47,983	\$ 18,980
		334	815	73		504	
		17,670					
<u>191</u>	<u>2,135</u>	<u>127,624</u>	<u>5,139</u>	<u>1,907</u>	<u>60,011</u>	<u>48,487</u>	<u>18,980</u>
			61,901		46,891		
		45,080		3,334			3,713
		12,472	15,390	31,785			
<u>-</u>	<u>-</u>	<u>57,552</u>	<u>77,291</u>	<u>35,119</u>	<u>46,891</u>	<u>-</u>	<u>3,713</u>
<u>191</u>	<u>2,135</u>	<u>70,072</u>	<u>(72,152)</u>	<u>(33,212)</u>	<u>13,120</u>	<u>48,487</u>	<u>15,267</u>
			179,331	35,885			
			(35,885)				
<u>-</u>	<u>-</u>	<u>-</u>	<u>143,446</u>	<u>35,885</u>	<u>-</u>	<u>-</u>	<u>-</u>
191	2,135	70,072	71,294	2,673	13,120	48,487	15,267
<u>1,531</u>	<u>12,484</u>	<u>105,732</u>	<u>372,959</u>	<u>22,126</u>	<u>49,587</u>	<u>183,155</u>	<u>174,508</u>
<u>\$ 1,722</u>	<u>\$ 14,619</u>	<u>\$ 175,804</u>	<u>\$ 444,253</u>	<u>\$ 24,799</u>	<u>\$ 62,707</u>	<u>\$ 231,642</u>	<u>\$ 189,775</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2014

	251 County Clerk / District Clerk <u>Technology</u>	255 County Attorney <u>Hot Check</u>	256 County Attorney <u>Forfeiture</u>	260 District Attorney <u>Hot Check</u>
REVENUES				
Licenses and fees	\$	\$ 57,294	\$	\$ 1,898
Intergovernmental				
Charges for services	5,765			
Investment earnings				
Miscellaneous			176,838	
Total revenues	<u>5,765</u>	<u>57,294</u>	<u>176,838</u>	<u>1,898</u>
Expenditures:				
Current:				
General administrative				
Election administration				
Judicial		40,377	228,240	2,969
Public safety				
Corrections				
Capital outlay			7,200	
Total expenditures	<u>-</u>	<u>40,377</u>	<u>235,440</u>	<u>2,969</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>5,765</u>	<u>16,917</u>	<u>(58,602)</u>	<u>(1,071)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	5,765	16,917	(58,602)	(1,071)
FUND BALANCES AT BEGINNING OF YEAR	<u>17,565</u>	<u>130,348</u>	<u>309,924</u>	<u>130,775</u>
FUND BALANCES AT END OF YEAR	<u>\$ 23,330</u>	<u>\$ 147,265</u>	<u>\$ 251,322</u>	<u>\$ 129,704</u>

<u>261</u> <u>District</u> <u>Attorney</u> <u>Payroll</u>	<u>262</u> <u>DA</u> <u>Forfeiture</u> <u>Release</u>	<u>265</u> <u>District</u> <u>Attorney</u> <u>Crime Victim</u>	<u>266</u> <u>DA</u> <u>Federal</u> <u>Forfeiture</u>	<u>271</u> <u>Sheriff</u> <u>Federal</u> <u>Forfeiture</u>	<u>272</u> <u>Law</u> <u>Enforcement</u> <u>Grants</u>	<u>273</u> <u>Sheriff</u> <u>Office</u> <u>Forfeiture</u>
\$ 22,501	\$	\$	\$	\$	\$ 101,817	\$
	1,566	15		788	52	14
	<u>79,683</u>	<u>2,074</u>		<u>125,862</u>		
<u>22,501</u>	<u>81,249</u>	<u>2,089</u>	<u>-</u>	<u>126,650</u>	<u>101,869</u>	<u>14</u>
23,174	52,818	125		11,901	40,494	4,101
				<u>13,938</u>	<u>16,560</u>	
<u>23,174</u>	<u>52,818</u>	<u>125</u>	<u>-</u>	<u>25,839</u>	<u>57,054</u>	<u>4,101</u>
<u>(673)</u>	<u>28,431</u>	<u>1,964</u>	<u>-</u>	<u>100,811</u>	<u>44,815</u>	<u>(4,087)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(673)</u>	<u>28,431</u>	<u>1,964</u>	<u>-</u>	<u>100,811</u>	<u>44,815</u>	<u>(4,087)</u>
<u>5,604</u>	<u>1,211,519</u>	<u>28,563</u>	<u>2</u>	<u>298,164</u>	<u>125</u>	<u>23,212</u>
<u>\$ 4,931</u>	<u>\$ 1,239,950</u>	<u>\$ 30,527</u>	<u>\$ 2</u>	<u>\$ 398,975</u>	<u>\$ 44,940</u>	<u>\$ 19,125</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2014

Exhibit C-4
Page 3 of 3

	274 Sheriff Office Commissary	Total Nonmajor Special Revenue Funds
REVENUES		
Licenses and fees	\$ 338,256	\$ 796,229
Intergovernmental		126,152
Charges for services		8,088
Investment earnings	807	5,694
Miscellaneous	220	402,347
	<u>339,283</u>	<u>1,338,510</u>
Total revenues		
Expenditures:		
Current:		
General administrative		108,792
Election administration		3,334
Judicial		1,022,398
Public safety		56,496
Corrections	129,660	129,660
Capital outlay	200,572	297,917
	<u>330,232</u>	<u>1,618,597</u>
Total expenditures		
EXCESS (DEFICIT) OF		
REVENUES OVER EXPENDITURES	<u>9,051</u>	<u>(280,087)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in		665,216
Transfers out		(35,885)
	<u>-</u>	<u>629,331</u>
Total other financing sources (uses)		
NET CHANGE IN FUND BALANCE	9,051	349,244
FUND BALANCES AT		
BEGINNING OF YEAR	<u>238,332</u>	<u>3,555,525</u>
FUND BALANCES AT END OF YEAR	<u>\$ 247,383</u>	<u>\$ 3,904,769</u>

POTTER COUNTY, TEXAS
Vehicle Inventory Tax Interest Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

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	\$ 300	\$ 300	\$ 59	\$ (241)
Total revenues	<u>300</u>	<u>300</u>	<u>59</u>	<u>(241)</u>
EXPENDITURES				
Current				
General administrative				
General operations	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(700)</u>	<u>(700)</u>	<u>59</u>	<u>759</u>
NET CHANGE IN FUND BALANCE	(700)	(700)	59	759
FUND BALANCE AT BEGINNING OF YEAR	<u>175,171</u>	<u>175,171</u>	<u>175,171</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 174,471</u>	<u>\$ 174,471</u>	<u>\$ 175,230</u>	<u>\$ 759</u>

POTTER COUNTY, TEXAS
Law Library Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

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	\$ 79,500	\$ 79,500	\$ 93,625	\$ 14,125
Charges for services	<u>2,400</u>	<u>2,400</u>	<u>2,323</u>	<u>(77)</u>
Total revenues	<u>81,900</u>	<u>81,900</u>	<u>95,948</u>	<u>14,048</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	41,797	41,797	41,163	634
Travel	500	500	-	500
General operations	<u>120,000</u>	<u>120,000</u>	<u>117,851</u>	<u>2,149</u>
Total expenditures	<u>162,297</u>	<u>162,297</u>	<u>159,014</u>	<u>3,283</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(80,397)	(80,397)	(63,066)	17,331
OTHER FINANCING SOURCES				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>75,000</u>	<u>25,000</u>
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>75,000</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCE	(30,397)	(30,397)	11,934	42,331
FUND BALANCE AT BEGINNING OF YEAR	<u>(2,522)</u>	<u>(2,522)</u>	<u>(2,522)</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (32,919)</u>	<u>\$ (32,919)</u>	<u>\$ 9,412</u>	<u>\$ 42,331</u>

POTTER COUNTY, TEXAS
Courthouse Security Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-7

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 60,600	\$ 60,600	\$ 57,429	\$ (3,171)
Investment earnings	600	600	667	67
Total revenue	<u>61,200</u>	<u>61,200</u>	<u>58,096</u>	<u>(3,104)</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	459,028	461,028	460,970	58
General operations	5,000	5,000	1,962	3,038
Building repairs and maintenance	2,000	2,000	-	2,000
Capital outlay	6,000	4,000	-	4,000
Total expenditures	<u>472,028</u>	<u>472,028</u>	<u>462,932</u>	<u>9,096</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(410,828)	(410,828)	(404,836)	5,992
OTHER FINANCING SOURCES				
Transfers in	320,000	320,000	375,000	55,000
Total other financing sources	<u>320,000</u>	<u>320,000</u>	<u>375,000</u>	<u>55,000</u>
NET CHANGE IN FUND BALANCE	(90,828)	(90,828)	(29,836)	60,992
FUND BALANCE AT BEGINNING OF YEAR	<u>36,994</u>	<u>36,994</u>	<u>36,994</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (53,834)</u>	<u>\$ (53,834)</u>	<u>\$ 7,158</u>	<u>\$ 60,992</u>

POTTER COUNTY, TEXAS
 Justice Court Building Security Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2014

Exhibit C-8

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 4,800	\$ 4,800	\$ 4,483	\$ (317)
Total revenues	<u>4,800</u>	<u>4,800</u>	<u>4,483</u>	<u>(317)</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	1,328	1,328	-	1,328
General operations	3,000	3,000	-	3,000
Building repairs and maintenance	3,000	4,300	3,956	344
Capital outlay	<u>8,000</u>	<u>6,700</u>	<u>-</u>	<u>6,700</u>
Total expenditures	<u>15,328</u>	<u>15,328</u>	<u>3,956</u>	<u>11,372</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,528)</u>	<u>(10,528)</u>	<u>527</u>	<u>11,055</u>
NET CHANGE IN FUND BALANCE	(10,528)	(10,528)	527	11,055
FUND BALANCE AT BEGINNING OF YEAR	<u>29,667</u>	<u>29,667</u>	<u>29,667</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 19,139</u>	<u>\$ 19,139</u>	<u>\$ 30,194</u>	<u>\$ 11,055</u>

POTTER COUNTY, TEXAS
Graffiti Eradication Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-9

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Graffiti eradication fee	\$ 400	\$ 400	\$ 191	\$ (209)
Total revenues	<u>400</u>	<u>400</u>	<u>191</u>	<u>(209)</u>
EXPENDITURES				
Current:				
General administrative				
General operations	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(100)</u>	<u>(100)</u>	<u>191</u>	<u>291</u>
NET CHANGE IN FUND BALANCE	(100)	(100)	191	291
FUND BALANCE AT BEGINNING OF YEAR	<u>1,531</u>	<u>1,531</u>	<u>1,531</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,431</u>	<u>\$ 1,431</u>	<u>\$ 1,722</u>	<u>\$ 291</u>

POTTER COUNTY, TEXAS
Child Abuse Prevention Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-10

