

POTTER COUNTY, TEXAS

Comprehensive Annual Financial Report

For the Year Ended
September 30, 2015

Prepared by: Office of County Auditor
Kerry Hood
County Auditor

POTTER COUNTY, TEXAS
 Comprehensive Annual Financial Report
 Year Ended September 30, 2015

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INTRODUCTORY SECTION

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



Kerry Hood
County Auditor
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806-349-4800
Fax: 806-349-4808

March 18, 2016

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, 2015 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, 2015, 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, 2015 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 121,857. This is up .34% over the 2010 census of 121,448 and 24.5% 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 unrestricted 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 keep tax rate increases to a minimum. The rate increased from the 2014 rate of \$0.63402 to \$0.66402 for 2015.

Major Initiatives

Some of the major initiatives in fiscal year 2016 include the construction of new Sheriff facilities for the administrative, enforcement and fleet maintenance divisions of the department and the completion 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. Case management software for the Justices of the Peace was approved in 2015 with implementation completed in 2016. The 2016 budget included case management software for the County Clerk and District Clerk. The current software for both applications is an in-house software dating back to the early 1990s.

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, 2014. This was the twenty-first 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 2015 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

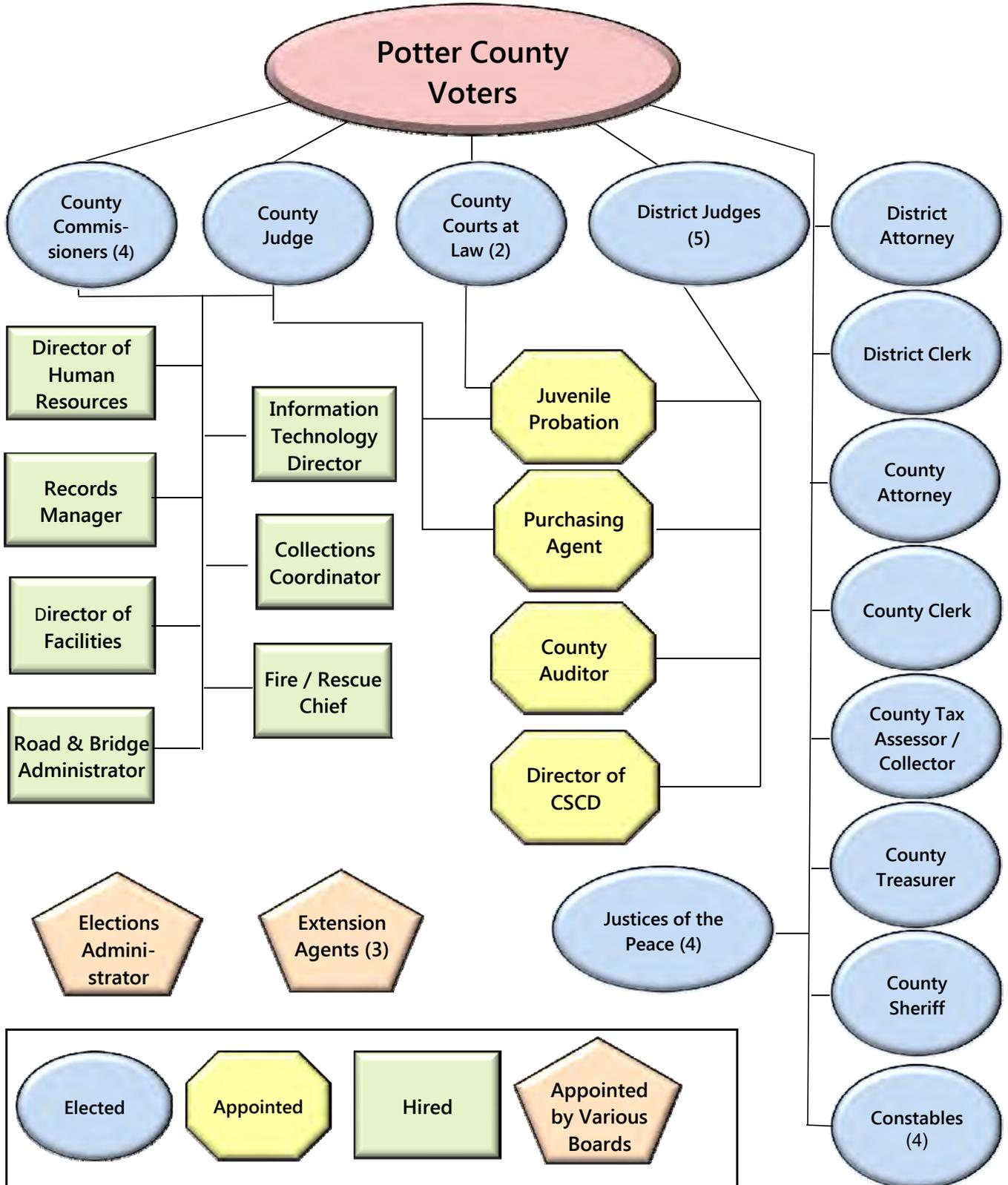
**Potter County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

Potter County, Texas
Organization Chart



**Potter County, Texas
County Officials**

Nancy TannerCounty 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
Richard HermanJustice of the Peace, Precinct #2
Gary JacksonJustice of the Peace, Precinct #3
Thomas JonesJustice of the Peace, Precinct #4
Darryl WertzConstable, Precinct #1
Georgia EstradaConstable, 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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 9 to the basic financial statements, the County implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, during the year ended September 30, 2015, which requires recognition of its net pension liability and a more comprehensive measure of pension expense. Our opinion is not modified with respect to this matter.

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 Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and the Schedule of Funding Progress (Other Postretirement Benefits) on pages 4 through 11 and 46 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements (including the budgetary comparison schedules for nonmajor funds) and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2016, 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.

Daniel Kenard & Co., PC
Certified Public Accountants

Abilene, Texas
March 18, 2016

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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report.

Financial Highlights

- The assets and deferred outflows of resources of Potter County exceeded its liabilities at the close of the most recent fiscal year by \$89,781,652 (*net position*). Of this amount, \$19,262,870 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 decreased \$6,345,693 in large part as a result of implementing GASB Statement No. 68, enhancing the reporting of the financial support for pensions.
- At the close of the current fiscal year, Potter County's governmental funds reported combined fund balances of \$31,963,869 an increase of \$1,080,268 in comparison with the prior year. Approximately 41% of this amount (\$13,236,882) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$16,236,882 or approximately 34% of total general fund expenditures.
- Potter County's total outstanding long-term debt decreased by \$1,820,000 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 22-45 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 46-100 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 and deferred inflows of resources by \$89,781,652 at the close of the most recent fiscal year.

During fiscal year 2015, the County adopted GASB Statement No. 68 Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, resulting in the County recording its proportionate share of the net pension liability of \$12,445,795, deferred inflows of resources of \$215,085, and deferred outflows of resources of \$4,376,019. The comparative information presented for September 30, 2014 has not been restated to reflect this change because sufficient information is not available. See Note 9 and 16 for further information.

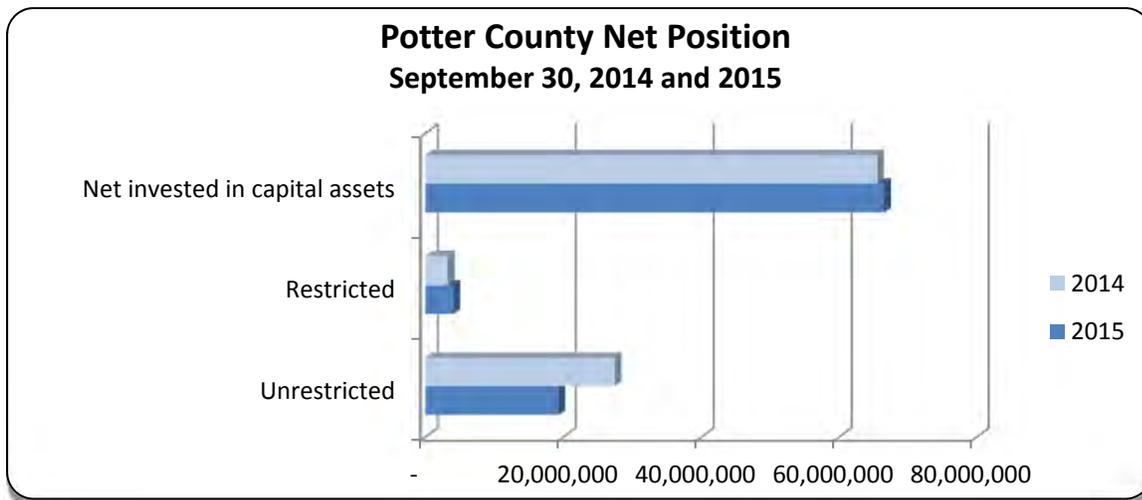
Potter County's Net Position

	Governmental Activities	
	2015	2014 (not restated)
Current and other assets	\$ 36,562,780	\$ 35,435,919
Capital assets	71,450,916	72,337,808
Total assets	\$ 108,013,696	\$ 107,773,727
Deferred Outflows-Pension	\$ 4,376,019	Not reported
Long-term liabilities outstanding	\$ 7,990,692	\$ 9,523,588
Net Pension Liability	12,445,795	Not reported
Other liabilities	1,956,491	2,122,794
Total liabilities	\$ 22,392,978	\$ 11,646,382
Deferred Inflows-Pension	\$ 215,085	Not reported
Net position:		
Net investment in capital assets	\$ 66,480,662	\$ 65,492,484
Restricted	4,038,120	3,226,294
Unrestricted	19,262,870	27,408,567
Total net position	\$ 89,781,652	\$ 96,127,345

By far, the largest portion of Potter County's net position (74%) 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 (4.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$19,262,870 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

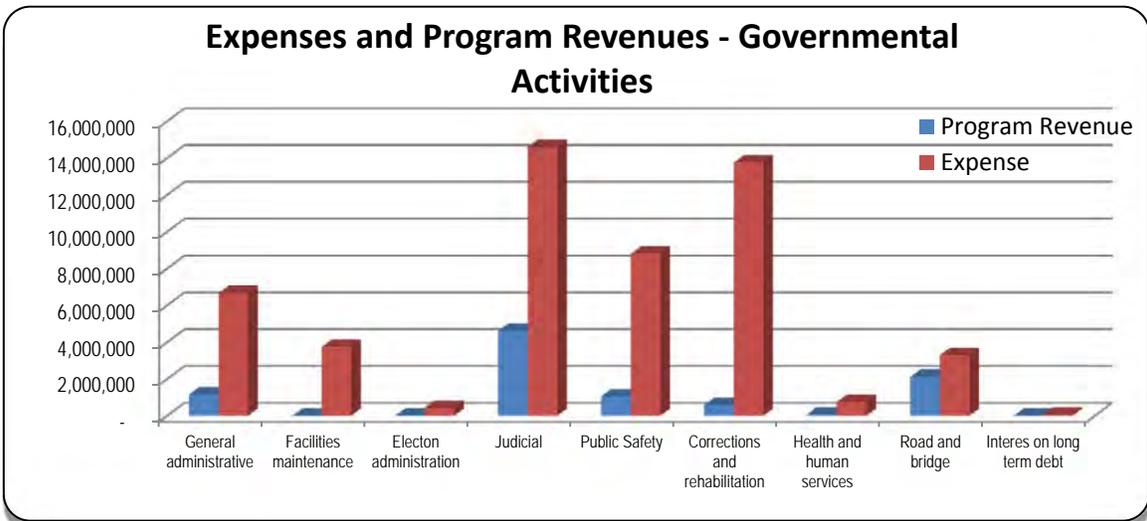
At the end of the current fiscal year, Potter County is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.



Governmental Activities. During the current fiscal year, net position for governmental activities decreased \$6,345,693 from the prior fiscal year for an ending balance of \$89,781,652. The decrease in the overall net position of governmental activities is the result of recording the net pension liability, deferred outflows/inflows of resources related to pension, offset by increasing rates for certain revenue sources and refinancing debt.