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Child abuse prevention fee	\$ 2,500	\$ 2,500	\$ 2,135	\$ (365)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>2,135</u>	<u>(365)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,500</u>	<u>2,500</u>	<u>2,135</u>	<u>(365)</u>
NET CHANGE IN FUND BALANCE	2,500	2,500	2,135	(365)
FUND BALANCE AT BEGINNING OF YEAR	<u>12,484</u>	<u>12,484</u>	<u>12,484</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 14,984</u>	<u>\$ 14,984</u>	<u>\$ 14,619</u>	<u>\$ (365)</u>

POTTER COUNTY, TEXAS
 County Clerk Records Management Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2014

Exhibit C-11

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 120,900	\$ 120,900	\$ 109,620	\$ (11,280)
Investment earnings	100	100	334	234
Miscellaneous	<u>15,000</u>	<u>15,000</u>	<u>17,670</u>	<u>2,670</u>
Total revenues	<u>136,000</u>	<u>136,000</u>	<u>127,624</u>	<u>(8,376)</u>
EXPENDITURES				
Current:				
Judicial				
Travel	2,000	2,000	369	1,631
Contract services	50,000	50,000	41,679	8,321
General operations	10,000	10,000	201	9,799
Equipment/vehicle maintenance	4,500	4,500	2,831	1,669
Capital outlay	<u>35,000</u>	<u>35,000</u>	<u>12,472</u>	<u>22,528</u>
Total expenditures	<u>101,500</u>	<u>101,500</u>	<u>57,552</u>	<u>43,948</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>34,500</u>	<u>34,500</u>	<u>70,072</u>	<u>35,572</u>
NET CHANGE IN FUND BALANCE	34,500	34,500	70,072	35,572
FUND BALANCE AT BEGINNING OF YEAR	<u>105,732</u>	<u>105,732</u>	<u>105,732</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 140,232</u>	<u>\$ 140,232</u>	<u>\$ 175,804</u>	<u>\$ 35,572</u>

POTTER COUNTY, TEXAS
Election Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-12

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 6,200	\$ 6,200	\$ 4,324	\$ (1,876)
Investment earnings	900	900	815	(85)
Total revenues	<u>7,100</u>	<u>7,100</u>	<u>5,139</u>	<u>(1,961)</u>
EXPENDITURES				
Current:				
Election administration				
Travel	5,000	5,000	2,334	2,666
Contract services	40,000	40,000	39,517	483
General operations	28,245	28,245	20,050	8,195
Equipment/vehicle maintenance	25,000	19,115	-	19,115
Building repairs and maintenance	5,000	5,000	-	5,000
Capital outlay	70,000	40,000	15,390	24,610
Total expenditures	<u>173,245</u>	<u>137,360</u>	<u>77,291</u>	<u>60,069</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(166,145)	(130,260)	(72,152)	58,108
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	179,331	179,331
Transfers out	-	-	(35,885)	(35,885)
Total other financing sources	<u>-</u>	<u>-</u>	<u>143,446</u>	<u>143,446</u>
NET CHANGE IN FUND BALANCE	(166,145)	(130,260)	71,294	201,554
FUND BALANCE AT BEGINNING OF YEAR	<u>372,959</u>	<u>372,959</u>	<u>372,959</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 206,814</u>	<u>\$ 242,699</u>	<u>\$ 444,253</u>	<u>\$ 201,554</u>

POTTER COUNTY, TEXAS
Voter Registration Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-13

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,834	\$ 1,834
Investment earnings	50	50	73	23
Total revenues	<u>50</u>	<u>50</u>	<u>1,907</u>	<u>1,857</u>
EXPENDITURES				
Current:				
Election administration				
Travel	6,000	6,000	1,575	4,425
General operations	3,000	7,100	1,759	5,341
Miscellaneous	1,000	1,000	-	1,000
Capital outlay	-	31,785	31,785	-
Total expenditures	<u>10,000</u>	<u>45,885</u>	<u>35,119</u>	<u>10,766</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,950)	(45,835)	(33,212)	12,623
OTHER FINANCING SOURCES				
Transfers in	-	-	35,885	35,885
Total other financing sources	<u>-</u>	<u>-</u>	<u>35,885</u>	<u>35,885</u>
NET CHANGE IN FUND BALANCE	(9,950)	(45,835)	2,673	48,508
FUND BALANCE AT BEGINNING OF YEAR	<u>22,126</u>	<u>22,126</u>	<u>22,126</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 12,176</u>	<u>\$ (23,709)</u>	<u>\$ 24,799</u>	<u>\$ 48,508</u>

POTTER COUNTY, TEXAS
Court Records Management Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-14

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
License and fees	\$ 63,400	\$ 63,400	\$ 60,011	\$ (3,389)
Total revenues	<u>63,400</u>	<u>63,400</u>	<u>60,011</u>	<u>(3,389)</u>
EXPENDITURES				
Current:				
General administrative				
Salaries and fringe benefits	44,109	44,109	43,882	227
Travel	2,000	2,000	-	2,000
General operations	-	9,000	3,009	5,991
Capital outlay	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>55,109</u>	<u>55,109</u>	<u>46,891</u>	<u>8,218</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,291</u>	<u>8,291</u>	<u>13,120</u>	<u>4,829</u>
NET CHANGE IN FUND BALANCE	8,291	8,291	13,120	4,829
FUND BALANCE AT BEGINNING OF YEAR	<u>49,587</u>	<u>49,587</u>	<u>49,587</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 57,878</u>	<u>\$ 57,878</u>	<u>\$ 62,707</u>	<u>\$ 4,829</u>

POTTER COUNTY, TEXAS
 District Clerk Records Management Fund
 Budgetary Comparison Fund
 For the Year Ended September 30, 2014

Exhibit C-15

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
License and fees	\$ 45,100	\$ 45,100	\$ 47,983	\$ 2,883
Investment earnings	400	400	504	104
Total revenues	<u>45,500</u>	<u>45,500</u>	<u>48,487</u>	<u>2,987</u>
EXPENDITURES				
Current:				
Judicial				
Travel	2,000	2,000	-	2,000
General operations	4,000	4,000	-	4,000
Capital outlay	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Total expenditures	<u>13,000</u>	<u>13,000</u>	<u>-</u>	<u>13,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENCITURES	<u>32,500</u>	<u>32,500</u>	<u>48,487</u>	<u>15,987</u>
NET CHANGE IN FUND BALANCE	32,500	32,500	48,487	15,987
FUND BALANCE AT BEGINNING OF YEAR	<u>183,155</u>	<u>183,155</u>	<u>183,155</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 215,655</u>	<u>\$ 215,655</u>	<u>\$ 231,642</u>	<u>\$ 15,987</u>

POTTER COUNTY, TEXAS
 Justice Court Technology Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2014

Exhibit C-16

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 19,900	\$ 19,900	\$ 18,980	\$ (920)
Total revenues	<u>19,900</u>	<u>19,900</u>	<u>18,980</u>	<u>(920)</u>
EXPENDITURES				
Current:				
Judicial				
General operations	30,000	30,000	1,259	28,741
Equipment/vehicle maintenance	2,000	2,000	-	2,000
Building repairs/maintenance	10,000	10,000	-	10,000
Travel	<u>10,000</u>	<u>10,000</u>	<u>2,454</u>	<u>7,546</u>
Total expenditures	<u>52,000</u>	<u>52,000</u>	<u>3,713</u>	<u>48,287</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(32,100)</u>	<u>(32,100)</u>	<u>15,267</u>	<u>47,367</u>
NET CHANGE IN FUND BALANCE	(32,100)	(32,100)	15,267	47,367
FUND BALANCE AT BEGINNING OF YEAR	<u>174,508</u>	<u>174,508</u>	<u>174,508</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 142,408</u>	<u>\$ 142,408</u>	<u>\$ 189,775</u>	<u>\$ 47,367</u>

POTTER COUNTY, TEXAS
 County Clerk / District Clerk Technology Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2014

Exhibit C-17

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 5,700	\$ 5,700	\$ 5,765	\$ 65
Total revenues	<u>5,700</u>	<u>5,700</u>	<u>5,765</u>	<u>65</u>
EXPENDITURES				
Current:				
Judicial				
General operations	4,000	4,000	-	4,000
Contract services	2,000	2,000	-	2,000
Building repairs/maintenance	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,300)</u>	<u>(2,300)</u>	<u>5,765</u>	<u>8,065</u>
NET CHANGE IN FUND BALANCE	(2,300)	(2,300)	5,765	8,065
FUND BALANCE AT BEGINNING OF YEAR	<u>17,565</u>	<u>17,565</u>	<u>17,565</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 15,265</u>	<u>\$ 15,265</u>	<u>\$ 23,330</u>	<u>\$ 8,065</u>

POTTER COUNTY, TEXAS
 County Attorney Hot Check Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2014

Exhibit C-18

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 82,000	\$ 82,000	\$ 57,294	\$ (24,706)
Total revenues	<u>82,000</u>	<u>82,000</u>	<u>57,294</u>	<u>(24,706)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	64,975	64,975	36,552	28,423
Travel expenses	2,000	2,000	-	2,000
General operations	5,000	5,000	3,825	1,175
Equipment/vehicle maintenance	4,000	4,000	-	4,000
Total expenditures	<u>75,975</u>	<u>75,975</u>	<u>40,377</u>	<u>35,598</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,025</u>	<u>6,025</u>	<u>16,917</u>	<u>10,892</u>
NET CHANGE IN FUND BALANCE	6,025	6,025	16,917	10,892
FUND BALANCE AT BEGINNING OF YEAR	<u>130,348</u>	<u>130,348</u>	<u>130,348</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 136,373</u>	<u>\$ 136,373</u>	<u>\$ 147,265</u>	<u>\$ 10,892</u>

POTTER COUNTY, TEXAS
 County Attorney Forfeiture Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2014

Exhibit C-19

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Miscellaneous	\$ 40,000	\$ 176,000	\$ 176,838	\$ 838
Total revenues	<u>40,000</u>	<u>176,000</u>	<u>176,838</u>	<u>838</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	160,926	205,226	188,113	17,113
Travel expenses	5,300	5,300	4,856	444
General operations	17,500	27,500	19,715	7,785
Equipment/vehicle maintenance	15,000	19,000	15,556	3,444
Capital outlay	-	7,200	7,200	-
Total expenditures	<u>198,726</u>	<u>264,226</u>	<u>235,440</u>	<u>28,786</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(158,726)</u>	<u>(88,226)</u>	<u>(58,602)</u>	<u>29,624</u>
NET CHANGE IN FUND BALANCE	(158,726)	(88,226)	(58,602)	29,624
FUND BALANCE AT BEGINNING OF YEAR	<u>309,924</u>	<u>309,924</u>	<u>309,924</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 151,198</u>	<u>\$ 221,698</u>	<u>\$ 251,322</u>	<u>\$ 29,624</u>