Potter County’s Changes in Net Position

	Governmental activities	
	2015	2014 (not restated)
Charges for services	\$ 8,024,643	\$ 8,473,599
Operating grants and contributions	1,661,597	1,847,566
Capital grants and contributions	10,000	5,538,985
Property taxes	44,033,246	42,614,323
Other taxes	822,348	791,996
Other	150,963	339,343
Total revenues	\$ 54,702,797	\$ 59,605,812
General administrative	6,665,962	6,966,432
Facilities maintenance	3,743,189	3,940,745
Election administration	445,008	399,450
Judicial	14,606,765	14,145,048
Public safety	8,805,956	9,129,698
Corrections and rehabilitation	13,764,889	13,994,064
Health and human services	757,696	799,112
Road and bridge	3,302,840	3,876,443
Interest on long term debt	58,330	86,454
Total expenses	\$ 52,150,635	\$ 53,337,446
Increase (decrease) in net position	2,552,162	6,268,366
Net position – beginning	96,127,345	89,858,979
Prior period adjustment – GASB No. 68 adoption	(8,897,855)	--
Net position – ending	\$ 89,781,652	\$ 96,127,345

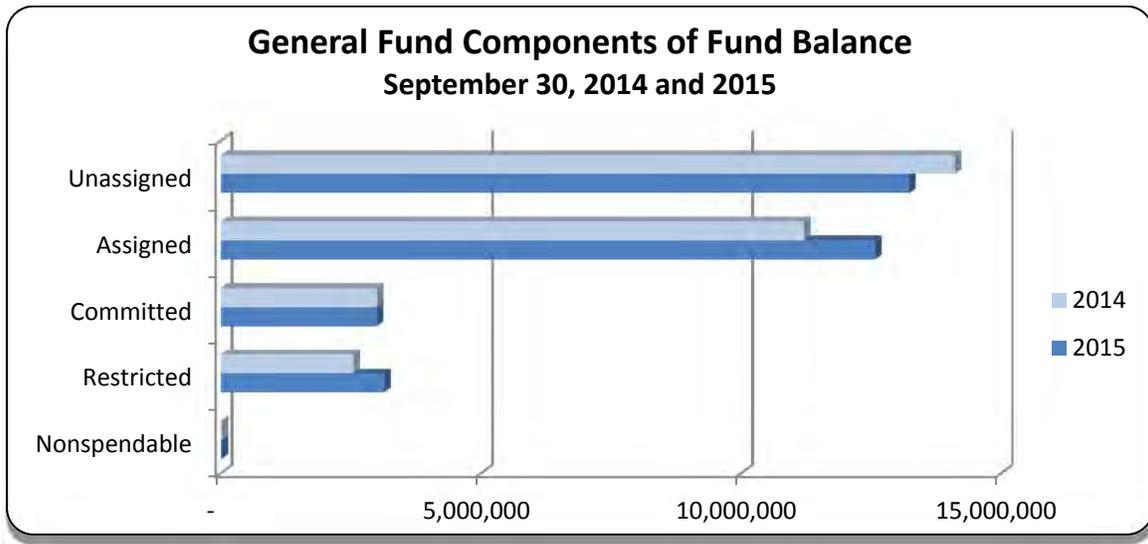


Financial Analysis of Governmental Funds

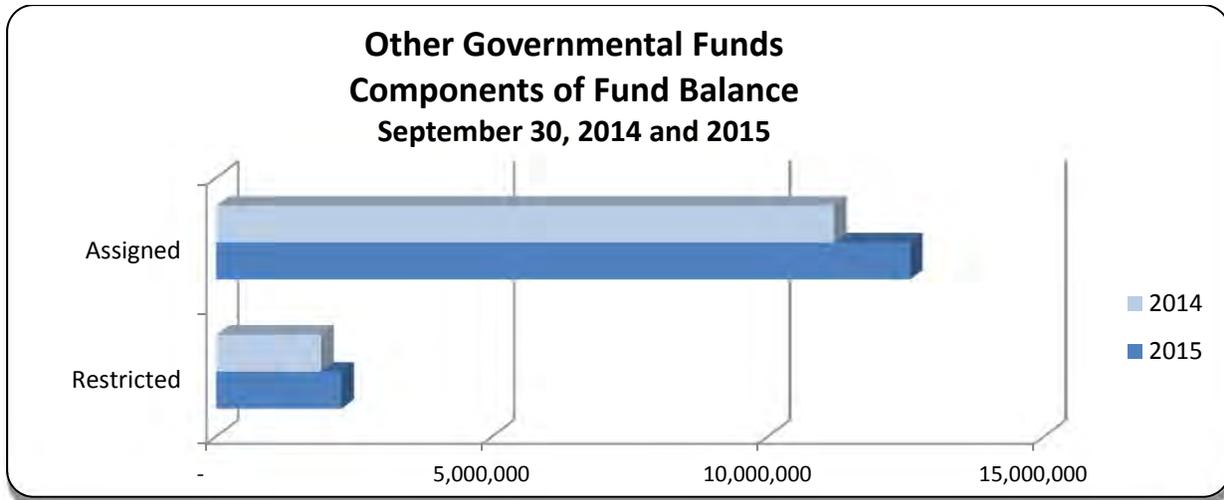
As noted earlier, Potter County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, 2015, Potter County's governmental funds reported combined fund balances of \$31,963,869, an increase of \$1,080,268 in comparison with the prior year. Approximately 41% of this amount (\$13,236,882) 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 (\$17,110), 2) restricted for particular purposes (\$3,135,895), 3) committed for particular purposes (\$3,000,000), or 4) assigned for particular purposes (\$12,573,982).



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 \$13,236,882, while total fund balance decreased to \$17,118,221. 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 27.5% of total general fund expenditures, while total fund balance represents approximately 35.5% of that same amount.



There were no significant changes in Potter County’s fund balance of the general fund. The fund balance decreased by \$663,160 during the fiscal year.

The capital projects fund, a major governmental fund, had an increase of \$1,543,584 in fund balance during the current fiscal year for an ending fund balance of \$9,223,342. The majority of this fund comes from transfers from the general fund. The current year expenditures of \$1,464,557 provided consulting services for construction of Sheriff’s Administration facilities, case management software for the Prosecutors’ offices, elevator modernization in the Santa Fe building and renovation of Fire Station #6.

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 \$902,225. The increase in net position was \$231,862.

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 (\$106,746), various donations (\$30,225) and reinstated State funding for law enforcement education (\$17,109). Corresponding appropriations were added to the budget along with carryover for encumbrances from the prior year (\$589,903) and budgeting for records preservation expenditures from restricted fund balance (\$1,743,574). 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	\$ 42,818,452	\$ 42,499,365	\$ (319,087)
License and fees	4,615,400	4,538,493	(76,907)
Fines and forfeitures	1,280,500	1,210,983	(69,517)
Rents and recoveries	734,600	799,822	65,222

Although total tax collections were slightly lower than anticipated, the overall current collection rate remains strong at 98.88% compared to 98.76% in the prior fiscal year. Delinquent taxes and the associated penalties and interest accounted for \$211,648 of the budget shortfall. The decrease in licenses and fees is a combination of fewer documents and cases filed in the courts along with the associated service fees to the Sheriff and Constables. Rents and recoveries were below budget due to multiple reimbursements for losses of equipment due to accidents.

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 \$1,425,902 as a result of employee turnover, services in the judicial section (court appointed attorneys, investigators, court reporters, capital cases and visiting judges) were \$631,122 under budget, county-wide general operating expenditures were expensed \$572,314 less than budget, and equipment operation costs had a remaining budget of \$485,459.

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, 2015, amounts to \$66,480,662 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads, and bridges. The total decrease in capital assets for the current fiscal year was approximately 1.2%.

Potter County’s Capital Assets (net of depreciation)

	Governmental activities	
	2015	2014
Land	\$ 5,050,536	\$ 5,050,536
Buildings and improvements	50,053,226	51,477,181
Streets and bridges	9,630,296	10,710,503
Furniture and equipment	5,069,027	4,564,050
Construction in progress	1,647,831	535,538
Total	\$71,450,916	\$72,337,808

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

- Fire Station #6 renovations were completed (\$295,648)
- Architectural services were received for the Sheriff’s Administration facilities (\$179,320).
- Architectural services were received for Fire Station #3 (\$115,415).

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 \$4,835,000. This amount is paid from ad valorem taxes.

Potter County’s Outstanding Debt

	Governmental activities	
	2015	2014
Advanced GO, refunding bonds	\$4,835,000	\$ 6,655,000

Potter County’s total debt decreased by \$1,820,000 (27%) 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 \$344,960,488 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 2015-2016 fiscal year budget.

The unemployment rate for Potter County is currently 3.2%, which is a decrease from a rate of 4.1% a year ago. Potter County continues to remain below the National average of 5.1% and the State average of 4.6%

Growth in the taxable assessed value used to budget for fiscal year 2016 was \$104,884,911 or 1.52% compared to fiscal year 2015.

Interest rates are expected to increase slightly throughout fiscal year 2016.

On the expenditure side, increases are expected in health insurance premiums, as well as pension and other employee benefit costs. The cost of providing Juvenile Probation services will also increase. Major capital projects anticipated include the construction of Fire Station #3 and the issuance of certificates of obligation in the amount of \$21,470,000 to construct facilities for the Sheriff's administration, enforcement and fleet maintenance divisions.

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 \$13,236,882. Potter County has appropriated \$397,873 of this amount for spending in the 2015-2016 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, 2015

	Governmental Activities
ASSETS:	
Pooled cash and cash equivalents	\$ 12,284,802
Investments	19,849,654
Receivables (net of allowance for uncollectibles)	
Taxes	875,507
Other	1,191,016
Fines, fees, and court costs	1,145,111
Due from other governments	68,465
Prepaid expenses	17,110
Restricted assets:	
Pooled cash and cash equivalents	1,099,173
Investments	30,747
Accounts receivable	1,195
Capital assets not being depreciated	6,698,367
Capital assets (net of accumulated depreciation)	<u>64,752,549</u>
Total assets	108,013,696
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension	4,376,019
LIABILITIES:	
Accounts payable and other current liabilities	1,712,422
Unearned revenues	6,786
Accrued interest payable	7,703
Claims payable from restricted assets	229,580
Noncurrent liabilities	
Net other postemployment benefit liability	1,561,611
Due within one year	2,206,986
Due in more than one year	4,222,095
Net pension liability	<u>12,445,795</u>
Total liabilities	22,392,978
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension	215,085
NET POSITION:	
Net investment in capital assets	66,480,662
Restricted for:	
Debt service	1,753,489
Insurance claims	902,225
Restricted for drug court programs	45,593
Restricted for preservation and restoration of County records	693,144
Restricted for continuing education of local law enforcement	17,848
Restricted for bail bond board	37,117
Restricted for victim assistance contributions	15,030
Restricted for state criminal alien assistance program	79,843
Restricted for other purposes	493,831
Unrestricted	<u>19,262,870</u>
Total net position	<u>\$ 89,781,652</u>

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

POTTER COUNTY, TEXAS
Statement of Activities
For the Year Ended September 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Capital Grants and Contributions
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT				
Governmental activities				
General administrative	\$ 6,665,962	\$ 1,028,289	\$ 139,041	\$ -
Facilities maintenance	3,743,189	-	-	-
Election administration	445,008	660	18,464	-
Judicial	14,606,765	3,622,668	994,609	-
Public safety	8,805,956	810,363	249,069	10,000
Corrections and rehabilitation	13,764,889	431,524	165,278	-
Health and human services	757,696	20,914	76,256	-
Road and bridge	3,302,840	2,110,225	18,880	-
Interest on long term debt	58,330	-	-	-
Total governmental activities	<u>52,150,635</u>	<u>8,024,643</u>	<u>1,661,597</u>	<u>10,000</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 52,150,635</u>	<u>\$ 8,024,643</u>	<u>\$ 1,661,597</u>	<u>\$ 10,000</u>

General Revenues:

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

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR

PRIOR PERIOD ADJUSTMENT

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
\$ (5,498,632)	\$ (5,498,632)
(3,743,189)	(3,743,189)
(425,884)	(425,884)
(9,989,488)	(9,989,488)
(7,736,524)	(7,736,524)
(13,168,087)	(13,168,087)
(660,526)	(660,526)
(1,173,735)	(1,173,735)
(58,330)	(58,330)
<u>(42,454,395)</u>	<u>(42,454,395)</u>
<u>(42,454,395)</u>	<u>(42,454,395)</u>
41,867,636	41,867,636
2,165,610	2,165,610
593,951	593,951
15,587	15,587
212,810	212,810
90,894	90,894
60,069	60,069
<u>45,006,557</u>	<u>45,006,557</u>
2,552,162	2,552,162
96,127,345	96,127,345
<u>(8,897,855)</u>	<u>(8,897,855)</u>
<u>\$ 89,781,652</u>	<u>\$ 89,781,652</u>

POTTER COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2015

	General Fund	Capital Projects Fund
ASSETS		
Pooled cash and cash equivalents	\$ 4,675,920	\$ 2,500,956
Investments	12,443,839	6,537,391
Receivables (net of allowances for uncollectibles)		
Taxes	832,258	
Other	1,130,654	
Fines, fees, and court costs	1,145,111	
Due from other governments	68,465	
Due from other funds	28,068	350,000
Prepaid items	17,110	
Total assets	<u>\$ 20,341,425</u>	<u>\$ 9,388,347</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable and other current liabilities	\$ 1,504,498	\$ 165,005
Due to other funds	690	
Unearned revenues	6,786	
Total liabilities	<u>1,511,974</u>	<u>165,005</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	705,607	
Unavailable revenue - fines, fees and court costs	1,005,623	
Total deferred inflows of resources	<u>1,711,230</u>	-
Fund balances:		
Nonspendable fund balances:		
Prepaid items	17,110	
Restricted fund balances:		
Restricted for debt service		
Restricted for drug court programs	45,593	
Restricted for preservation and restoration of County records	271,517	
Restricted for continuing education of local law enforcement	17,848	
Restricted for bail bond board	37,117	
Restricted for victim assistance contributions	15,030	
Restricted for state criminal alien assistance program	79,843	
Restricted for other purposes	397,281	
Committed fund balances:		
Committed for capital replacement expenditures	3,000,000	
Assigned fund balances:		
Capital project funds assigned for specific purposes		9,223,342
Special revenue funds assigned for specific purposes		
Unassigned fund balance	<u>13,236,882</u>	
Total fund balances	<u>17,118,221</u>	<u>9,223,342</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 20,341,425</u>	<u>\$ 9,388,347</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 5,107,926	\$ 12,284,802
868,424	19,849,654
43,249	875,507
60,362	1,191,016
	1,145,111
	68,465
	378,068
	17,110
<u>\$ 6,079,961</u>	<u>\$ 35,809,733</u>
\$ 42,919	\$ 1,712,422
378,068	378,758
	6,786
<u>420,987</u>	<u>2,097,966</u>
36,668	742,275
	1,005,623
<u>36,668</u>	<u>1,747,898</u>
	17,110
1,753,489	1,753,489
	45,593
421,627	693,144
	17,848
	37,117
	15,030
	79,843
96,550	493,831
	3,000,000
	9,223,342
3,350,640	3,350,640
	13,236,882
<u>5,622,306</u>	<u>31,963,869</u>
<u>\$ 6,079,961</u>	<u>\$ 35,809,733</u>

POTTER COUNTY, TEXAS
 Reconciliation of the Balance Sheet of Governmental Funds
 To The Statement of Net Position
 September 30, 2015

Exhibit A-4

Total Fund Balances - Governmental Fund Balance Sheet	\$	31,963,869
<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>		71,450,916
<p>The due to/from amounts on the governmental funds balance sheet are eliminated on the statement of net position in the amount of \$378,758. 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>		902,225
<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>		1,747,898
<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>		(7,990,692)
<p>Payables for bond interest which are not due in the current period are not reported in the funds.</p>		(7,703)
<p>Included in the items related to debt is the recognition of the County's proportionate share of the net pension liability in the amount of \$12,445,795, a deferred outflow of resources of \$4,376,019 and a deferred inflow of resources of \$215,085. The net effect is a decrease to net position.</p>		<u>(8,284,861)</u>
Net Position of Governmental Activities - Statement of Net Position	\$	<u><u>89,781,652</u></u>

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

POTTER COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2015

	General Fund	Capital Projects Fund
REVENUES:		
Taxes	\$ 42,499,365	\$
License and fees	4,538,493	
Intergovernmental	1,884,489	
Fines and forfeitures	1,210,983	
Charges for services	799,822	
Investment earnings	67,645	8,141
Miscellaneous	123,280	
	<u>51,124,077</u>	<u>8,141</u>
Total revenues		
EXPENDITURES:		
Current:		
General administrative	6,188,038	
Facilities maintenance	2,463,133	
Election administration	418,956	
Judicial	13,064,572	
Public safety	8,309,414	
Corrections and rehabilitation	13,552,159	
Health and human services	765,410	
Road and bridge	1,967,957	
Debt service:		
Principal		
Interest and fiscal charges		
Capital outlay	1,457,598	1,464,557
	<u>48,187,237</u>	<u>1,464,557</u>
Total expenditures		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>2,936,840</u>	<u>(1,456,416)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	3,000,000
Transfers out	(3,600,000)	-
	<u>(3,600,000)</u>	<u>3,000,000</u>
Total other financing sources (uses)		
NET CHANGE IN FUND BALANCES	(663,160)	1,543,584
FUND BALANCES AT BEGINNING OF YEAR	<u>17,781,381</u>	<u>7,679,758</u>
FUND BALANCES AT END OF YEAR	<u>\$ 17,118,221</u>	<u>\$ 9,223,342</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 2,166,758	\$ 44,666,123
811,142	5,349,635
137,742	2,022,231
	1,210,983
7,426	807,248
12,559	88,345
468,530	591,810
<u>3,604,157</u>	<u>54,736,375</u>
36,378	6,224,416
	2,463,133
29,756	448,712
1,491,489	14,556,061
55,154	8,364,568
126,291	13,678,450
	765,410
	1,967,957
1,820,000	1,820,000
114,901	114,901
330,344	3,252,499
<u>4,004,313</u>	<u>53,656,107</u>
<u>(400,156)</u>	<u>1,080,268</u>
600,000	3,600,000
-	(3,600,000)
<u>600,000</u>	-
199,844	1,080,268
<u>5,422,462</u>	<u>30,883,601</u>
<u>\$ 5,622,306</u>	<u>\$ 31,963,869</u>

POTTER COUNTY, TEXAS

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2015

Net Change in Fund Balances - Total Government Funds	\$ 1,080,268
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.	3,252,499
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.	10,000
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.	(3,925,900)
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.	(223,491)
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.	(20,467)
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.	1,820,000
The net increase in compensated absences payable is a decrease to net position.	(38,473)
Internal service funds are used by management to charge the costs of self-insurance in individual funds. The change in net position of the internal service funds are included in governmental activities in the statement of activities. This results in an increase to net position.	231,862
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.	55,070
The net increase in the obligation for other postemployment benefits is a decrease to net position.	(303,701)
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.	1,501

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, 2015

Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$2,926,963. The County's share of the unrecognized deferred inflows and outflows for TCDRS as of the measurement date must be amortized and the County's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease in the amount of \$2,313,969. The net effect is an increase in net position.

612,994

Change in Net Position of Governmental Activities - Statement of Activities

\$ 2,552,162

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

POTTER COUNTY, TEXAS
Statement of Net Position
Proprietary Funds
September 30, 2015

Exhibit A-7

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
ASSETS	
Current assets:	
Restricted assets:	
Pooled cash and cash equivalents	\$ 1,099,173
Investments	30,747
Accounts receivable:	
Other	1,195
Due from other funds	<u>690</u>
Total current assets	<u>1,131,805</u>
Total assets	1,131,805
LIABILITIES	
Current liabilities:	
Claims payable from restricted assets	<u>229,580</u>
Total current liabilities	229,580
Total liabilities	<u>229,580</u>
NET POSITION	
Restricted for insurance claims	<u>902,225</u>
Total net position	<u>\$ 902,225</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, 2015

Exhibit A-8

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Insurance premiums	\$ 5,364,561
Charges for services	238,704
Total operating revenues	5,603,265
OPERATING EXPENSES	
Claims	4,037,555
Premiums	579,313
Administrative expenses	757,084
Total operating expenses	5,373,952
OPERATING INCOME	229,313
NONOPERATING REVENUES	
Investment earnings	2,549
Total non-operating revenues	2,549
CHANGE IN NET POSITION	231,862
NET POSITION AT BEGINNING OF YEAR	670,363
NET POSITION AT END OF YEAR	\$ 902,225

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, 2015

Exhibit A-9

	<u>Governmental Activities Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from participants	\$ 5,365,390
Cash received from recoveries and other	238,704
Cash payments for claims	(4,246,439)
Cash payments for administrative fees	(757,084)
Cash payments for insurance premiums	<u>(579,313)</u>
Net cash provided by operating activities	<u>21,258</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	2,549
Purchases of investments	<u>(17)</u>
Net cash provided by investing activities	<u>2,532</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,790
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,075,383</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,099,173</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 229,313
Net change in:	
Accounts receivable	863
Due from other funds	(34)
Claims payable	<u>(208,884)</u>
Total adjustments	<u>(208,055)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 21,258</u>

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

POTTER COUNTY, TEXAS
Statement of Fiduciary Net Position - Fiduciary Funds
September 30, 2015

Exhibit A-10

	<u>Agency Funds</u>
ASSETS	
Pooled cash and cash equivalents	\$ 6,265,366
Accounts receivable:	
Other	<u>100,052</u>
Total assets	\$ <u><u>6,365,418</u></u>
LIABILITIES	
Accounts payable and other current liabilities	\$ 480,235
Due to other governments	2,693,782
Due to trust beneficiaries	2,921,342
Due to other entities	202,559
Deposits	<u>67,500</u>
Total liabilities	\$ <u><u>6,365,418</u></u>

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

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, 2015

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, 2015

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, 2015

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, 2015

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 \$133,232
2. Fines receivable of \$139,488

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.

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.

Assets limited as to use or restricted

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

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

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.

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 Outflows/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.

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows of resources for the difference between projected and actual earnings for its pension plan and contributions made to the pension plan after the measurement date, but before the end of the fiscal year.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows of resources for the differences between expected and actual experience related to its pension plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned Revenue

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

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, 2015

Note 1: Summary of Significant Accounting Policies (continued)

Pensions

The fiduciary net position of the Texas County & District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCERS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2015, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$19,649,341 and the bank balance was \$20,294,600. The County's cash deposits at September 30, 2015, 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, 2015 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fair Value</u>	<u>Rating</u>
TexPool	40	\$ 7,849,065	AAAm
TexPool Prime	44	2,031,336	AAAm
CDARs	N/A	<u>10,000,000</u>	Non-rated
Total investments		<u>\$ 19,880,401</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, 2015

Note 2: Deposits and Investments (continued)

Investments (continued)

The County has investments with the following public funds investment pools as of September 30, 2015:

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, 2015

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	\$ 1,832,405	\$	\$ 95,223	\$	\$
Fines, fees, and court costs	39,107,877				
Other	1,130,654		60,362	1,195	100,052
Total gross receivables	42,070,936	-	155,585	1,195	100,052
Less: Allowance for uncollectibles					
Taxes	(1,000,147)		(51,974)		
Fines, fees, and court costs	(37,962,766)				
Net total receivables	\$ 3,108,023	\$ -	\$ 103,611	\$ 1,195	\$ 100,052

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 4: Commitments Under Noncapitalized Leases

The County leases copiers from Tascosa Office Machines, Inc. for a term of five years beginning April 25, 2015 and ending April 25, 2020. The minimum lease amount is \$89,550.