POTTER COUNTY, TEXAS
 District Attorney Hot Check Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2014

Exhibit C-20

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 3,100	\$ 3,100	\$ 1,898	\$ (1,202)
Total revenues	<u>3,100</u>	<u>3,100</u>	<u>1,898</u>	<u>(1,202)</u>
EXPENDITURES				
Current:				
Judicial				
General operations	<u>-</u>	<u>3,000</u>	<u>2,969</u>	<u>31</u>
Total expenditures	<u>-</u>	<u>3,000</u>	<u>2,969</u>	<u>31</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,100</u>	<u>100</u>	<u>(1,071)</u>	<u>(1,171)</u>
NET CHANGE IN FUND BALANCE	3,100	100	(1,071)	(1,171)
FUND BALANCE AT BEGINNING OF YEAR	<u>130,775</u>	<u>130,775</u>	<u>130,775</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 133,875</u>	<u>\$ 130,875</u>	<u>\$ 129,704</u>	<u>\$ (1,171)</u>

POTTER COUNTY, TEXAS
 District Attorney Payroll Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2014

Exhibit C-21

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 22,501	\$ 22,501
Total revenues	<u>-</u>	<u>-</u>	<u>22,501</u>	<u>22,501</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	<u>-</u>	<u>24,000</u>	<u>23,174</u>	<u>826</u>
Total expenditures	<u>-</u>	<u>24,000</u>	<u>23,174</u>	<u>826</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(24,000)</u>	<u>(673)</u>	<u>23,327</u>
NET CHANGE IN FUND BALANCE	-	(24,000)	(673)	23,327
FUND BALANCE AT BEGINNING OF YEAR	<u>5,604</u>	<u>5,604</u>	<u>5,604</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 5,604</u>	<u>\$ (18,396)</u>	<u>\$ 4,931</u>	<u>\$ 23,327</u>

POTTER COUNTY, TEXAS
District Attorney Forfeiture Release Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

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				
Intergovernmental	\$ 36,600	\$ 36,600	\$ -	\$ (36,600)
Investment earnings	2,100	2,100	1,566	(534)
Miscellaneous	34,500	59,500	79,683	20,183
Total revenues	<u>73,200</u>	<u>98,200</u>	<u>81,249</u>	<u>(16,951)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	-	230,200	44,627	185,573
Travel	-	7,500	1,767	5,733
Contract services	-	10,000	-	10,000
General operations	-	330,350	6,424	323,926
Equipment/vehicle maintenance	-	5,000	-	5,000
Miscellaneous	-	10,000	-	10,000
Capital outlay	-	300,000	-	300,000
Total expenditures	<u>-</u>	<u>893,050</u>	<u>52,818</u>	<u>840,232</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>73,200</u>	<u>(794,850)</u>	<u>28,431</u>	<u>823,281</u>
NET CHANGE IN FUND BALANCE	73,200	(794,850)	28,431	823,281
FUND BALANCE AT BEGINNING OF YEAR	<u>1,211,519</u>	<u>1,211,519</u>	<u>1,211,519</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,284,719</u>	<u>\$ 416,669</u>	<u>\$ 1,239,950</u>	<u>\$ 823,281</u>

POTTER COUNTY, TEXAS
 District Attorney Federal Forfeiture Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2014

Exhibit C-23

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 25,000	\$ -	\$ (25,000)
Investment earnings	-	-	-	-
Total revenues	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
EXPENDITURES				
Current:				
Judicial				
Travel	-	5,000	-	5,000
Contract services	-	5,000	-	5,000
General operations	-	5,000	-	5,000
Equipment/vehicle maintenance	-	5,000	-	5,000
Capital outlay		5,000	-	5,000
Total expenditures	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	
FUND BALANCE AT BEGINNING OF YEAR	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>

POTTER COUNTY, TEXAS
Sheriff Federal Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

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				
Investment earnings	\$ 600	\$ 600	\$ 788	\$ 188
Miscellaneous	<u>50,000</u>	<u>50,000</u>	<u>125,862</u>	<u>75,862</u>
Total revenues	<u>50,600</u>	<u>50,600</u>	<u>126,650</u>	<u>76,050</u>
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	7,000	7,000	-	7,000
Travel	20,000	20,000	330	19,670
General operations	33,000	33,000	11,571	21,429
Equipment/vehicle maintenance	5,000	5,000	-	5,000
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>13,938</u>	<u>16,062</u>
Total expenditures	<u>95,000</u>	<u>95,000</u>	<u>25,839</u>	<u>69,161</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(44,400)</u>	<u>(44,400)</u>	<u>100,811</u>	<u>145,211</u>
NET CHANGE IN FUND BALANCE	(44,400)	(44,400)	100,811	145,211
FUND BALANCE AT BEGINNING OF YEAR	<u>298,164</u>	<u>298,164</u>	<u>298,164</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 253,764</u>	<u>\$ 253,764</u>	<u>\$ 398,975</u>	<u>\$ 145,211</u>

POTTER COUNTY, TEXAS
Law Enforcement Grants Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-25

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 60,000	\$ 101,817	\$ 101,817	\$ -
Investment earnings	100	100	52	(48)
Total revenues	<u>60,100</u>	<u>101,917</u>	<u>101,869</u>	<u>(48)</u>
EXPENDITURES				
Current:				
Public safety				
Travel	30,000	-	13,670	(13,670)
General operations	5,000	71,763	26,824	44,939
Capital outlay	<u>25,000</u>	<u>30,054</u>	<u>16,560</u>	<u>13,494</u>
Total expenditures	<u>60,000</u>	<u>101,817</u>	<u>57,054</u>	<u>44,763</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>100</u>	<u>100</u>	<u>44,815</u>	<u>44,715</u>
NET CHANGE IN FUND BALANCE	100	100	44,815	44,715
FUND BALANCE AT BEGINNING OF YEAR	<u>125</u>	<u>125</u>	<u>125</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 225</u>	<u>\$ 225</u>	<u>\$ 44,940</u>	<u>\$ 44,715</u>

POTTER COUNTY, TEXAS
Sheriff Office Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-26

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Interest on investments	\$ -	\$ -	\$ 14	\$ 14
Miscellaneous	2,200	2,200	-	(2,200)
Total revenues	<u>2,200</u>	<u>2,200</u>	<u>14</u>	<u>(2,186)</u>
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	3,522	3,522	2,648	874
Travel	2,000	2,000	-	2,000
General operations	5,000	5,000	1,453	3,547
Equipment/vehicle maintenance	2,500	2,500	-	2,500
Capital outlay	5,000	5,000	-	5,000
Total expenditures	<u>18,022</u>	<u>18,022</u>	<u>4,101</u>	<u>13,921</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,822)</u>	<u>(15,822)</u>	<u>(4,087)</u>	<u>11,735</u>
NET CHANGE IN FUND BALANCE	(15,822)	(15,822)	(4,087)	11,735
FUND BALANCE AT BEGINNING OF YEAR	<u>23,212</u>	<u>23,212</u>	<u>23,212</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 7,390</u>	<u>\$ 7,390</u>	<u>\$ 19,125</u>	<u>\$ 11,735</u>

DEBT SERVICE FUNDS

POTTER COUNTY, TEXAS
Nonmajor Debt Service Funds
Combining Balance Sheet
September 30, 2014

Exhibit C-27

	340 Series 2008 Refunding Bond	345 Series 2012 Refunding Bond	Total Nonmajor Debt Service Funds
ASSETS			
Pooled cash and cash equivalents	\$	\$ 1,502,661	\$ 1,502,661
Receivables (net)			
Taxes		43,414	43,414
Other		9,415	9,415
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u> -</u>	\$ <u>1,555,490</u>	\$ <u>1,555,490</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Unavailable revenue			
Property Taxes	\$ <u> </u>	\$ <u>37,797</u>	\$ <u>37,797</u>
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	-	37,797	37,797
Fund Balances:			
Restricted:			
Restricted for debt service	<u> -</u>	<u>1,517,693</u>	<u>1,517,693</u>
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u> -</u>	<u>1,517,693</u>	<u>1,517,693</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
	\$ <u> -</u>	\$ <u>1,555,490</u>	\$ <u>1,555,490</u>

POTTER COUNTY, TEXAS

Exhibit C-28

Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2014

	340 Series 2008 Refunding Bond	345 Series 2012 Refunding Bond	Total Nonmajor Debt Service Funds
REVENUES			
Taxes	\$ 1,280,542	\$ 816,744	\$ 2,097,286
Investment earnings	<u>2,584</u>	<u>1,328</u>	<u>3,912</u>
Total revenues	<u>1,283,126</u>	<u>818,072</u>	<u>2,101,198</u>
EXPENDITURES			
General administrative			
General operations	-	500	500
Debt service:			
Principal	1,140,000	565,000	1,705,000
Interest and fiscal charges	<u>19,950</u>	<u>141,575</u>	<u>161,525</u>
Total expenditures	<u>1,159,950</u>	<u>707,075</u>	<u>1,867,025</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>123,176</u>	<u>110,997</u>	<u>234,173</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,211,082	1,211,082
Transfers out	<u>(1,211,082)</u>	<u>-</u>	<u>(1,211,082)</u>
Total other financing sources (uses)	<u>(1,211,082)</u>	<u>1,211,082</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,087,906)	1,322,079	234,173
FUND BALANCES AT BEGINNING OF YEAR	<u>1,087,906</u>	<u>195,614</u>	<u>1,283,520</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ 1,517,693</u>	<u>\$ 1,517,693</u>

POTTER COUNTY, TEXAS
 Series 2008 Refunding Bond
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2014

Exhibit C-29

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,159,950	\$ 1,159,950	\$ 1,280,542	\$ 120,592
Investment earnings	-	-	2,584	2,584
Total revenues	<u>1,159,950</u>	<u>1,159,950</u>	<u>1,283,126</u>	<u>123,176</u>
EXPENDITURES				
Current:				
General administrative				
General operations	1,000	1,000	-	1,000
Debt service:				
Principal	1,140,000	1,140,000	1,140,000	-
Interest and fiscal charges	19,950	19,950	19,950	-
Total expenditures	<u>1,160,950</u>	<u>1,160,950</u>	<u>1,159,950</u>	<u>1,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,000)	(1,000)	123,176	124,176
OTHER FINANCING USES				
Transfers out	-	-	(1,211,082)	(1,211,082)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(1,211,082)</u>	<u>(1,211,082)</u>
NET CHANGE IN FUND BALANCE	(1,000)	(1,000)	(1,087,906)	(1,086,906)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,087,906</u>	<u>1,087,906</u>	<u>1,087,906</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,086,906</u>	<u>\$ 1,086,906</u>	<u>\$ -</u>	<u>\$ (1,086,906)</u>

POTTER COUNTY, TEXAS
Series 2012 Refunding Bond
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-30