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

<u>Year Ending September 30,</u>		
2016	\$	89,550
2017		89,550
2018		89,550
2019		89,550
2020		<u>52,238</u>
Total minimum rental	\$	<u>410,438</u>
Rental expenditures in 2015	\$	<u>147,893</u>

Note 5: Capital Assets

Capital asset activity for the period ended September 30, 2015 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	\$ 5,050,536	\$ -	\$ -	\$ 5,050,536
Construction in progress	<u>535,538</u>	<u>1,112,293</u>	<u>-</u>	<u>1,647,831</u>
Total capital assets not being depreciated	5,586,074	1,112,293	-	6,698,367
Capital assets being depreciated				
Streets and bridges	35,995,625	70,480	-	36,066,105
Buildings and improvements	77,633,729	295,648	-	77,929,377
Furniture and equipment	<u>13,716,493</u>	<u>1,784,078</u>	<u>(804,181)</u>	<u>14,696,390</u>
Total capital assets being depreciated	127,345,847	2,150,206	(804,181)	128,691,872
Less accumulated depreciation for:				
Streets and bridges	(25,285,122)	(1,150,687)	-	(26,435,809)
Buildings and improvements	(26,156,548)	(1,719,603)	-	(27,876,151)
Furniture and equipment	<u>(9,152,443)</u>	<u>(1,055,610)</u>	<u>580,690</u>	<u>(9,627,363)</u>
Total accumulated depreciation	(60,594,113)	(3,925,900)	580,690	(63,939,323)
Total capital assets being depreciated, net	<u>66,751,734</u>	<u>(1,775,694)</u>	<u>(223,491)</u>	<u>64,752,549</u>
Governmental activities capital assets, net	<u>\$ 72,337,808</u>	<u>\$ (663,401)</u>	<u>\$ (223,491)</u>	<u>\$ 71,450,916</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 5: Capital Assets (continued)

Depreciation was charged to functions as follows:

General administrative	\$ 407,279
Road and bridge	1,351,051
Facilities maintenance	1,297,298
Judicial	207,093
Public safety	453,604
Correctional	<u>209,575</u>
Total depreciation expense	<u>\$ 3,925,900</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, 2015, 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	\$ 28,068	Short-term loans
Capital Projects Fund	Other governmental funds	350,000	Cost sharing
Internal service fund	General fund	<u>690</u>	Short-term loans
	Total	<u>\$ 378,758</u>	

Transfers to and from Other Funds

Transfers to and from other funds at September 30, 2015, consisted of the following:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>	<u>Purpose</u>
General fund	Other governmental funds	\$ 600,000	Supplement other funds sources
General fund	Capital projects fund	<u>3,000,000</u>	Capital acquisition projects
	Total	<u>\$ 3,600,000</u>	

The General Fund transferred \$3,000,000 to the Capital Projects Fund to provide additional funding for ongoing capital acquisition projects. The General Fund transferred \$85,000 to the Law Library Fund, \$425,000 to the Courthouse Security Fund, and \$90,000 to the Auto Burglary and Theft Prevention Authority Grants 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, 2015

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 2003 to provide funds for the acquisition and construction of major capital facilities.

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, 2015:

	Interest rates	Date of issue	Date of Maturity	Bonds Outstanding
General obligation, Series 2012 refunding bonds	2.00 - 3.00	2012	2018	\$ <u>4,835,000</u>
Total general obligations debt				\$ <u><u>4,835,000</u></u>

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

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2016	\$ 1,860,000	\$ 78,100	\$ 1,938,100
2017	1,900,000	40,500	1,940,500
2018	1,075,000	10,750	1,085,750
Totals	\$ 4,835,000	\$ 129,350	\$ 4,964,350

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.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 8: Long-Term Obligations (continued)

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, 2015, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
General obligations bonds	\$ 6,655,000	\$ -	\$ 1,820,000	\$ 4,835,000	\$ 1,860,000
Total bonds payable	6,655,000	-	1,820,000	4,835,000	1,860,000
Compensated absences	1,420,354	1,188,536	1,150,063	1,458,827	291,765
OPEB liability	1,257,910	383,530	79,829	1,561,611	-
Unamortized bond premium	190,324	-	55,070	135,254	55,221
Total Governmental Activities	<u>\$ 9,523,588</u>	<u>\$ 1,572,066</u>	<u>\$ 3,104,962</u>	<u>\$ 7,990,692</u>	<u>\$ 2,206,986</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.

Benefits Provided

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. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 9: Pension Plan (continued)

Benefits Provided (continued)

Employees covered by benefit terms: At December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	325
Inactive employees entitled to but not yet receiving benefits	27
Active employees	<u>590</u>
	<u><u>942</u></u>

Contributions

The County has elected the annually determined contribution rate (Variable-Rate) plan 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 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.

	<u>Contribution Rates</u>	
	<u>2014</u>	<u>2015</u>
Member	7.0%	7.0%
Employers	13.78%	13.74%
Employer Contributions		\$ 3,899,238
Member Contributions		\$ 1,984,119

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20 years
Asset Valuation Method	5 year smoothed market
Discount Rate	8.10%
Long-term expected Investment Rate of Return*	8.10%
Salary Increases*	3.50%, average
Payroll Growth Rate	3.50%

**Includes Inflation of 3%*

The actuarial assumptions that determined the total pension liability as of December 31, 2014 were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012. The assumptions and methods are the same as used in the prior valuation.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 9: Pension Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year.

In order to determine the discount rate to be used, we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under our funding policy and the legal requirements under the TCDRS Act:

- 1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
- 2) Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
- 3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
- 4) Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2015 information for a 7 – 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is based on a 30-year time horizon; the most recent analysis was performed in 2013 based on the period January 1, 2009 – December 31, 2013.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 9: Pension Plan (continued)

Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized below:

Asset Class	Benchmark	Target Allocation ^[1]	Geometric Real Rate of Return (Expected minus Inflation) ^[2]
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ^[3]	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World Ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Lending	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	(0.2)%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ^[4]	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

^[1] Target asset allocation adopted at the April 2015 TCDRS Board meeting.

^[2] Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2015 capital market assumptions.

^[3] Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

^[4] Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 9: Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the County reported a net pension liability of \$12,445,795 for its proportionate share of the TCDRS's net pension liability measured at December 31, 2014.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes in the net pension asset for the year ended December 31, 2014 are as follows:

<u>Changes in Net Pension Liability / (Asset)</u>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2013	\$ 145,263,488	\$ 133,446,186	\$ 11,817,302
Changes for the year:			
Service Cost	4,108,621	-	4,108,621
Interest on total pension liability (1)	11,669,923	-	11,669,923
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(268,856)	-	(268,856)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(351,949)	(351,949)	-
Benefit payments	(6,184,673)	(6,184,673)	-
Administrative expense	-	(106,048)	106,048
Member contributions	-	1,984,119	(1,984,119)
Net investment income	-	9,074,869	(9,074,869)
Employer contributions	-	3,899,238	(3,899,238)
Other (2)	-	29,017	(29,017)
Net changes	<u>8,973,066</u>	<u>8,344,573</u>	<u>628,493</u>
Balance at 12/31/2014	<u>\$ 154,236,554</u>	<u>\$ 141,790,759</u>	<u>\$ 12,445,795</u>

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Relates to the allocation of system-wide items.

Discount Rate Sensitivity Analysis

The following presents the net pension liability / (asset) of the County, calculated using the discount rate of 8.10%, as well as what the County's net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease in Discount Rate (7.10%)	Current Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	\$ 174,264,009	\$ 154,236,554	\$ 137,749,571
Fiduciary net position	141,790,760	141,790,759	141,790,760
Net pension liability / (asset)	<u>\$ 32,473,249</u>	<u>\$ 12,445,795</u>	<u>\$ (4,041,189)</u>

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 9: Pension Plan (continued)

At December 31, 2014 the County reported its share of the TCDRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 215,085	\$ -
Changes in actual assumptions	-	-
Difference between projected and actual investment earnings	-	1,449,056
Contributions subsequent to the measurement date	-	2,926,963
Total	<u>\$ 215,085</u>	<u>\$ 4,376,019</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year Ended September 30:	Pension Expense Amount
2015	\$ 308,493
2016	308,493
2017	308,493
2018	308,492
2019	-
Thereafter	-
	<u>\$ 1,233,971</u>

For the year ended September 30, 2015, the County recognized pension expense of \$3,293,760.

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 \$690 per month, per employee. The County's liability is limited to \$125,000 per covered person per year and an aggregate limit of \$4,698,452 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, 2013	\$ 195,528	\$ 3,546,169	\$ (3,595,987)	\$ 145,710
September 30, 2014	145,710	3,589,604	(3,296,850)	438,464
September 30, 2015	438,464	4,037,555	(4,246,439)	229,580

100% of claims and judgments are due within one year of September 30, 2015. 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, 2015

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, 2015, the nonspendable fund balance is composed of the following:

Prepaid items	\$ 17,110
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POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

Note 12: Fund Balance (continued)

Restricted Fund Balance

At September 30, 2015, the restricted fund balance is composed of the following:

Debt service	\$ 1,753,489
Drug court programs	45,593
Preservation and restoration of County records	693,144
Continuing education of local law enforcement	17,848
Bail bond board	37,117
Victim assistance contributions	15,030
State criminal alien assistance program	79,843
Other purposes	493,831

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, 2015, the following amount of fund balance is committed by a formal action of the Commissioners' Court:

Capital replacement expenditures	\$ 3,000,000
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Assigned Fund Balance

Pursuant to the County's adopted fund balance policy in accordance with GASB 54, the Commissioners' Court has delegated the authority to assign fund balance for specific purposes to the County Auditor and County Judge when it has been determined to be appropriate for fund balance to be assigned. At September 30, 2015, the following amounts of fund balance have been assigned:

Other capital projects	\$ 9,223,342
Court security	41,853
Records management	172,232
Election administration	526,010
Technology	174,508
Forfeiture funds	1,446,722
Sheriff office commissary	411,504
Hot check funds	265,713
Other purposes	312,098

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, 2015

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, 2015, retirement eligibility criteria was the attainment of age 60 and 8 continuous years of service, 20 years of service, regardless of age, or when the sum of their age and years of service equals 75 or more. Retirement benefits include eligibility to continue participation in the County's partially self-funded health insurance plan up to age 65.

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 2015, the County paid claims of \$66,632 for retirees receiving medical 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 \$154,792 through their required contribution of \$753 per month for retiree-only coverage and \$929 for retiree and spouse coverage.

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

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	\$	415,717
Interest on net OPEB obligation		50,316
Adjustment to annual required contribution		<u>(82,503)</u>
Annual OPEB cost (expense)		383,530
Contributions made		<u>(79,829)</u>
Increase in net OPEB obligation		303,701
Net OPEB obligation - beginning of year		<u>1,257,910</u>
Net OPEB obligation - end of year	\$	<u><u>1,561,611</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 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, 2013	\$ 339,243	18.1 %	\$ 988,975
September 30, 2014	332,973	19.2	1,257,910
September 30, 2015	383,530	20.8	1,561,611

Funded Status and Funding Progress

The funded status of the plan, under GASB Statement No. 45 as of October 1, 2014 (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
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%
2014	-	3,522,945	3,522,945	0.0%	28,296,592	12.5%

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

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, 2014 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	6.7 %
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>
2016	\$ 105,010
2017	110,657
2018	138,132
2019	157,898
2020	166,247
2021 to 2025	919,945
2026 to 2030	1,316,554
2031 to 2034	1,389,708

POTTER COUNTY, TEXAS
Notes to Basic Financial Statements
September 30, 2015

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
County Attorney Seizures	General	\$ 6,786

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	\$ 705,607
Property taxes	Series 2012 Refunding Bond	36,668
Fines, fees and court costs	General	1,005,623
		\$ 1,747,898

Note 16: Prior Period Adjustment

During fiscal year 2015, the County adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. Upon adoption of GASB No. 68, the County must assume its proportionate share of the net pension liability of the Texas County & District Retirement System. Adoption of GASB No. 68 required a prior period adjustment to report the effect of GASB No. 68 retroactively. The amount of the prior period adjustment is \$8,897,855

Note 17: Subsequent Event

On February 15, 2016, the County issued \$21,470,000 Certificates of Obligation, Series 2016 (the Certificates) pursuant to the Constitution and laws of the State of Texas, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, and an order to be adopted by the Commissioners' Court. The obligations are payable from an annual ad valorem tax levied against all taxable property in the County, within the limits prescribed by law. The interest rate ranges from 1.25% to 3.00%.

Note 18: Upcoming Accounting Pronouncements

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement addresses reporting by OPEB plans that administer benefits on behalf of governments. This Statement replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and required supplementary information (RSI) related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement No. 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions in Statement No. 74 are effective for fiscal years beginning after June 15, 2016.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement No. 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and RSI about their OPEB liabilities. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

POTTER COUNTY, TEXAS
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

	2015			Variance from Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 42,818,452	\$ 42,818,452	\$ 42,499,365	\$ (319,087)
License and fees	4,615,400	4,615,400	4,538,493	(76,907)
Intergovernmental	1,723,584	1,847,439	1,884,489	37,050
Fines and forfeitures	1,280,500	1,280,500	1,210,983	(69,517)
Rents and recoveries	734,600	734,600	799,822	65,222
Investment earnings	75,000	75,000	67,645	(7,355)
Miscellaneous	66,000	110,400	123,280	12,880
Total revenues	51,313,536	51,481,791	51,124,077	(357,714)
EXPENDITURES				
General administrative				
Current:				
County judge				
Salaries and fringe benefits	206,434	200,233	186,851	13,382
Travel	6,000	6,215	6,214	1
Contract services	1,000	785	-	785
General operations	3,350	3,350	2,746	604
Equipment/vehicle maintenance	800	800	686	114
	<u>217,584</u>	<u>211,383</u>	<u>196,497</u>	<u>14,886</u>
County commissioners				
Salaries and fringe benefits	215,614	215,614	197,559	18,055
Travel	12,000	12,000	6,786	5,214
General operations	3,800	3,800	3,597	203
	<u>231,414</u>	<u>231,414</u>	<u>207,942</u>	<u>23,472</u>
Human resources				
Salaries and fringe benefits	246,584	246,584	245,118	1,466
Travel	4,500	4,500	2,874	1,626
General operations	6,130	6,130	2,819	3,311
Equipment/vehicle maintenance	3,500	3,500	3,321	179
	<u>260,714</u>	<u>260,714</u>	<u>254,132</u>	<u>6,582</u>
Information technology				
Salaries and fringe benefits	739,502	739,502	735,291	4,211
Travel	20,000	22,000	21,674	326
Contract services	309,005	305,005	288,392	16,613
General operations	315,077	316,447	316,390	57
Equipment/vehicle maintenance	1,360	1,360	793	567
	<u>1,384,944</u>	<u>1,384,314</u>	<u>1,362,540</u>	<u>21,774</u>

POTTER COUNTY, TEXAS
 General Fund
 Budgetary Comparison Schedule - continued
 For the Year Ended September 30, 2015

Exhibit B-1
 Page 2 of 11

	Original Budget	Final Budget	Actual	Variance from Final Budget
Information and records management				
Salaries and fringe benefits	\$ 408,162	\$ 408,162	\$ 408,102	\$ 60
Travel	4,200	4,200	2,782	1,418
Contract services	6,000	6,000	4,293	1,707
General operations	30,860	30,860	23,624	7,236
Equipment/vehicle maintenance	2,000	2,000	409	1,591
	<u>451,222</u>	<u>451,222</u>	<u>439,210</u>	<u>12,012</u>
General administrative				
Contract services	520,000	520,000	500,966	19,034
General operations	63,000	63,325	26,410	36,915
Equipment/vehicle maintenance	155,000	142,011	29,865	112,146
Miscellaneous	1,145,000	970,762	672,261	298,501
	<u>1,883,000</u>	<u>1,696,098</u>	<u>1,229,502</u>	<u>466,596</u>
County auditor				
Salaries and fringe benefits	499,952	499,952	486,276	13,676
Travel	10,000	10,000	5,844	4,156
Contract services	61,500	61,500	47,260	14,240
General operations	7,500	7,500	5,830	1,670
Equipment/vehicle maintenance	1,200	1,200	911	289
	<u>580,152</u>	<u>580,152</u>	<u>546,121</u>	<u>34,031</u>
County treasurer				
Salaries and fringe benefits	207,888	207,888	198,740	9,148
Travel	6,800	6,800	4,665	2,135
General operations	11,250	11,250	8,799	2,451
Equipment/vehicle maintenance	1,000	1,000	592	408
	<u>226,938</u>	<u>226,938</u>	<u>212,796</u>	<u>14,142</u>
Purchasing agent				
Salaries and fringe benefits	400,324	400,324	380,863	19,461
Travel	10,000	10,000	8,705	1,295
General operations	11,800	11,800	7,543	4,257
Equipment/vehicle maintenance	6,000	6,000	2,441	3,559
	<u>428,124</u>	<u>428,124</u>	<u>399,552</u>	<u>28,572</u>
Collections				
Salaries and fringe benefits	178,554	178,554	176,909	1,645
Travel	2,500	2,500	2,397	103
General operations	12,150	18,150	18,138	12
Equipment/vehicle maintenance	1,500	1,500	1,060	440
	<u>194,704</u>	<u>200,704</u>	<u>198,504</u>	<u>2,200</u>

POTTER COUNTY, TEXAS
General Fund
Budgetary Comparison Schedule - continued
For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
Tax assessor/collector				
Salaries and fringe benefits	\$ 1,137,452	\$ 1,137,452	\$ 1,043,674	\$ 93,778
Travel	9,000	9,000	3,570	5,430
Contract services	22,500	22,500	17,988	4,512
General operations	99,000	99,000	72,610	26,390
Equipment/vehicle maintenance	4,200	4,200	3,400	800
	<u>1,272,152</u>	<u>1,272,152</u>	<u>1,141,242</u>	<u>130,910</u>
Total general administrative	<u>7,130,948</u>	<u>6,943,215</u>	<u>6,188,038</u>	<u>755,177</u>
Facilities maintenance				
Facilities maintenance department				
Salaries and fringe benefits	1,456,534	1,456,534	1,389,275	67,259
Travel	15,300	15,300	9,015	6,285
General operations	77,272	81,586	65,307	16,279
Equipment/vehicle maintenance	26,885	26,880	15,139	11,741
	<u>1,575,991</u>	<u>1,580,300</u>	<u>1,478,736</u>	<u>101,564</u>
Courthouse				
Building repair/maintenance	243,800	208,800	163,692	45,108
	<u>243,800</u>	<u>208,800</u>	<u>163,692</u>	<u>45,108</u>
Courts building				
General operations	2,650	2,650	300	2,350
Building repair/maintenance	281,455	278,130	203,694	74,436
	<u>284,105</u>	<u>280,780</u>	<u>203,994</u>	<u>76,786</u>
Library building				
Building repair/maintenance	10,100	10,100	6,594	3,506
	<u>10,100</u>	<u>10,100</u>	<u>6,594</u>	<u>3,506</u>
Extension service building				
Building repair/maintenance	16,950	16,950	10,958	5,992
	<u>16,950</u>	<u>16,950</u>	<u>10,958</u>	<u>5,992</u>
Santa Fe building				
Building repair/maintenance	625,732	755,872	517,185	238,687
	<u>625,732</u>	<u>755,872</u>	<u>517,185</u>	<u>238,687</u>

POTTER COUNTY, TEXAS

General Fund

Exhibit B-1

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Budgetary Comparison Schedule - continued

For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
Baseball Stadium				
Building repair/maintenance	\$ 12,000	\$ 37,850	\$ 37,849	\$ 1
	<u>12,000</u>	<u>37,850</u>	<u>37,849</u>	<u>1</u>
JP#3 Office				
Building repair/maintenance	16,623	16,623	13,332	3,291
	<u>16,623</u>	<u>16,623</u>	<u>13,332</u>	<u>3,291</u>
Bowie Annex				
Building repair/maintenance	30,000	30,000	18,936	11,064
	<u>30,000</u>	<u>30,000</u>	<u>18,936</u>	<u>11,064</u>
Leased Building (Lessee)				
Building repair/maintenance	10,850	15,050	11,857	3,193
	<u>10,850</u>	<u>15,050</u>	<u>11,857</u>	<u>3,193</u>
Total facilities maintenance	<u>2,826,151</u>	<u>2,952,325</u>	<u>2,463,133</u>	<u>489,192</u>
Election administration				
Elections				
Salaries and fringe benefits	332,946	334,246	334,192	54
Travel	2,800	2,800	2,800	-
Contract services	35,000	30,000	12,357	17,643
General operations	40,600	58,550	56,461	2,089
Equipment/vehicle maintenance	500	500	379	121
	<u>411,846</u>	<u>426,096</u>	<u>406,189</u>	<u>19,907</u>
Voter registration				
Salaries and fringe benefits	25,000	23,700	2,423	21,277
Travel	2,800	2,800	2,800	-
General operations	38,000	25,050	7,544	17,506
	<u>65,800</u>	<u>51,550</u>	<u>12,767</u>	<u>38,783</u>
Total election administration	<u>477,646</u>	<u>477,646</u>	<u>418,956</u>	<u>58,690</u>
Judicial				
County clerk				
Salaries and fringe benefits	945,478	945,478	913,715	31,763
Travel	4,000	4,000	1,962	2,038
General operations	52,850	49,850	24,791	25,059
Equipment/vehicle maintenance	10,500	13,650	8,429	5,221
	<u>1,012,828</u>	<u>1,012,978</u>	<u>948,897</u>	<u>64,081</u>

POTTER COUNTY, TEXAS
 General Fund
 Budgetary Comparison Schedule - continued
 For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
District clerk				
Salaries and fringe benefits	\$ 1,129,212	\$ 1,140,440	\$ 1,058,167	\$ 82,273
Travel	5,000	5,000	4,633	367
Contract services	1,000	1,000	686	314
General operations	72,200	73,079	53,201	19,878
Equipment/vehicle maintenance	17,500	17,500	13,484	4,016
Miscellaneous	4,125	4,125	2,093	2,032
	<u>1,229,037</u>	<u>1,241,144</u>	<u>1,132,264</u>	<u>108,880</u>
Court of appeals				
Salaries and fringe benefits	10,886	10,886	10,174	712
	<u>10,886</u>	<u>10,886</u>	<u>10,174</u>	<u>712</u>
Bail bond board				
Travel	1,500	1,500	-	1,500
General operations	550	550	47	503
	<u>2,050</u>	<u>2,050</u>	<u>47</u>	<u>2,003</u>
47th district court				
Salaries and fringe benefits	311,240	311,240	297,522	13,718
Travel	8,800	8,800	2,942	5,858
General operations	7,500	7,500	6,461	1,039
Equipment/vehicle maintenance	1,500	1,500	743	757
	<u>329,040</u>	<u>329,040</u>	<u>307,668</u>	<u>21,372</u>
108th district court				
Salaries and fringe benefits	317,330	317,330	299,959	17,371
Travel	11,750	10,250	3,485	6,765
General operations	7,930	9,430	9,147	283
Equipment/vehicle maintenance	1,400	1,400	1,148	252
	<u>338,410</u>	<u>338,410</u>	<u>313,739</u>	<u>24,671</u>
181st district court				
Salaries and fringe benefits	310,030	310,030	298,282	11,748
Travel	8,800	8,800	1,974	6,826
General operations	7,500	7,500	7,422	78
Equipment/vehicle maintenance	1,500	1,500	536	964
	<u>327,830</u>	<u>327,830</u>	<u>308,214</u>	<u>19,616</u>
251st district court				
Salaries and fringe benefits	308,190	308,190	301,570	6,620
Travel	8,800	8,800	3,960	4,840
General operations	6,750	6,750	5,641	1,109
Equipment/vehicle maintenance	1,500	1,500	604	896
	<u>325,240</u>	<u>325,240</u>	<u>311,775</u>	<u>13,465</u>