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 706,575	\$ 706,575	\$ 816,744	\$ 110,169
Investment earnings	1,000	1,000	1,328	328
Total revenues	<u>707,575</u>	<u>707,575</u>	<u>818,072</u>	<u>110,497</u>
EXPENDITURES				
General administrative				
General operations	1,000	1,000	500	500
Debt service:				
Principal	565,000	565,000	565,000	-
Interest and fiscal charges	<u>141,575</u>	<u>141,575</u>	<u>141,575</u>	<u>-</u>
Total expenditures	<u>707,575</u>	<u>707,575</u>	<u>707,075</u>	<u>500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>110,997</u>	<u>110,997</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>1,211,082</u>	<u>1,211,082</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,211,082</u>	<u>1,211,082</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>1,322,079</u>	<u>1,322,079</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>195,614</u>	<u>195,614</u>	<u>195,614</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 195,614</u>	<u>\$ 195,614</u>	<u>\$ 1,517,693</u>	<u>\$ 1,322,079</u>

CAPITAL PROJECT FUNDS

POTTER COUNTY, TEXAS
Nonmajor Capital Projects Funds
Combining Balance Sheet
September 30, 2014

Exhibit C-31

	<u>410</u> <u>Courthouse</u> <u>Preservation</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Capital</u> <u>Projects</u> <u>Funds</u>
ASSETS		
Pooled cash and cash equivalents	\$ -	\$ -
Investments	-	-
Receivables (net of allowances for uncollectibles)		
Other	-	-
	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and other current liabilities	\$ -	\$ -
	<u>-</u>	<u>-</u>
Total liabilities		
Fund Balances:		
Assigned		
Assigned for capital projects	-	-
	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>

POTTER COUNTY, TEXAS

Exhibit C-32

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2014

	410 Courthouse Preservation Fund	Total Nonmajor Capital Projects Funds
REVENUES		
Investment earnings	\$ 521	\$ 521
Total revenues	<u>521</u>	<u>521</u>
EXPENDITURES		
Current:		
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>521</u>	<u>521</u>
OTHER FINANCING USES		
Transfers out	<u>(674,258)</u>	<u>(674,258)</u>
Total other financing uses	<u>(674,258)</u>	<u>(674,258)</u>
NET CHANGE IN FUND BALANCE	<u>(673,737)</u>	<u>(673,737)</u>
FUND BALANCES		
AT BEGINNING OF YEAR	<u>673,737</u>	<u>673,737</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

POTTER COUNTY, TEXAS
Courthouse Preservation Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-33

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	521	521
Total revenues	-	-	521	521
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	521	521
OTHER FINANCING USES				
Transfers out	-	-	(674,258)	(674,258)
Total other financing uses	-	-	(674,258)	(674,258)
NET CHANGE IN FUND BALANCE	-		(673,737)	(673,737)
FUND BALANCE AT BEGINNING OF YEAR	<u>673,737</u>	<u>673,737</u>	<u>673,737</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 673,737</u>	<u>\$ 673,737</u>	<u>\$ -</u>	<u>\$ (673,737)</u>

POTTER COUNTY, TEXAS
2003 Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

Exhibit C-34

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 5,600	\$ 5,600	\$ 5,067	\$ (533)
Miscellaneous	-	-	23,903	23,903
Total revenues	<u>5,600</u>	<u>5,600</u>	<u>28,970</u>	<u>23,370</u>
EXPENDITURES				
Current:				
General administrative				
General operations	5,000	8,500	3,120	5,380
Capital outlay	<u>4,305,500</u>	<u>4,302,000</u>	<u>106,082</u>	<u>4,195,918</u>
Total expenditures	<u>4,310,500</u>	<u>4,310,500</u>	<u>109,202</u>	<u>4,201,298</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,304,900)</u>	<u>(4,304,900)</u>	<u>(80,232)</u>	<u>4,224,668</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	<u>3,374,258</u>	<u>3,374,258</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>3,374,258</u>	<u>3,374,258</u>
NET CHANGE IN FUND BALANCE	(4,304,900)	(4,304,900)	3,294,026	7,598,926
FUND BALANCE AT BEGINNING OF YEAR	<u>4,385,732</u>	<u>4,385,732</u>	<u>4,385,732</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 80,832</u>	<u>\$ 80,832</u>	<u>\$ 7,679,758</u>	<u>\$ 7,598,926</u>

AGENCY FUNDS

POTTER COUNTY, TEXAS
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
September 30, 2014

	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	\$ 555,172	\$ 1,919,799	\$ 65,000	\$ 195,548	\$ 3,002,547	\$ 252,465
Investments		134				
Accounts receivable						
Other	9,649	225		91,493		
TOTAL ASSETS	\$ 564,821	\$ 1,920,158	\$ 65,000	\$ 287,041	\$ 3,002,547	\$ 252,465
LIABILITIES:						
Accounts payable and other current liabilities	\$ 124,012			\$ 260,334		
Due to other governments	440,809	1,920,158		26,707		
Due to trust beneficiaries					3,002,547	252,465
Due to other entities						
Deposits			65,000			
TOTAL LIABILITIES	\$ 564,821	\$ 1,920,158	\$ 65,000	\$ 287,041	\$ 3,002,547	\$ 252,465

<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>
\$ 44,256	\$ 4,811	\$ 46,743	\$ 121,371	\$ 21,500	\$ 132,575	\$ 6,361,787
						134
<u>11,319</u>						<u>112,686</u>
<u>\$ 55,575</u>	<u>\$ 4,811</u>	<u>\$ 46,743</u>	<u>\$ 121,371</u>	<u>\$ 21,500</u>	<u>\$ 132,575</u>	<u>\$ 6,474,607</u>
\$	\$	\$	\$ 121,371	\$ 21,500	\$	\$ 527,217
		46,743				2,434,417
55,575	4,811					3,315,398
					132,575	132,575
						<u>65,000</u>
<u>\$ 55,575</u>	<u>\$ 4,811</u>	<u>\$ 46,743</u>	<u>\$ 121,371</u>	<u>\$ 21,500</u>	<u>\$ 132,575</u>	<u>\$ 6,474,607</u>

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2014

	Balance 10/1/2013	Additions	Deductions	Balance 9/30/2014
STATE & COUNTY COLLECTIONS				
ASSETS				
Cash and cash equivalents	\$ 523,339	\$ 5,759,793	\$ 5,727,960	\$ 555,172
Accounts receivable	8,972	9,507	8,830	9,649
Total assets	\$ 532,311	\$ 5,769,300	\$ 5,736,790	\$ 564,821
LIABILITIES				
Accounts payable	\$ 127,218	\$ 322,362	\$ 325,568	\$ 124,012
Due to other governments	405,093	662,274	626,558	440,809
Total liabilities	\$ 532,311	\$ 984,636	\$ 952,126	\$ 564,821
TAX ASSESSOR/COLLECTOR				
ASSETS				
Cash and cash equivalents	\$ 1,486,770	\$ 174,763,375	\$ 174,330,346	\$ 1,919,799
Investments	429,580	56	429,502	134
Accounts receivable	225	-	-	225
Total assets	\$ 1,916,575	\$ 174,763,431	\$ 174,759,848	\$ 1,920,158
LIABILITIES				
Due to other governments	\$ 1,916,575	\$ 174,763,431	\$ 174,759,848	\$ 1,920,158
Total liabilities	\$ 1,916,575	\$ 174,763,431	\$ 174,759,848	\$ 1,920,158
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, 2014

Exhibit C-36
 Page 2 of 4

	Balance 10/1/2013	Additions	Deductions	Balance 9/30/2014
STATE COURT COSTS				
ASSETS				
Cash and cash equivalents	\$ (53,768)	\$ 1,188,944	\$ 939,628	\$ 195,548
Accounts receivable	88,212	91,493	88,212	91,493
Total assets	\$ 34,444	\$ 1,280,437	\$ 1,027,840	\$ 287,041
LIABILITIES				
Accounts payable	\$ 5,867	\$ 1,072,369	\$ 817,902	\$ 260,334
Due to other governments	28,577	26,707	28,577	26,707
Total liabilities	\$ 34,444	\$ 1,099,076	\$ 846,479	\$ 287,041
DISTRICT CLERK REGISTRY FUND				
ASSETS				
Cash and cash equivalents	\$ 2,719,657	\$ 1,389,171	\$ 1,106,281	\$ 3,002,547
Total assets	\$ 2,719,657	\$ 1,389,171	\$ 1,106,281	\$ 3,002,547
LIABILITIES				
Due to trust beneficiaries	\$ 2,719,657	\$ 1,389,171	\$ 1,106,281	\$ 3,002,547
Total liabilities	\$ 2,719,657	\$ 1,389,171	\$ 1,106,281	\$ 3,002,547
COUNTY CLERK REGISTRY FUND				
ASSETS				
Cash and cash equivalents	\$ 385,481	\$ 85,924	\$ 218,940	\$ 252,465
Total assets	\$ 385,481	\$ 85,924	\$ 218,940	\$ 252,465
LIABILITIES				
Due to trust beneficiaries	\$ 385,481	\$ 85,924	\$ 218,940	\$ 252,465
Total liabilities	\$ 385,481	\$ 85,924	\$ 218,940	\$ 252,465
COUNTY ATTORNEY RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 76,537	\$ 525,230	\$ 557,511	\$ 44,256
Accounts receivable	6,057	11,319	6,057	11,319
Total assets	\$ 82,594	\$ 536,549	\$ 563,568	\$ 55,575
LIABILITIES				
Due to trust beneficiaries	\$ 82,594	\$ 495,516	\$ 522,535	\$ 55,575
Total liabilities	\$ 82,594	\$ 495,516	\$ 522,535	\$ 55,575

POTTER COUNTY, TEXAS
 Combining Statement of Changes in Assets and Liabilities - continued
 All Agency Funds
 For the Year Ended September 30, 2014

	Balance 10/1/2013	Additions	Deductions	Balance 9/30/2014
DISTRICT ATTORNEY RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 7,865	\$ 13,726	\$ 16,780	\$ 4,811
Total assets	<u>\$ 7,865</u>	<u>\$ 13,726</u>	<u>\$ 16,780</u>	<u>\$ 4,811</u>
LIABILITIES				
Due to trust beneficiaries	\$ 7,865	\$ 13,164	\$ 16,218	\$ 4,811
Total liabilities	<u>\$ 7,865</u>	<u>\$ 13,164</u>	<u>\$ 16,218</u>	<u>\$ 4,811</u>
DISTRICT ATTORNEY SEIZURE				
ASSETS				
Cash and cash equivalents	\$ 135,713	\$ 149,617	\$ 238,587	\$ 46,743
Total assets	<u>\$ 135,713</u>	<u>\$ 149,617</u>	<u>\$ 238,587</u>	<u>\$ 46,743</u>
LIABILITIES				
Due to other governments	\$ 135,713	\$ 149,617	\$ 238,587	\$ 46,743
Total liabilities	<u>\$ 135,713</u>	<u>\$ 149,617</u>	<u>\$ 238,587</u>	<u>\$ 46,743</u>
DETENTION CENTER INMATE TRUST FUND				
ASSETS				
Cash and cash equivalents	\$ 133,476	\$ 893,641	\$ 905,746	\$ 121,371
Total assets	<u>\$ 133,476</u>	<u>\$ 893,641</u>	<u>\$ 905,746</u>	<u>\$ 121,371</u>
LIABILITIES				
Accounts payable	\$ 133,476	\$ 893,641	\$ 905,746	\$ 121,371
Total liabilities	<u>\$ 133,476</u>	<u>\$ 893,641</u>	<u>\$ 905,746</u>	<u>\$ 121,371</u>