POTTER COUNTY, TEXAS

General Fund

Exhibit B-1

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Budgetary Comparison Schedule - continued

For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
320th district court				
Salaries and fringe benefits	\$ 319,712	\$ 319,712	\$ 263,459	\$ 56,253
Travel	11,750	11,750	5,087	6,663
General operations	9,000	9,000	4,552	4,448
Equipment/vehicle maintenance	1,400	1,400	884	516
	<u>341,862</u>	<u>341,862</u>	<u>273,982</u>	<u>67,880</u>
Associate judge				
General operations	3,000	3,000	2,009	991
	<u>3,000</u>	<u>3,000</u>	<u>2,009</u>	<u>991</u>
County court at law #1				
Salaries and fringe benefits	535,848	535,848	529,508	6,340
Travel	8,150	8,150	4,008	4,142
General operations	5,200	5,050	3,852	1,198
Equipment/vehicle maintenance	400	400	546	(146)
	<u>549,598</u>	<u>549,448</u>	<u>537,914</u>	<u>11,534</u>
County court at law #2				
Salaries and fringe benefits	560,218	560,218	475,103	85,115
Travel	8,350	8,350	3,694	4,656
General operations	6,500	7,926	5,529	2,397
Equipment/vehicle maintenance	400	400	217	183
	<u>575,468</u>	<u>576,894</u>	<u>484,543</u>	<u>92,351</u>
Justice of the Peace, precinct #1				
Salaries and fringe benefits	246,064	246,064	227,123	18,941
Travel	3,500	3,500	-	3,500
General operations	12,230	12,230	9,020	3,210
Equipment/vehicle maintenance	1,700	1,700	1,223	477
	<u>263,494</u>	<u>263,494</u>	<u>237,366</u>	<u>26,128</u>
Justice of the Peace, precinct #2				
Salaries and fringe benefits	198,528	198,528	187,218	11,310
Travel	3,500	3,500	3,184	316
General operations	8,660	8,625	7,731	894
Equipment/vehicle maintenance	800	835	831	4
	<u>211,488</u>	<u>211,488</u>	<u>198,964</u>	<u>12,524</u>
Justice of the Peace, precinct #3				
Salaries and fringe benefits	250,488	250,488	231,997	18,491
Travel	3,500	4,160	4,158	2
General operations	12,230	11,170	10,200	970
Equipment/vehicle maintenance	2,100	2,500	2,495	5
	<u>268,318</u>	<u>268,318</u>	<u>248,850</u>	<u>19,468</u>

POTTER COUNTY, TEXAS

General Fund

Exhibit B-1

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Budgetary Comparison Schedule - continued

For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
Justice of the Peace, precinct #4				
Salaries and fringe benefits	\$ 198,528	\$ 198,528	\$ 189,531	\$ 8,997
Travel	3,500	3,500	2,312	1,188
General operations	8,660	7,860	6,979	881
Equipment/vehicle maintenance	400	1,200	1,148	52
	<u>211,088</u>	<u>211,088</u>	<u>199,970</u>	<u>11,118</u>
Jury and jury related				
Salaries and fringe benefits	190,372	179,144	151,994	27,150
Travel	-	2,535	2,535	-
Contract services	128,800	124,765	76,181	48,584
General operations	45,000	46,500	46,150	350
Equipment/vehicle maintenance	5,000	5,000	4,448	552
	<u>369,172</u>	<u>357,944</u>	<u>281,308</u>	<u>76,636</u>
County attorney				
Salaries and fringe benefits	2,081,870	2,081,870	2,011,826	70,044
Travel	29,000	31,200	22,452	8,748
Contract services	15,100	15,100	14,349	751
General operations	49,980	49,980	39,134	10,846
Equipment/vehicle maintenance	15,750	15,750	5,861	9,889
	<u>2,191,700</u>	<u>2,193,900</u>	<u>2,093,622</u>	<u>100,278</u>
District attorney				
Salaries and fringe benefits	2,865,384	2,865,384	2,766,079	99,305
Travel	25,800	28,745	25,726	3,019
Contract services	115,500	105,500	71,430	34,070
General operations	58,900	69,700	66,013	3,687
Equipment/vehicle maintenance	13,600	13,600	11,757	1,843
	<u>3,079,184</u>	<u>3,082,929</u>	<u>2,941,005</u>	<u>141,924</u>
General judicial				
Salaries and fringe benefits	28,894	28,894	27,346	1,548
Travel	3,000	3,000	1,507	1,493
Contract services	2,239,000	2,233,000	1,987,485	245,515
General operations	85,000	85,000	72,956	12,044
Miscellaneous	460,500	460,500	89,978	370,522
	<u>2,816,394</u>	<u>2,810,394</u>	<u>2,179,272</u>	<u>631,122</u>
Indigent defense				
Salaries and fringe benefits	53,674	53,674	52,989	685
	<u>53,674</u>	<u>53,674</u>	<u>52,989</u>	<u>685</u>
Total judicial	<u>14,509,761</u>	<u>14,512,011</u>	<u>13,064,572</u>	<u>1,447,439</u>

POTTER COUNTY, TEXAS

General Fund

Exhibit B-1

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Budgetary Comparison Schedule - continued

For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
Public safety				
Forensic science lab				
Contract services	\$ 377,500	\$ 377,500	\$ 354,321	\$ 23,179
	<u>377,500</u>	<u>377,500</u>	<u>354,321</u>	<u>23,179</u>
Constable, precinct #1				
Salaries and fringe benefits	69,458	69,458	69,017	441
Travel	3,000	3,659	3,194	465
General operations	3,580	3,580	2,615	965
Equipment/vehicle maintenance	5,000	5,000	3,969	1,031
	<u>81,038</u>	<u>81,697</u>	<u>78,795</u>	<u>2,902</u>
Constable, precinct #2				
Salaries and fringe benefits	69,458	69,458	61,174	8,284
Travel	3,000	3,659	2,621	1,038
General operations	3,580	6,080	3,839	2,241
Equipment/vehicle maintenance	5,000	5,000	3,727	1,273
	<u>81,038</u>	<u>84,197</u>	<u>71,361</u>	<u>12,836</u>
Constable, precinct #3				
Salaries and fringe benefits	69,458	69,458	68,535	923
Travel	3,000	2,576	1,698	878
General operations	3,330	7,144	6,351	793
Equipment/vehicle maintenance	7,000	4,575	2,470	2,105
	<u>82,788</u>	<u>83,753</u>	<u>79,054</u>	<u>4,699</u>
Constable, precinct #4				
Salaries and fringe benefits	69,458	69,458	68,946	512
Travel	3,000	3,659	3,275	384
General operations	3,440	3,440	3,001	439
Equipment/vehicle maintenance	4,100	4,100	2,689	1,411
	<u>79,998</u>	<u>80,657</u>	<u>77,911</u>	<u>2,746</u>
Sheriff				
Salaries and fringe benefits	6,053,890	6,053,890	5,861,726	192,164
Travel	110,000	151,160	117,506	33,654
Contract services	18,000	18,000	10,109	7,891
General operations	143,380	143,890	95,045	48,845
Equipment/vehicle maintenance	371,500	371,500	233,836	137,664
	<u>6,696,770</u>	<u>6,738,440</u>	<u>6,318,222</u>	<u>420,218</u>

POTTER COUNTY, TEXAS

General Fund

Exhibit B-1

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Budgetary Comparison Schedule - continued

For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
Special crimes unit				
General operations	\$ 750	\$ 750	\$ 241	\$ 509
	<u>750</u>	<u>750</u>	<u>241</u>	<u>509</u>
Sheriff offices				
Building repairs/maintenance	50,500	50,500	42,108	8,392
	<u>50,500</u>	<u>50,500</u>	<u>42,108</u>	<u>8,392</u>
Public service				
Building repair/maintenance	4,500	-	-	-
Miscellaneous	561,256	565,756	476,246	89,510
	<u>565,756</u>	<u>565,756</u>	<u>476,246</u>	<u>89,510</u>
Fire / rescue department				
Salaries and fringe benefits	308,400	308,400	302,898	5,502
Travel	55,000	63,960	60,014	3,946
Contract services	2,000	2,000	-	2,000
General operations	119,450	233,957	206,823	27,134
Equipment/vehicle maintenance	225,500	225,500	196,455	29,045
Building repair/maintenance	50,000	50,000	44,965	5,035
	<u>760,350</u>	<u>883,817</u>	<u>811,155</u>	<u>72,662</u>
Total public safety	<u>8,776,488</u>	<u>8,947,067</u>	<u>8,309,414</u>	<u>637,653</u>
Corrections and rehabilitation				
Detention center				
Salaries and fringe benefits	8,629,028	8,629,028	8,419,569	209,459
Contract services	34,000	45,230	47,722	(2,492)
General operations	53,220	60,183	52,998	7,185
Prisoner care	1,148,000	1,248,000	1,156,067	91,933
Equipment/vehicle maintenance	37,500	37,500	24,708	12,792
Building repairs/maintenance	470,000	538,165	432,147	106,018
	<u>10,371,748</u>	<u>10,558,106</u>	<u>10,133,211</u>	<u>424,895</u>
Community supervision and corrections				
General operations	1,000	1,000	380	620
Equipment/vehicle maintenance	15,000	15,000	14,473	527
	<u>16,000</u>	<u>16,000</u>	<u>14,853</u>	<u>1,147</u>

POTTER COUNTY, TEXAS

General Fund

Exhibit B-1

Page 10 of 11

Budgetary Comparison Schedule - continued

For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
Juvenile probation	\$ 3,404,095	\$ 3,404,095	\$ 3,404,095	\$ -
	<u>3,404,095</u>	<u>3,404,095</u>	<u>3,404,095</u>	<u>-</u>
Total corrections and rehabilitation	13,791,843	13,978,201	13,552,159	426,042
Health and human services				
Mental health - community service				
Salaries and fringe benefits	60,172	66,373	66,373	-
Travel	2,000	2,000	529	1,471
Contract services	105,000	111,000	110,584	416
General operations	200	200	162	38
	<u>167,372</u>	<u>179,573</u>	<u>177,648</u>	<u>1,925</u>
County extension services				
Salaries and fringe benefits	191,254	191,254	137,993	53,261
Travel	10,500	10,500	3,871	6,629
General operations	12,750	12,750	12,631	119
Equipment/vehicle maintenance	18,500	18,500	12,109	6,391
Miscellaneous	2,200	2,200	1,995	205
	<u>235,204</u>	<u>235,204</u>	<u>168,599</u>	<u>66,605</u>
Welfare				
Salaries and fringe benefits	10,806	10,806	10,611	195
Contract services	47,000	47,000	42,000	5,000
General operations	2,050	2,050	1,096	954
Equipment/vehicle maintenance	400	400	304	96
	<u>60,256</u>	<u>60,256</u>	<u>54,011</u>	<u>6,245</u>
Family crime unit				
Salaries and fringe benefits	181,646	181,646	168,551	13,095
Travel	1,500	1,500	-	1,500
General operations	6,000	6,000	3,461	2,539
Equipment/vehicle maintenance	3,000	3,000	1,693	1,307
	<u>192,146</u>	<u>192,146</u>	<u>173,705</u>	<u>18,441</u>
Victim assistance - VOCA				
Salaries and fringe benefits	127,468	127,468	127,279	189
Travel	2,500	2,400	815	1,585
General operations	960	1,060	969	91
	<u>130,928</u>	<u>130,928</u>	<u>129,063</u>	<u>1,865</u>
Victim assistance - VCLG				
Salaries and fringe benefits	62,354	62,354	61,913	441
Travel	1,500	1,500	-	1,500
General operations	480	480	471	9
	<u>64,334</u>	<u>64,334</u>	<u>62,384</u>	<u>1,950</u>
Total health and human services	850,240	862,441	765,410	97,031