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2014

Exhibit C-36
Page 4 of 4

	Balance 10/1/2013	Additions	Deductions	Balance 9/30/2014
DETENTION CENTER BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 18,500	\$ 58,656	\$ 55,656	\$ 21,500
Total assets	<u>\$ 18,500</u>	<u>\$ 58,656</u>	<u>\$ 55,656</u>	<u>\$ 21,500</u>
LIABILITIES				
Accounts payable	\$ 18,500	\$ 58,656	\$ 55,656	\$ 21,500
Total liabilities	<u>\$ 18,500</u>	<u>\$ 58,656</u>	<u>\$ 55,656</u>	<u>\$ 21,500</u>
UNCLAIMED PROPERTY				
ASSETS				
Cash and cash equivalents	\$ 134,150	\$ 1,129	\$ 2,704	\$ 132,575
Total assets	<u>\$ 134,150</u>	<u>\$ 1,129</u>	<u>\$ 2,704</u>	<u>\$ 132,575</u>
LIABILITIES				
Due to other entities	\$ 134,150	\$ 1,060	\$ 2,635	\$ 132,575
Total liabilities	<u>\$ 134,150</u>	<u>\$ 1,060</u>	<u>\$ 2,635</u>	<u>\$ 132,575</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 5,632,720	\$ 184,829,206	\$ 184,100,139	\$ 6,361,787
Investments	429,580	56	429,502	134
Accounts receivable	103,466	112,319	103,099	112,686
Total assets	<u>\$ 6,165,766</u>	<u>\$ 184,941,581</u>	<u>\$ 184,632,740</u>	<u>\$ 6,474,607</u>
LIABILITIES				
Accounts payable	\$ 285,061	\$ 2,347,028	\$ 2,104,872	\$ 527,217
Due to other governments	2,485,958	175,602,029	175,653,570	2,434,417
Due to trust beneficiaries	3,195,597	1,983,775	1,863,974	3,315,398
Due to other entities	134,150	1,060	2,635	132,575
Deposits	65,000	-	-	65,000
Total liabilities	<u>\$ 6,165,766</u>	<u>\$ 179,933,892</u>	<u>\$ 179,625,051</u>	<u>\$ 6,474,607</u>

STATISTICAL SECTION

POTTER COUNTY, TEXAS

Statistical Section

This part of the County's statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

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

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

	Fiscal Year				
	2005	2006	2007 (1)	2008	2009
Governmental activities					
Net invested in capital assets	\$ 20,838,913	\$ 23,277,642	\$ 42,548,919	\$ 42,873,285	\$ 43,565,161
Restricted	4,639,899	6,147,112	816,179	1,074,466	1,447,462
Unrestricted	12,500,690	14,565,134	23,603,860	26,736,887	29,552,344
Total governmental activities net position	<u>\$ 37,979,502</u>	<u>\$ 43,989,888</u>	<u>\$ 66,968,958</u>	<u>\$ 70,684,638</u>	<u>\$ 74,564,967</u>
Primary government					
Net invested in capital assets	\$ 20,838,913	\$ 23,277,642	\$ 42,548,919	\$ 42,873,285	\$ 43,565,161
Restricted	4,639,899	6,147,112	816,179	1,074,466	1,447,462
Unrestricted	12,500,690	14,565,134	23,603,860	26,736,887	29,552,344
Total primary government net position	<u>\$ 37,979,502</u>	<u>\$ 43,989,888</u>	<u>\$ 66,968,958</u>	<u>\$ 70,684,638</u>	<u>\$ 74,564,967</u>

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

Source: County financial statements

Fiscal Year				
2010	2011	2012	2013	2014
\$ 49,746,604	\$ 56,126,465	\$ 63,177,320	\$ 61,999,277	\$ 65,492,484
2,049,256	2,439,212	2,178,182	2,758,943	3,226,294
28,372,058	24,775,385	22,079,761	25,100,759	27,408,567
<u>\$ 80,167,918</u>	<u>\$ 83,341,062</u>	<u>\$ 87,435,263</u>	<u>\$ 89,858,979</u>	<u>\$ 96,127,345</u>
\$ 49,746,604	\$ 56,126,465	\$ 63,177,320	\$ 61,999,277	\$ 65,492,484
2,049,256	2,439,212	2,178,182	2,758,943	3,226,294
28,372,058	24,775,385	22,079,761	25,100,759	27,408,567
<u>\$ 80,167,918</u>	<u>\$ 83,341,062</u>	<u>\$ 87,435,263</u>	<u>\$ 89,858,979</u>	<u>\$ 96,127,345</u>

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

	Fiscal Year				
	2005	2006	2007 (1) (2)	2008	2009
Expenses					
Governmental activities					
General administrative	\$ 2,437,719	\$ 3,437,095	\$ 4,417,536	\$ 4,716,743	\$ 4,878,648
Public Service	1,102,041	1,351,979	-	-	-
Transportation	1,696,712	1,649,715	-	-	-
Tax & Recording Offices	3,140,570	3,244,832	-	-	-
Facilities maintenance	2,638,555	2,773,718	2,806,032	3,233,525	2,880,638
Election administration	-	-	354,817	212,444	252,589
Judicial	4,762,003	5,018,228	11,230,890	11,586,395	12,088,428
Legal	3,851,467	4,044,715	-	-	-
Public safety	14,774,989	15,172,800	7,017,487	7,107,000	7,531,800
Corrections and rehabilitation	-	-	10,957,800	11,177,365	11,463,293
Health and human services	-	-	591,621	579,078	595,105
Road and bridge	-	-	2,931,038	3,073,675	2,810,403
Interest and fiscal charges	948,762	888,024	825,966	750,445	543,890
Non-capital expenditures	178,685	-	-	-	-
Total governmental activities expenses	<u>35,531,503</u>	<u>37,581,106</u>	<u>41,133,187</u>	<u>42,436,670</u>	<u>43,044,794</u>
Program Revenues					
Governmental activities					
Charges for services					
General administrative	305,466	334,102	1,103,936	1,089,631	979,641
Public Service	17,050	319,012	-	-	-
Transportation	1,861,365	1,911,778	-	-	-
Tax & Recording Offices	1,811,046	1,845,599	-	-	-
Facilities maintenance	-	-	-	-	-
Election administration	-	-	21,228	-	-
Judicial	2,284,793	2,227,546	4,023,808	3,634,570	3,276,434
Legal	499,992	409,525	-	-	-
Public safety	780,068	686,467	1,092,913	747,184	748,658
Corrections and rehabilitation	-	-	65,390	87,677	56,579
Health and human services	-	-	9,044	8,213	8,167
Road and bridge	-	-	1,923,258	1,999,896	1,986,477
Operating grants and contributions	708,182	1,861,802	1,812,703	1,420,446	1,509,675
Capital grants and contributions	-	-	51,339	56,445	191,617
Total governmental activities program revenues	<u>8,267,962</u>	<u>9,595,831</u>	<u>10,103,619</u>	<u>9,044,062</u>	<u>8,757,248</u>
Net (expense) revenue					
Governmental activities	(27,263,541)	(27,985,275)	(31,029,568)	(33,392,608)	(34,287,546)
Total primary government net expense	<u>\$ (27,263,541)</u>	<u>\$ (27,985,275)</u>	<u>\$ (31,029,568)</u>	<u>\$ (33,392,608)</u>	<u>\$ (34,287,546)</u>

		Fiscal Year							
		2010	2011	2012	2013	2014			
\$	4,894,116	\$	5,327,965	\$	6,237,219	\$	5,843,096	\$	6,966,432
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	3,049,154		3,227,551		3,106,581		3,891,407		3,940,745
	311,674		335,654		333,261		343,204		399,450
	12,505,640		12,958,440		13,705,026		13,432,209		14,145,048
	-		-		-		-		-
	7,904,306		7,846,797		7,804,487		8,674,589		9,129,698
	11,504,942		12,136,464		12,918,829		12,970,815		13,994,064
	602,072		659,153		751,915		745,435		799,112
	2,898,176		3,289,488		3,790,135		3,413,410		3,876,443
	500,346		445,151		563,688		138,799		86,454
	-		-		-		-		-
	<u>44,170,426</u>		<u>46,226,663</u>		<u>49,211,141</u>		<u>49,452,964</u>		<u>53,337,446</u>
	1,121,886		779,092		855,609		1,013,504		1,676,695
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		203		233		689
	3,579,564		3,632,345		3,578,840		3,734,494		3,784,998
	-		-		-		-		-
	763,450		738,341		891,934		813,947		792,836
	53,917		37,384		37,536		74,628		109,480
	8,280		8,614		9,650		18,301		14,496
	1,757,544		1,823,296		1,915,038		1,990,123		2,094,405
	1,597,284		1,637,501		1,679,624		1,457,688		1,847,566
	2,177,997		1,886,767		3,266,348		581,456		5,538,985
	<u>11,059,922</u>		<u>10,543,340</u>		<u>12,234,782</u>		<u>9,684,374</u>		<u>15,860,150</u>
	(33,110,504)		(35,683,323)		(36,976,359)		(39,768,590)		(37,477,296)
\$	<u>(33,110,504)</u>	\$	<u>(35,683,323)</u>	\$	<u>(36,976,359)</u>	\$	<u>(39,768,590)</u>	\$	<u>(37,477,296)</u>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes, levied for general purposes	\$ 27,859,717	\$ 29,475,437	\$ 31,012,054	\$ 32,885,969	\$ 34,717,944
Property taxes, levied for debt purposes	2,162,980	2,228,072	2,156,007	2,151,785	2,269,041
Property taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Mixed drink tax	328,808	365,165	387,175	396,055	406,726
Vehicle inventory tax	1,077	21,093	1,396	2,603	7,925
Bingo tax proceeds	160,735	179,852	189,217	195,213	206,297
Investment income	582,029	1,247,371	1,645,416	1,079,408	379,686
Gain (loss) on sale of capital assets	-	-	-	(83,303)	53,110
Miscellaneous	367,203	258,259	48,640	480,558	127,146
Total governmental activities	<u>31,462,549</u>	<u>33,775,249</u>	<u>35,439,905</u>	<u>37,108,288</u>	<u>38,167,875</u>
Total primary government	<u>\$ 31,462,549</u>	<u>\$ 33,775,249</u>	<u>\$ 35,439,905</u>	<u>\$ 37,108,288</u>	<u>\$ 38,167,875</u>
Changes in Net Position					
Governmental activities	<u>\$ 4,199,008</u>	<u>\$ 5,789,974</u>	<u>\$ 4,410,337</u>	<u>\$ 3,715,680</u>	<u>\$ 3,880,329</u>
Total primary government	<u>\$ 4,199,008</u>	<u>\$ 5,789,974</u>	<u>\$ 4,410,337</u>	<u>\$ 3,715,680</u>	<u>\$ 3,880,329</u>