POTTER COUNTY, TEXAS
General Fund
 Budgetary Comparison Schedule - continued
 For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
Road and bridge expenditures				
Salaries and fringe benefits	\$ 1,270,838	\$ 1,270,838	\$ 1,191,273	\$ 79,565
Travel	11,275	11,275	5,620	5,655
Contract services	30,432	30,432	13,987	16,445
General operations	815,752	801,882	503,191	298,691
Equipment/vehicle maintenance	339,180	339,180	204,834	134,346
Building repairs/maintenance	65,605	79,475	49,052	30,423
Total road and bridge expenditures	<u>2,533,082</u>	<u>2,533,082</u>	<u>1,967,957</u>	<u>565,125</u>
Capital outlay	815,250	1,586,073	1,457,598	128,475
Total expenditures	<u>51,711,409</u>	<u>52,792,061</u>	<u>48,187,237</u>	<u>4,604,824</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(397,873)	(1,310,270)	2,936,840	4,247,110
OTHER FINANCING USES				
Transfers out	-	-	(3,600,000)	(3,600,000)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(3,600,000)</u>	<u>(3,600,000)</u>
NET CHANGE IN FUND BALANCE	(397,873)	(1,310,270)	(663,160)	647,110
FUND BALANCE AT BEGINNING OF YEAR	<u>17,781,381</u>	<u>17,781,381</u>	<u>17,781,381</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 17,383,508</u>	<u>\$ 16,471,111</u>	<u>\$ 17,118,221</u>	<u>\$ 647,110</u>

POTTER COUNTY, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios
Texas County & District Retirement System
For The Year Ended September 30, 2015

		Year Ended December 31, 2014
<hr/>		
Total Pension Liability		
Service cost	\$	4,108,621
Interest on total pension liability		11,669,923
Effect of plan changes		-
Effect of economic / demographic (gains) or losses		(268,856)
Effect of assumptions changes or inputs		-
Benefit payments/refunds of contributions		(6,536,622)
Net change in total pension liability		<u>8,973,066</u>
Total pension liability, beginning		145,263,488
Total pension liability, ending (a)	\$	<u><u>154,236,554</u></u>
Fiduciary Net Position		
Contributions - Employer	\$	3,899,238
Contributions - Employee		1,984,119
Net investment income		9,074,869
Benefit payments/refunds of contributions		(6,536,622)
Administrative expenses		(106,048)
Other		29,017
Net change in fiduciary net position		<u>8,344,573</u>
Fiduciary net position, beginning		133,446,186
Fiduciary net position, ending (b)	\$	<u><u>141,790,759</u></u>
Net pension liability / (asset), ending = (a) - (b)		<u><u>12,445,795</u></u>
Fiduciary net position as a percentage of total pension liability		91.93%
Pensionable covered payroll	\$	28,296,592
Net pension liability as a percentage of covered payroll		43.98%

POTTER COUNTY, TEXAS
 Schedule of Employer Contributions
 Texas County & District Retirement System
 For Fiscal Year 2015

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2005	Not available	Not available	Not available	Not available	Not available
2006	\$ 2,073,195	\$ 2,073,195	\$ -	\$ 22,510,260	\$ 9.2%
2007	2,358,076	2,358,076	-	23,580,763	10.0%
2008	2,445,105	2,445,105	-	24,698,031	9.9%
2009	2,526,779	2,526,779	-	25,394,759	9.9%
2010	2,811,788	2,811,788	-	25,492,185	11.0%
2011	2,949,729	2,949,729	-	26,196,785	11.3%
2012	3,267,656	3,267,656	-	27,005,912	12.1%
2013	3,633,934	3,633,934	-	28,018,224	13.0%
2014	3,899,238	3,899,238	-	28,296,592	13.8%

POTTER COUNTY, TEXAS

Exhibit B-4

Required Supplementary Information
 Schedule of Funding Progress, Other Postretirement Benefits (1)
 For the Year Ended September 30, 2015

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%
10/1/2014	-	3,522,945	3,522,945	0.00%	28,296,592	12.45%

(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, 2015

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
County court at law #1	Equipment/vehicle maintenance	\$ 146
Detention center	Contract services	2,492

POTTER COUNTY, TEXAS
Notes to Required Supplementary Information
For The Year Ended September 30, 2015

Note A: Net Pension Liability – Texas County & District Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	3.0%
Salary increases	4.5%, average, including inflation
Investment rate of return	8.10%, including inflation
Cost-of-living adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic. Therefore, no assumption for cost-of-living adjustments is included in the calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Mortality	Assumed life expectancies are based on the RP-2000 Active Employee Mortality Table for depositing members, the RP-2000 Combined Mortality Table for service retirees and the RP-2000 Disabled Mortality Table for disabled retirees.

Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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, 2015

Exhibit C-1

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Pooled cash and cash equivalents	\$ 3,368,584	\$ 1,739,342	\$ 5,107,926
Investments	868,424		868,424
Accounts receivable			
Taxes		43,249	43,249
Other	52,796	7,566	60,362
	<u>52,796</u>	<u>7,566</u>	<u>60,362</u>
Total assets	<u>\$ 4,289,804</u>	<u>\$ 1,790,157</u>	<u>\$ 6,079,961</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and other current liabilities	\$ 42,919	\$	\$ 42,919
Due to other funds	378,068		378,068
	<u>420,987</u>	-	<u>420,987</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes		36,668	36,668
	-	<u>36,668</u>	<u>36,668</u>
Fund balances			
Restricted fund balances:			
Restricted for records management	421,627		421,627
Restricted for other purposes	96,550		96,550
Restricted for debt service		1,753,489	1,753,489
Assigned:			
Special revenue funds	3,350,640	-	3,350,640
	<u>3,868,817</u>	<u>1,753,489</u>	<u>5,622,306</u>
Total fund balance	<u>3,868,817</u>	<u>1,753,489</u>	<u>5,622,306</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
	<u>\$ 4,289,804</u>	<u>\$ 1,790,157</u>	<u>\$ 6,079,961</u>

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, 2015

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Funds
REVENUES			
Taxes	\$	\$ 2,166,758	\$ 2,166,758
License and fees	811,142		811,142
Intergovernmental	137,742		137,742
Charges for services	7,426		7,426
Investment earnings	8,120	4,439	12,559
Miscellaneous	468,530		468,530
	<u>1,432,960</u>	<u>2,171,197</u>	<u>3,604,157</u>
Total revenues			
EXPENDITURES			
Current:			
General administrative	35,878	500	36,378
Election administration	29,756		29,756
Judicial	1,491,489		1,491,489
Public safety	55,154		55,154
Corrections and rehabilitation	126,291		126,291
Debt service			
Principal		1,820,000	1,820,000
Interest and fiscal charges		114,901	114,901
Capital outlay	330,344		330,344
	<u>2,068,912</u>	<u>1,935,401</u>	<u>4,004,313</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(635,952)	235,796	(400,156)
OTHER FINANCING SOURCES			
Transfers in	600,000	-	600,000
	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Total other financing sources (uses)			
NET CHANGE IN FUND BALANCES	(35,952)	235,796	199,844
FUND BALANCES AT BEGINNING OF YEAR	<u>3,904,769</u>	<u>1,517,693</u>	<u>5,422,462</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,868,817</u>	<u>\$ 1,753,489</u>	<u>\$ 5,622,306</u>

SPECIAL REVENUE FUNDS

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2015

	210 Vehicle Inventory Tax Interest	215 Law Library	220 Courthouse Security	221 Justice Courts Building Security
ASSETS				
Pooled cash and cash equivalents	\$	\$ 38,486	\$ 15,726	\$ 33,208
Investments	177,054			
Accounts receivable (net)				
Other		7,300	4,563	369
Total assets	<u>\$ 177,054</u>	<u>\$ 45,786</u>	<u>\$ 20,289</u>	<u>\$ 33,577</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$ 4,069	\$ 3,536	\$
Due to other funds		249	4,119	
Total liabilities	-	4,318	7,655	-
Fund balance				
Restricted				4,358
Assigned	177,054	41,468	12,634	29,219
Total fund balance	<u>177,054</u>	<u>41,468</u>	<u>12,634</u>	<u>33,577</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 177,054</u>	<u>\$ 45,786</u>	<u>\$ 20,289</u>	<u>\$ 33,577</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
\$ 2,147	\$ 16,309	\$ 246,664	\$ 526,010	\$ 38,039	\$ 61,351	\$ 269,718	\$ 186,212
<u>10</u>	<u>258</u>	<u>11,130</u>	<u>-</u>	<u>-</u>	<u>4,284</u>	<u>3,226</u>	<u>1,514</u>
<u>\$ 2,157</u>	<u>\$ 16,567</u>	<u>\$ 257,794</u>	<u>\$ 526,010</u>	<u>\$ 38,039</u>	<u>\$ 65,635</u>	<u>\$ 272,944</u>	<u>\$ 187,726</u>
\$ -	\$ -	\$ 1,116	\$ -	\$ -	\$ 257 439	\$ 294 408	\$ 10,510
-	-	1,116	-	-	696	702	10,510
<u>2,157</u>	<u>16,567</u>	<u>256,678</u>	<u>526,010</u>	<u>38,039</u>	<u>31,149 33,790</u>	<u>133,800 138,442</u>	<u>14,578 162,638</u>
<u>2,157</u>	<u>16,567</u>	<u>256,678</u>	<u>526,010</u>	<u>38,039</u>	<u>64,939</u>	<u>272,242</u>	<u>177,216</u>
<u>\$ 2,157</u>	<u>\$ 16,567</u>	<u>\$ 257,794</u>	<u>\$ 526,010</u>	<u>\$ 38,039</u>	<u>\$ 65,635</u>	<u>\$ 272,944</u>	<u>\$ 187,726</u>

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2015

	251 County Clerk / District Clerk Technology	255 County Attorney Hot Check	256 County Attorney Forfeiture	257 County Attorney Federal Forfeiture
ASSETS				
Pooled cash and cash equivalents	\$ 28,663	\$ 137,914	\$ 125,999	\$ 125,447
Investments				
Accounts receivable (net)				
Other	<u>443</u>	<u>235</u>		
Total assets	<u>\$ 29,106</u>	<u>\$ 138,149</u>	<u>\$ 125,999</u>	<u>\$ 125,447</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$ 166	\$ 1,683	
Due to other funds		<u>736</u>	<u>932</u>	
Total liabilities	-	902	2,615	
Fund balance				
Restricted	17,236			
Assigned	<u>11,870</u>	<u>137,247</u>	<u>123,384</u>	<u>125,447</u>
Total fund balance	<u>29,106</u>	<u>137,247</u>	<u>123,384</u>	<u>125,447</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 29,106</u>	<u>\$ 138,149</u>	<u>\$ 125,999</u>	<u>\$ 125,447</u>