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

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

Source: Statement of Activities from County CAFRs

Fiscal Year					
2010	2011	2012	2013	2014	
\$ 34,927,427	\$ 35,437,310	\$ 38,071,717	\$ 38,770,264	\$ 40,523,681	
2,316,528	2,331,124	2,308,480	2,198,926	2,090,642	
-	-	-	-	-	
-	-	-	-	-	
404,397	428,519	387,758	435,541	556,096	
10,920	11,047	2,852	28,997	19,738	
208,384	207,010	210,328	211,210	216,162	
218,336	71,349	89,425	88,932	75,942	
(3,759)	-	-	90,150	28,256	
631,222	370,108	-	368,286	235,145	
<u>38,713,455</u>	<u>38,856,467</u>	<u>41,070,560</u>	<u>42,192,306</u>	<u>43,745,662</u>	
\$ <u>38,713,455</u>	\$ <u>38,856,467</u>	\$ <u>41,070,560</u>	\$ <u>42,192,306</u>	\$ <u>43,745,662</u>	
\$ 5,602,951	\$ 3,173,144	\$ 4,094,201	\$ 2,423,716	\$ 6,268,366	
<u>\$ 5,602,951</u>	<u>\$ 3,173,144</u>	<u>\$ 4,094,201</u>	<u>\$ 2,423,716</u>	<u>\$ 6,268,366</u>	

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

	Fiscal Year				
	2005	2006	2007	2008	2009
General Fund					
Reserved	\$ 137,109	\$ 273,861	\$ 489,157	\$ 116,685	\$ 131,550
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unreserved/Unassigned	10,465,366	12,054,462	14,986,535	16,047,905	16,918,011
Total General Fund	<u>\$ 10,602,475</u>	<u>\$ 12,328,323</u>	<u>\$ 15,475,692</u>	<u>\$ 16,164,590</u>	<u>\$ 17,049,561</u>
All Other Governmental Funds					
Reserved					
Debt service funds	\$ 293,427	\$ 358,463	\$ 440,461	\$ 534,661	\$ 732,268
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Encumbrances	-	-	611,403	1,253,119	395,122
Restricted					
Debt service funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Assigned					
Capital projects funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	3,244,048	2,249,575	2,707,338	2,781,788	2,721,110
Capital projects funds	2,947,173	4,897,559	5,223,091	6,767,146	8,860,744
Total all other governmental funds	<u>\$ 6,484,648</u>	<u>\$ 7,505,597</u>	<u>\$ 8,982,293</u>	<u>\$ 11,336,714</u>	<u>\$ 12,709,244</u>

Source: County financial statements.

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

Table 3

		Fiscal Year					
		2010	2011 (1)	2012	2013	2014	
\$	425,469	\$	-	\$	-	\$	-
	-		62,109		52,004		23,245
	-		297,123		308,426		655,805
	-		3,000,000		2,000,000		3,000,000
	-		-		-		-
	<u>16,817,279</u>		<u>12,607,617</u>		<u>14,021,844</u>		<u>14,102,331</u>
\$	<u>17,242,748</u>	\$	<u>15,966,849</u>	\$	<u>16,382,274</u>	\$	<u>17,601,834</u>
\$	989,366	\$	-	\$	-	\$	-
	-		-		-		-
	-		-		-		-
	479,476		-		-		-
	-		1,260,106		1,031,222		1,517,693
	-		20,216		20,339		382,433
	-		5,129,931		3,097,475		7,679,758
	-		3,351,928		3,218,732		3,522,336
	2,952,805		-		-		-
	7,228,505		-		-		-
\$	<u>11,650,152</u>	\$	<u>9,762,181</u>	\$	<u>7,367,768</u>	\$	<u>9,898,514</u>
							<u>13,102,220</u>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
Revenue					
Taxes	\$ 30,369,822	\$ 31,836,208	\$ 33,868,870	\$ 35,373,010	\$ 37,220,666
Licenses and fees	5,061,842	5,184,202	3,964,127	4,782,390	4,744,096
Intergovernmental	1,540,524	2,041,654	1,986,215	1,672,104	1,701,292
Fines and forfeitures	1,375,307	1,685,287	1,729,089	1,630,752	1,386,758
Charges for services	773,552	864,540	1,115,763	1,042,421	946,385
Investment earnings	578,787	1,210,448	1,588,175	1,058,154	374,434
Miscellaneous	106,382	244,873	1,494,943	664,826	329,658
Total revenues	39,806,216	43,067,212	45,747,182	46,223,657	46,703,289
Expenditures					
General administrative	2,265,546	3,345,715	4,215,460	4,620,124	4,769,440
Public service	1,029,982	1,133,020	-	-	-
Transportation	1,546,858	1,492,074	-	-	-
Facilities maintenance	2,073,163	1,939,474	2,403,939	2,741,042	2,142,823
Tax and recording offices	3,115,983	3,297,289			
Election administration			200,820	212,444	252,124
Judicial	4,770,699	5,070,663	11,095,322	11,624,598	12,022,407
Legal	3,867,421	4,112,711	-	-	-
Public safety and correctional	14,195,983	15,142,030	6,536,554	6,807,111	7,186,687
Corrections and rehabilitation	-	-	10,585,748	11,031,909	11,267,983
Health and human services	-	-	570,136	583,017	593,662
Road and bridge	-	-	1,669,391	1,707,486	1,843,461
Debt service					
Principal	1,276,282	1,332,905	1,414,773	1,460,900	1,559,400
Interest and fiscal charges	953,125	896,708	835,988	816,721	572,206
Capital outlay	2,078,369	2,557,826	1,832,684	1,663,975	1,470,595
Total expenditures	37,173,411	40,320,415	41,360,815	43,269,327	43,680,788
Excess of revenues over (under) expenditures	2,632,805	2,746,797	4,386,367	2,954,330	3,022,501
Other financing sources (uses)					
Refunding bonds issued	-	-	-	9,120,000	-
Premium on refunding bonds	-	-	-	151,329	-
Payment to refunded bond escrow agent	-	-	-	(9,182,340)	-
Transfers in	1,460,000	2,602,000	2,192,046	3,713,937	2,316,262
Transfers out	(1,460,000)	(2,602,000)	(2,192,046)	(3,713,937)	(2,316,262)
Capital leases	459,258	-	-	-	-
Total other financing sources (uses)	459,258	-	-	88,989	-
Net change in fund balances	\$ 3,092,063	\$ 2,746,797	\$ 4,386,367	\$ 3,043,319	\$ 3,022,501
Debt service as a percentage of noncapital expenditures	6.38%	5.89%	5.78%	5.52%	5.13%

Source: Statement of Activities from County CAFRs

		Fiscal Year				
		2010	2011	2012	2013	2014
\$	37,617,375	\$ 38,143,874	\$ 40,803,354	\$ 41,539,743	\$ 43,249,022	
	4,724,465	4,824,188	4,921,922	5,145,257	5,278,496	
	3,983,665	3,636,198	3,314,546	2,291,646	2,116,903	
	1,410,844	1,414,392	1,215,965	1,232,042	1,216,979	
	887,002	817,292	882,704	1,011,174	1,689,100	
	216,028	68,799	87,376	86,616	73,550	
	844,620	355,451	403,384	613,037	496,001	
	<u>49,683,999</u>	<u>49,260,194</u>	<u>51,629,251</u>	<u>51,919,515</u>	<u>54,120,051</u>	
	4,845,930	5,083,324	5,266,137	5,470,342	6,468,387	
	-	-	-	-	-	
	-	-	-	-	-	
	2,385,538	2,549,165	2,062,923	2,592,756	2,387,130	
	312,223	334,758	326,743	342,414	388,101	
	12,480,138	12,887,673	13,368,693	13,306,483	13,881,739	
	-	-	-	-	-	
	7,546,648	7,280,056	7,501,439	8,005,241	8,317,540	
	11,322,711	11,895,403	12,479,813	12,734,733	13,627,840	
	603,442	657,032	735,533	743,590	788,055	
	1,904,364	1,851,470	1,905,658	1,966,392	1,973,601	
	1,540,000	1,595,000	1,650,000	1,710,000	1,705,000	
	517,817	462,955	392,210	244,883	161,525	
	7,091,093	7,827,228	7,397,913	1,052,375	1,037,880	
	<u>50,549,904</u>	<u>52,424,064</u>	<u>53,087,062</u>	<u>48,169,209</u>	<u>50,736,798</u>	
	<u>(865,905)</u>	<u>(3,163,870)</u>	<u>(1,457,811)</u>	<u>3,750,306</u>	<u>3,383,253</u>	
	-	-	7,220,000	-	-	
	-	-	306,365	-	-	
	-	-	(8,047,542)	-	-	
	3,285,291	3,785,747	3,627,173	2,456,304	5,250,556	
	(3,285,291)	(3,785,747)	(3,627,173)	(2,456,304)	(5,250,556)	
	-	-	-	-	-	
	-	-	(521,177)	-	-	
\$	<u>(865,905)</u>	<u>(3,163,870)</u>	<u>(1,978,988)</u>	<u>3,750,306</u>	<u>3,383,253</u>	
	4.80%	4.60%	4.46%	4.15%	3.76%	

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

Table 5

Fiscal Year	Property Taxes	Mixed Drink Tax	Vehicle Inventory Tax	Bingo Tax	Total
2005	\$ 30,022,697	\$ 328,808	\$ 1,077	\$ 160,735	\$ 30,513,317
2006	31,703,509	365,165	21,093	179,852	32,269,619
2007	33,168,061	387,175	1,396	189,217	33,745,849
2008	35,037,754	396,055	2,603	195,213	35,631,625
2009	36,986,985	406,726	7,925	206,297	37,607,933
2010	37,243,955	404,397	10,920	208,384	37,867,656
2011	37,768,434	428,519	11,047	207,010	38,415,010
2012	40,380,197	387,758	2,852	210,328	40,981,135
2013	40,969,190	435,541	28,997	211,210	41,644,938
2014	42,673,188	556,096	19,738	216,162	43,465,184

Source: County financial statements.

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

Table 6

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual value	
2005	\$ 4,470,539	\$ 4,470,539	\$ 1,613,062	\$ 1,613,062	\$ 6,083,601	\$ 6,083,601	\$ 0.61
2006	4,558,019	4,558,019	1,824,415	1,824,415	6,382,434	6,382,434	0.61
2007	4,771,318	4,771,318	1,879,772	1,879,772	6,651,090	6,651,090	0.60
2008	5,250,250	5,250,250	1,983,443	1,983,443	7,233,693	7,233,693	0.60
2009	5,551,896	5,551,896	2,153,062	2,153,062	7,704,958	7,704,958	0.60
2010	5,773,209	5,946,016	1,953,859	2,030,339	7,727,068	7,976,356	0.60
2011	6,257,274	6,506,527	1,469,795	1,469,829	7,727,069	7,976,356	0.60
2012	6,647,265	6,893,284	1,687,907	1,687,907	8,335,172	8,581,191	0.63
2013	6,690,462	6,935,556	1,631,586	1,631,586	8,322,048	8,567,142	0.63
2014	6,921,060	7,172,364	1,727,791	1,727,791	8,648,851	8,900,155	0.63

(1) Stated in Thousands

Source: Potter-Randall Appraisal District

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

Fiscal Year	Potter County	City of Amarillo	Amarillo ISD	Amarillo College District	River Road ISD
TAX RATES / \$100 ASSESSED VALUATION					
2005	0.607040	0.289060	1.615000	0.160430	1.572300
2006	0.607040	0.287120	1.645000	0.160430	1.779800
2007	0.599730	0.283710	1.615000	0.160430	1.649800
2008	0.596740	0.283710	1.172000	0.183950	1.317000
2009	0.596740	0.310090	1.170000	0.184130	1.317000
2010	0.596270	0.310090	1.170000	0.189960	1.350000
2011	0.599110	0.310090	1.170000	0.189380	1.360000
2012	0.633500	0.320090	1.170000	0.189380	1.350000
2013	0.627070	0.320090	1.170000	0.199500	1.350000
2014	0.634020	0.345090	1.189000	0.207500	1.350000
TAX LEVIES					
2005	29,636,469	21,750,688	91,058,090	12,160,168	2,838,675
2006	31,425,558	22,519,911	96,100,576	12,674,152	3,406,168
2007	32,576,226	23,716,402	91,871,378	14,765,939	3,410,302
2008	34,619,979	25,933,600	78,410,389	14,765,939	2,887,797
2009	36,435,657	29,389,553	82,799,146	17,559,424	3,256,371
2010	36,838,767	30,409,776	84,747,604	18,097,381	3,232,985
2011	37,151,855	30,639,878	84,952,351	18,750,415	3,343,292
2012	39,788,918	32,159,248	86,551,375	19,104,456	3,196,600
2013	40,409,642	32,832,488	88,308,938	20,414,839	3,184,666
2014	42,066,200	35,664,674	92,236,536	21,056,459	3,225,043

Table 7

<u>Underground Water Conservation District</u>	<u>County Common School District</u>	<u>Bishop Hills</u>	<u>Total</u>
<u>TAX RATES / \$100 ASSESSED VALUATION</u>			
0.093500	3.069500	0.080000	7.48683
0.092700	3.267530	0.080000	7.91962
0.020700	2.673650	0.080000	7.08302
0.017940	2.378760	0.080000	6.03010
0.016840	2.434940	0.080000	6.10974
0.016840	2.451140	0.080000	6.16430
0.016910	2.442490	0.080000	6.16798
0.016410	2.437040	0.080000	6.19642
0.016410	2.943600	0.080000	6.70667
0.016040	2.451900	0.080000	6.27355
<u>TAX LEVIES</u>			
1,021,472	18,997,047	11,372	177,473,981
740,097	22,392,381	12,717	189,271,560
650,438	18,846,813	13,457	185,850,955
944,815	18,798,589	13,584	176,374,692
945,480	19,804,234	14,021	190,203,886
965,641	13,148,440	13,848	187,454,442
967,811	20,539,625	13,517	196,358,744
998,634	21,596,596	13,645	203,409,472
995,142	23,021,728	13,912	209,181,355
1,036,591	24,191,894	14,248	219,491,645

POTTER COUNTY, TEXAS

Principal Taxpayers

September 30, 2014

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2013 Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Southwestern Public Service (Xcel)	Electric Utility	\$ 288,070,777	1	4.31%
BNSF Railway Company	Railroad	106,992,001	2	1.60%
BSA Hospital LLC	Healthcare	96,830,827	3	1.45%
Tyson Fresh Meats Inc.	Food Distribution	91,101,282	4	1.36%
Northwest Texas Healthcare	Healthcare	91,013,625	5	1.36%
Asarco Inc.	Copper Refinery	79,024,788	6	1.18%
Air Products, LP	Helium	65,571,546	7	0.98%
Linde Gas North America	Helium	61,319,898	8	0.92%
Amarillo Mall, LLC	Shopping Mall	60,744,740	9	0.91%
Sharyland Utilities	Electronic Transmission Lines	<u>47,980,250</u>	10	0.72%
		<u>\$ 988,649,734</u>		<u>14.79%</u>
UHS of Amarillo	Healthcare			
Pioneer Natural Resources (USA)	Natural Gas Utility			
Amarillo Partners, LP	Real Estate			
Pioneer Natural Resources (GPC)	Natural Gas Utility			
Wal Mart Real Estate	Retailer			
Southwestern Bell Telephone Company	Telephone			

	2004 Valuation	Rank	Percentage of Total Assessed Valuation
\$	329,324,993	1	7.20%
	43,452,782	7	9.50%
	90,042,954	2	1.97%
	56,809,790	6	1.24%
	79,052,067	3	1.73%
	71,968,012	4	1.57%
	57,334,160	5	1.25%
	38,471,110	8	0.84%
	38,241,893	9	0.84%
	<u>31,579,011</u>	10	0.69%
\$	<u><u>836,276,772</u></u>		<u><u>18.30%</u></u>

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

Table 9

Fiscal Year	Total Tax Levy	Collected within the Fiscal year of Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2005	\$ 29,636,469	\$ 28,973,425	\$ 97.76%	\$ 599,761	\$ 29,573,186	\$ 99.79%
2006	31,425,558	30,388,380	96.70%	959,166	31,347,546	99.75%
2007	32,576,226	31,984,967	98.18%	513,052	32,498,019	99.76%
2008	34,619,979	34,022,680	98.27%	508,563	34,531,243	99.74%
2009	36,435,657	35,668,444	97.89%	655,174	36,323,618	99.69%
2010	36,838,767	35,810,722	97.21%	894,453	36,705,175	99.64%
2011	37,151,855	36,511,897	98.28%	490,096	37,001,993	99.60%
2012	39,788,918	39,101,638	98.27%	500,682	39,602,320	99.53%
2013	40,409,642	39,698,578	98.24%	441,397	40,139,975	99.33%
2014	42,066,200	41,545,818	98.76%	-	41,545,818	98.76%

Source: Potter County Tax Office

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

Table 10

Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2005	\$ 20,805,000	\$ 372,976	\$ 21,177,976	0.65%	\$ 178
2006	19,560,000	285,072	19,845,072	0.58%	166
2007	18,260,000	170,299	18,430,299	0.52%	153
2008	16,890,000	74,399	16,964,399	0.43%	142
2009	15,405,000	-	15,405,000	0.41%	128
2010	13,865,000	-	13,865,000	0.35%	114
2011	12,270,000	-	12,270,000	0.30%	100
2012	10,070,000	-	10,070,000	0.24%	82
2013	8,360,000	-	8,360,000	0.19%	69
2014	6,655,000	-	6,655,000	0.15%	55

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

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

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

POTTER COUNTY, TEXAS

Table 11

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

Fiscal Year	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Percentage of Estimated Assessed Actual Taxable Value of Property (1)	Net Bonded Debt Per Capita (2)
2005	\$ 20,805,000	\$ 293,427	\$ 20,511,573	0.34%	\$ 173
2006	19,560,000	358,463	19,201,537	0.30%	160
2007	18,260,000	440,461	17,819,539	0.27%	148
2008	16,890,000	534,661	16,355,339	0.23%	137
2009	15,405,000	732,268	14,672,732	0.19%	122
2010	13,865,000	989,366	12,875,634	0.16%	106
2011	12,270,000	1,260,106	11,009,894	0.14%	90
2012	10,070,000	1,031,222	9,038,778	0.11%	74
2013	8,360,000	1,283,520	7,076,480	0.08%	58
2014	6,655,000	1,517,693	5,137,307	0.06%	42

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 106 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 114.

Source: Potter County financial records

POTTER COUNTY, TEXAS

Table 12

Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds
September 30, 2014

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable To Government (1)	Government's Share of Overlapping Debt
Debt repaid with property taxes			
Amarillo Independent School District	\$ 147,444,600	55.42%	\$ 81,713,797
Amarillo College District	66,965,000	51.36%	34,393,224
River Road Independent School District	12,886,761	100.00%	12,886,761
Highland Park Independent School District	9,930,000	100.00%	9,930,000
Bushland Independent School District	23,970,000	90.71%	21,743,187
City of Amarillo	144,060,283	51.75%	<u>74,551,196</u>
Subtotal, overlapping debt			235,218,165
Potter County, Texas	5,137,307	100.00%	<u>5,137,307</u>
Total direct and overlapping debt			<u>\$ 240,355,472</u>

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

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

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

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

Table 13

Total assessed value less exemptions - 2013 roll					\$ <u>6,680,260,162</u>
Legal debt margin					
Debt limitation - 5% of total assessed value					\$ 334,013,008
Debt applicable to limitation:					
Total bonded debt			6,655,000		
Less: debt service funds			<u>(1,517,693)</u>		
Total debt applicable to limitation					<u>5,137,307</u>
Legal debt margin					\$ <u>328,875,701</u>
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 244,106,393	\$ 258,842,997	\$ 270,855,283	\$ 290,075,905	\$ 306,952,196
Total net debt applicable to limit	<u>20,511,573</u>	<u>19,201,537</u>	<u>17,819,539</u>	<u>16,355,339</u>	<u>14,672,732</u>
Legal debt margin	<u>\$ 223,594,820</u>	<u>\$ 239,641,460</u>	<u>\$ 253,035,744</u>	<u>\$ 273,720,566</u>	<u>\$ 292,279,464</u>
Total net debt applicable to the limit as a percentage of debt limit					
	8.40%	7.42%	6.58%	5.64%	4.78%
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 306,060,172	\$ 310,385,535	\$ 316,787,646	\$ 324,502,416	\$ 334,013,008
Total net debt applicable to limit	<u>12,875,634</u>	<u>11,009,894</u>	<u>9,038,778</u>	<u>7,076,480</u>	<u>5,152,339</u>
Legal debt margin	<u>\$ 293,184,538</u>	<u>\$ 299,375,641</u>	<u>\$ 307,748,868</u>	<u>\$ 317,425,936</u>	<u>\$ 328,860,669</u>
Total net debt applicable to the limit as a percentage of debt limit					
	4.21%	3.55%	2.85%	2.18%	1.54%

Note: Under state finance law, Potter County's outstanding general obligation debt should not exceed 5% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

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

Table 14

Fiscal Year	Population	Personal Income	Per Capita Personal income	Unemployment Rate
2005	118,771	\$ 3,281,558,416	\$ 27,629	3.90%
2006	119,780	3,404,114,784	28,420	3.60%
2007	120,758	3,571,212,000	29,573	3.70%
2008	119,740	3,933,563,000	32,851	4.40%
2009	120,118	3,754,294,000	31,255	6.10%
2010	121,448	3,964,519,000	32,644	6.20%
2011	122,285	4,122,727,000	33,714	6.30%
2012	122,335	4,192,197,000	34,268	5.60%
2013	121,661	4,344,757,632	35,712	5.30%
2014	122,070 *	4,410,511,170 *	36,131 *	4.51%

Source: Texas Workforce Commission Tracer

*Estimates for 2014 are based on the average growth of the previous 8 years.

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

Table 15

2014			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Amarillo ISD	4,200	1	3.16%
Tyson Foods	3,678	2	2.77%
CNS Pantex	3,112	3	2.34%
Baptist St. Anthony's Health Care System	2,900	4	2.18%
City of Amarillo	1,900	5	1.43%
Amarillo College	1,642	6	1.24%
Northwest Texas Healthcare System	1,490	7	1.12%
Xcel Energy/Southwestern Public Service Co.	1,430	8	1.08%
Texas Department of Criminal Justice	1,274	9	0.96%
Western National Life Insurance	1,135	10	0.85%
Total	22,761		17.13%
2005			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Amarillo ISD	N/A*	N/A*	N/A*
Tyson Foods	3,700	N/A*	3.18%
BWXT Pantex	3,311	N/A*	2.85%
Baptist St. Anthony's Health Care System	2,800	N/A*	2.41%
City of Amarillo	N/A*	N/A*	N/A*
Northwest Texas Healthcare System	1,359	N/A*	1.17%
Bell Helicopter, Inc.	1,068	N/A*	0.92%
Xcel Energy	1,000	N/A*	0.86%
Texas Department of Criminal Justice	N/A*	N/A*	N/A*
Western National Life Insurance	890	N/A*	0.76%
Total	14,128		12.15%

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,										
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund										
County Judge	3	3	3	3	3	3	3	3	3	3
County Commissioners	4	4	4	4	4	4	4	4	4	4
Human Resources	3	3.5	4	4	4	4	4	4	4	4
Information Technology	6	6	6	7	7	7	8	8	8	8
Information and Records Mgmt	6	6	6	6	6	7	7	7	7	7
County Auditor	6	6	6	6	6	6	6	6	6	6
County Treasurer	2	3	2	3	3	3	3	3	3	3
Purchasing Agent	5	5.5	5.5	6	6	6	6	6	6	6
Collections	-	3	3	3	3	3	3.5	3.5	3.5	3.8
Tax Assessor/Collector	21	21	21	21	21	21	21	21	21	21
Facilities Maintenance	26	26	26	26	26	26	26	26	27	27
Elections Administrator	-	-	-	-	-	4	4.5	4.5	4.5	4.5
County Clerk	21.5	22.5	22.5	22.5	21.5	18	17.5	17.5	17.5	17
District Clerk	20.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21
Court of Appeals	4	4	4	4	4	4	4	4	4	4
47th District Court	4	4	4	4	4	4	4	4	4	4
108th District Court	4	4	4	4	4	4	4	4	4	4
181st District Court	4	4	4	4	4	4	4	4	4	4
251st District Court	4	4	4	4	4	4	4	4	4	4
320th District Court	4	4	4	4	4	4	4	4	4	4
County Court at Law #1	5	5	5	5	5	5	5	5	5	5
County Court at Law #2	5	5	4	5	5	5	5	5	5	5
Justice of the Peace, #1	4	4	4	4	4	4	4	4	4	4
Justice of the Peace, #2	3	3	3	3	3	3	3	3	3	3
Justice of the Peace, #3	4	4	4	4	4	4	4	4	4	4
Justice of the Peace, #4	3	3	3	3	3	3	3	3	3	3
Jury and Jury Related	4	3.5	3.5	3.5	3.5	3.5	3.5	4	3.5	3.5
County Attorney	25.5	25.5	25.5	28.5	28.5	29.5	27	27	27	26.5
Family Crime Unit	2	2	2	2	2	2	2	1	1	2
District Attorney	27	27	28	32	32	32	32	32	32	32
Forensic Science Lab	1	1	1	1	1	1	1	1	1	1
Constables	4	3	3	4	4	4	3	3	4	4
Sheriff	80	80.5	81.5	81	81	80	80	80	79	81
Fire/Rescue Department	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4	4
Detention Center	120.2	121.2	121.2	122.2	122.2	123	123	123	126	129
County Extension Services	5	5	5	5	5	5	5	5	5	5
Welfare	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Victim Assistance	3	3	3	3	3	3	3	3	3	3
Road and Bridge	20	19	19	19	19	19	19	19	19	19
Total General Fund	<u>467.7</u>	<u>473.7</u>	<u>474.2</u>	<u>486.2</u>	<u>485.2</u>	<u>487.5</u>	<u>485.5</u>	<u>485.0</u>	<u>489.0</u>	<u>493.8</u>

Source: Potter County employee records

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

Table 16
 Page 2 of 2

Budgeted Full-time Equivalent Employees as of September 30,										
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Other Governmental Funds										
Law Library	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Courthouse Security	1	1	1	1	2	4	5	5	5	6
County Clerk Record Mgmt	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1	1	-
Court Records Management	4	4	4	2.5	2	1	1	1	1	1
Juvenile Probation	22	22	22	22	22	22	22	22	22	22
Sheriff Commissary	1.25	1.25	1.25	1.25	1.25	1	-	-	-	-
County Attorney Check	6	6	4	3	3.5	3.5	2	2.5	2.5	2.5
County Attorney Forfeiture Release	-	-	-	-	-	-	3	3	3	3
District Attorney State Payroll	1	2	1	0.5	-	-	-	-	-	-
District Attorney Forfeiture Release	-	-	1	-	-	2	2	2.5	2.5	0.5
District Attorney Welfare Fraud	0.5	-	-	-	0.5	0.5	-	-	-	-
Local Law Enforcement Block Grant	1	1	-	-	-	-	-	-	-	-
Total Other										
Governmental Funds	<u>38.8</u>	<u>39.3</u>	<u>36.3</u>	<u>32.3</u>	<u>33.3</u>	<u>36</u>	<u>37</u>	<u>37.5</u>	<u>37.5</u>	<u>35.5</u>
Total Governmental Funds	<u>506.5</u>	<u>513.0</u>	<u>510.5</u>	<u>518.5</u>	<u>518.5</u>	<u>523.5</u>	<u>522.5</u>	<u>522.5</u>	<u>526.5</u>	<u>529.3</u>

Source: Potter County employee records

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

Table 17

Function	2005	2006	2007	2008	2009
General Government					
Tax Office					
Auto titles issued ⁽¹⁾	34,778	34,473	33,226	34,621	30,168
Auto registrations ⁽²⁾	100,734	101,842	101,611	102,910	99,845
County Clerk ⁽³⁾					
Marriage license applications	1,730	1,685	1,661	1,582	1,458
Registered voters	25,870	24,660	22,373	23,793	23,734
Real property documents filed	55,519	52,467	52,590	55,144	56,451
Elections Administration					
Registered voters	-	-	-	-	-
Administration of Justice ⁽⁴⁾					
District Court Level					
Civil cases filed	3,234	3,404	3,361	2,910	3,031
Civil case dispositions	2,930	3,119	3,295	3,128	2,995
Criminal cases filed	2,713	2,968	2,817	2,753	2,475
Criminal case dispositions	2,674	2,891	2,768	2,677	2,533
County Court Level					
Civil cases filed	1,137	1,460	1,197	1,042	1,052
Civil case dispositions	1,019	1,074	1,454	1,212	962
Criminal cases filed	4,264	4,369	3,282	3,267	2,930
Criminal case dispositions	4,247	4,834	3,853	3,158	2,557
Justice of the Peace Court Level					
Civil cases filed	6,305	5,258	2,259	2,521	2,293
Civil case dispositions	5,907	5,146	2,034	2,376	2,096
Criminal cases filed	7,946	8,740	11,079	10,241	10,298
Criminal case dispositions	6,781	8,528	11,053	9,516	9,561
Public Safety and Correctional					
Sheriff ⁽⁵⁾					
Average daily jail population	530	543	550	545	488
Average daily prisoner cost	\$ 39.79	\$ 36.16	\$ 40.15	\$ 41.00	\$ 46.42
Human Services					
County Extension					
Number of programs	355	421	531	523	305
Number of contacts at programs	11,272	14,677	44,876	21,533	22,038
Number of individual, newsletter, and volunteer contacts	24,016	23,138	42,080	47,967	31,595

(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

2010	2011	2012	2013	2014
30,180	31,083	30,820	32,260	31,956
104,539	101,487	101,571	102,890	104,225
1,431	1,424	1,606	1,476	1,529
21,537	19,393	20,315	21,359	19,822
49,053	-	-	-	-
-	49,689	48,265	51,003	52,666
3,441	3,548	3,412	3,426	3,472
2,730	3,851	3,578	3,259	3,477
2,043	2,474	2,111	2,202	2,385
2,136	2,450	2,371	2,151	2,449
1,047	1,109	1,070	922	1,065
962	1,133	1,134	876	1,080
3,206	3,103	3,319	3,011	2,342
2,943	3,151	3,339	3,200	3,189
2,281	1,819	2,045	2,117	2,032
2,356	4,249	2,324	2,058	1,962
8,753	7,420	8,316	8,038	9,209
10,078	9,176	8,508	8,374	7,680
522	529	471	491	501
\$ 45.05	\$ 45.86	\$ 52.72	\$ 52.55	\$ 57.05
350	508	390	375	453
7,198	12,997	10,290	8,017	19,617
45,562	55,590	28,775	10,786	98,564

POTTER COUNTY, TEXAS

Table 18

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Office buildings / courthouses	5	6	7	7	7	7	7	7	7	7
Public safety and correctional										
Constables										
Patrol vehicles	2	2	3	3	3	3	2	2	4	4
Sheriff										
Enforcement vehicles	29	29	29	29	29	29	29	41	43	43
Corrections vehicles	9	9	9	9	11	11	11	11	10	10
Fire / Rescue										
Fire stations	7	7	7	7	7	7	7	7	7	7
Transportation										
County roads (miles)	234	220	233	261	299	301	301	283	288	292
Bridges	2	2	2	2	2	2	2	2	2	2

Source: Various County departments and County fixed asset reports.

OTHER REPORTING

This section includes other reporting required by *Government Auditing Standards*.

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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Potter County, Texas (the County), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 6, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Dennis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 6, 2015