260 District Attorney Hot Check	261 District Attorney Payroll	262 DA Forfeiture Release	265 District Attorney Crime Victim	266 DA Federal Forfeiture	268 Auto Burglary and Theft Prevention	271 Sheriff Federal Forfeiture
\$ 128,247	\$ 3,612	\$ 502,922 691,370	\$ 32,900	\$ 6,728	\$ 72,142	\$ 311,115
<u>300</u>	<u>740</u>	<u>13,284</u>			<u>3,860</u>	
<u>\$ 128,547</u>	<u>\$ 4,352</u>	<u>\$ 1,207,576</u>	<u>\$ 32,900</u>	<u>\$ 6,728</u>	<u>\$ 76,002</u>	<u>\$ 311,115</u>
\$ 55 <u>26</u>	\$ 83 <u>356</u>	\$ 1,238 <u>364,775</u>	\$	\$	\$ 19,134 <u>6,028</u>	\$ 778
81	439	366,013	-	-	25,162	778
<u>128,466</u>	<u>3,913</u>	<u>841,563</u>	<u>32,900</u>	<u>6,728</u>	<u>50,840</u>	<u>310,337</u>
<u>128,466</u>	<u>3,913</u>	<u>841,563</u>	<u>32,900</u>	<u>6,728</u>	<u>50,840</u>	<u>310,337</u>
<u>\$ 128,547</u>	<u>\$ 4,352</u>	<u>\$ 1,207,576</u>	<u>\$ 32,900</u>	<u>\$ 6,728</u>	<u>\$ 76,002</u>	<u>\$ 311,115</u>

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 September 30, 2015

Exhibit C-3
 Page 3 of 3

	272 Law Enforcement Grants	273 Sheriff Office Forfeiture	274 Sheriff Office Commissary	Total Nonmajor Special Revenue Funds
ASSETS				
Pooled cash and cash equivalents	\$ 9,538	\$ 39,263	\$ 410,224	\$ 3,368,584
Investments				868,424
Accounts receivable (net)				
Other			1,280	52,796
Total assets	<u>\$ 9,538</u>	<u>\$ 39,263</u>	<u>\$ 411,504</u>	<u>\$ 4,289,804</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and other current liabilities	\$	\$	\$	\$ 42,919
Due to other funds				378,068
Total liabilities	-	-	-	420,987
Fund balance				
Restricted	9,538			518,177
Assigned		39,263	411,504	3,350,640
Total fund balance	<u>9,538</u>	<u>39,263</u>	<u>411,504</u>	<u>3,868,817</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 9,538</u>	<u>\$ 39,263</u>	<u>\$ 411,504</u>	<u>\$ 4,289,804</u>

POTTER COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2015

	210 Vehicle Inventory <u>Tax Interest</u>	215 Law Library	220 Courthouse Security	221 Justice Court Building Security
REVENUES				
Licenses and fees	\$	\$ 110,596	\$ 58,012	\$ 4,288
Intergovernmental				
Charges for services		1,650		
Investment earnings	1,824		479	
Miscellaneous				
Total revenues	<u>1,824</u>	<u>112,246</u>	<u>58,491</u>	<u>4,288</u>
Expenditures:				
Current:				
General administrative				
Election administration				
Judicial		165,190	478,015	905
Public safety				
Corrections				
Capital outlay				
Total expenditures		<u>165,190</u>	<u>478,015</u>	<u>905</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>1,824</u>	<u>(52,944)</u>	<u>(419,524)</u>	<u>3,383</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		<u>85,000</u>	<u>425,000</u>	
Total other financing sources (uses)	<u>-</u>	<u>85,000</u>	<u>425,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,824	32,056	5,476	3,383
FUND BALANCES AT BEGINNING OF YEAR	<u>175,230</u>	<u>9,412</u>	<u>7,158</u>	<u>30,194</u>
FUND BALANCES AT END OF YEAR	<u>\$ 177,054</u>	<u>\$ 41,468</u>	<u>\$ 12,634</u>	<u>\$ 33,577</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
\$ 435	\$ 1,948	\$ 105,838	\$ 8,275	\$ 18,464	\$ 60,216	\$ 54,240	\$ 18,076
		513	1,145	92		632	
		25,758					
<u>435</u>	<u>1,948</u>	<u>132,109</u>	<u>106,197</u>	<u>18,556</u>	<u>60,216</u>	<u>54,872</u>	<u>18,076</u>
					35,878		
		51,235	24,440	5,316		14,272	30,635
					22,106		
<u>-</u>	<u>-</u>	<u>51,235</u>	<u>24,440</u>	<u>5,316</u>	<u>57,984</u>	<u>14,272</u>	<u>30,635</u>
<u>435</u>	<u>1,948</u>	<u>80,874</u>	<u>81,757</u>	<u>13,240</u>	<u>2,232</u>	<u>40,600</u>	<u>(12,559)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>435</u>	<u>1,948</u>	<u>80,874</u>	<u>81,757</u>	<u>13,240</u>	<u>2,232</u>	<u>40,600</u>	<u>(12,559)</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>\$ 2,157</u>	<u>\$ 16,567</u>	<u>\$ 256,678</u>	<u>\$ 526,010</u>	<u>\$ 38,039</u>	<u>\$ 64,939</u>	<u>\$ 272,242</u>	<u>\$ 177,216</u>

POTTER COUNTY, TEXAS
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended September 30, 2015

	251 County Clerk / District Clerk Technology	255 County Attorney Hot Check	256 County Attorney Forfeiture	257 County Attorney Federal Forfeiture
REVENUES				
Licenses and fees	\$	\$ 48,687	\$	\$
Intergovernmental				
Charges for services	5,776			
Investment earnings				151
Miscellaneous			115,317	128,806
Total revenues	<u>5,776</u>	<u>48,687</u>	<u>115,317</u>	<u>128,957</u>
Expenditures:				
Current:				
General administrative				
Election administration				
Judicial		58,705	232,013	3,510
Public safety				
Corrections				
Capital outlay			11,242	
Total expenditures	<u>-</u>	<u>58,705</u>	<u>243,255</u>	<u>3,510</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>5,776</u>	<u>(10,018)</u>	<u>(127,938)</u>	<u>125,447</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	5,776	(10,018)	(127,938)	125,447
FUND BALANCES AT BEGINNING OF YEAR				
	<u>23,330</u>	<u>147,265</u>	<u>251,322</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 29,106</u>	<u>\$ 137,247</u>	<u>\$ 123,384</u>	<u>\$ 125,447</u>

260 District Attorney Hot Check	261 District Attorney Payroll	262 DA Forfeiture Release	265 District Attorney Crime Victim	266 DA Federal Forfeiture	268 Auto Burglary and Theft Prevention	271 Sheriff Federal Forfeiture
\$ 1,793	\$ 22,501					
		1,661	16	5		703
		30,411	2,357	6,721		129,036
<u>1,793</u>	<u>22,501</u>	<u>32,072</u>	<u>2,373</u>	<u>6,726</u>	<u>-</u>	<u>129,739</u>
3,031	23,519	430,459			31,588	17,586
					7,572	200,791
<u>3,031</u>	<u>23,519</u>	<u>430,459</u>	<u>-</u>	<u>-</u>	<u>39,160</u>	<u>218,377</u>
<u>(1,238)</u>	<u>(1,018)</u>	<u>(398,387)</u>	<u>2,373</u>	<u>6,726</u>	<u>(39,160)</u>	<u>(88,638)</u>
					90,000	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>-</u>
<u>(1,238)</u>	<u>(1,018)</u>	<u>(398,387)</u>	<u>2,373</u>	<u>6,726</u>	<u>50,840</u>	<u>(88,638)</u>
<u>129,704</u>	<u>4,931</u>	<u>1,239,950</u>	<u>30,527</u>	<u>2</u>	<u>-</u>	<u>398,975</u>
<u>\$ 128,466</u>	<u>\$ 3,913</u>	<u>\$ 841,563</u>	<u>\$ 32,900</u>	<u>\$ 6,728</u>	<u>\$ 50,840</u>	<u>\$ 310,337</u>

POTTER COUNTY, TEXAS

Nonmajor Special Revenue Funds

Exhibit C-4

Page 3 of 3

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

For the Year Ended September 30, 2015

	272 Law Enforcement Grants	273 Sheriff Office Forfeiture	274 Sheriff Office Commissary	Total Nonmajor Special Revenue Funds
REVENUES				
Licenses and fees	\$	\$	\$ 338,738	\$ 811,142
Intergovernmental				137,742
Charges for services				7,426
Investment earnings	73	11	815	8,120
Miscellaneous		26,107	4,017	468,530
Total revenues	<u>73</u>	<u>26,118</u>	<u>343,570</u>	<u>1,432,960</u>
Expenditures:				
Current:				
General administrative				35,878
Election administration				29,756
Judicial				1,491,489
Public safety		5,980		55,154
Corrections			126,291	126,291
Capital outlay	35,475		53,158	330,344
Total expenditures	<u>35,475</u>	<u>5,980</u>	<u>179,449</u>	<u>2,068,912</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(35,402)</u>	<u>20,138</u>	<u>164,121</u>	<u>(635,952)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				600,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
NET CHANGE IN FUND BALANCE	(35,402)	20,138	164,121	(35,952)
FUND BALANCES AT BEGINNING OF YEAR	<u>44,940</u>	<u>19,125</u>	<u>247,383</u>	<u>3,904,769</u>
FUND BALANCES AT END OF YEAR	<u>\$ 9,538</u>	<u>\$ 39,263</u>	<u>\$ 411,504</u>	<u>\$ 3,868,817</u>

POTTER COUNTY, TEXAS
 Vehicle Inventory Tax Interest Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

Exhibit C-5

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 1,000	\$ 1,000	\$ 1,824	\$ 824
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,824</u>	<u>824</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>-</u>	<u>-</u>	<u>1,824</u>	<u>1,824</u>
NET CHANGE IN FUND BALANCE	-	-	1,824	1,824
FUND BALANCE AT BEGINNING OF YEAR	<u>175,230</u>	<u>175,230</u>	<u>175,230</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 175,230</u>	<u>\$ 175,230</u>	<u>\$ 177,054</u>	<u>\$ 1,824</u>

POTTER COUNTY, TEXAS
Law Library Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

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	\$ 108,000	\$ 108,000	\$ 110,596	\$ 2,596
Charges for services	<u>2,600</u>	<u>2,600</u>	<u>1,650</u>	<u>(950)</u>
Total revenues	<u>110,600</u>	<u>110,600</u>	<u>112,246</u>	<u>1,646</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	43,003	43,003	42,442	561
General operations	<u>125,000</u>	<u>125,000</u>	<u>122,748</u>	<u>2,252</u>
Total expenditures	<u>168,003</u>	<u>168,003</u>	<u>165,190</u>	<u>2,813</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(57,403)	(57,403)	(52,944)	4,459
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>85,000</u>	<u>85,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>85,000</u>	<u>85,000</u>
NET CHANGE IN FUND BALANCE	(57,403)	(57,403)	32,056	89,459
FUND BALANCE AT BEGINNING OF YEAR	<u>9,412</u>	<u>9,412</u>	<u>9,412</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (47,991)</u>	<u>\$ (47,991)</u>	<u>\$ 41,468</u>	<u>\$ 89,459</u>

POTTER COUNTY, TEXAS
Courthouse Security Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-7

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Licenses and fees	\$ 60,000	\$ 60,000	\$ 58,012	\$ (1,988)
Investment earnings	850	850	479	(371)
Total revenue	<u>60,850</u>	<u>60,850</u>	<u>58,491</u>	<u>(2,359)</u>
EXPENDITURES				
Current				
Judicial				
Salaries and fringe benefits	466,459	474,317	474,276	41
General operations	4,880	4,880	3,598	1,282
Building repairs and maintenance	2,000	142	141	1
Capital outlay	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>479,339</u>	<u>479,339</u>	<u>478,015</u>	<u>1,324</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(418,489)	(418,489)	(419,524)	(1,035)
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>425,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>425,000</u>
NET CHANGE IN FUND BALANCE	(418,489)	(418,489)	5,476	423,965
FUND BALANCE AT BEGINNING OF YEAR	<u>7,158</u>	<u>7,158</u>	<u>7,158</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (411,331)</u>	<u>\$ (411,331)</u>	<u>\$ 12,634</u>	<u>\$ 423,965</u>

POTTER COUNTY, TEXAS
 Justice Court Building Security Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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	\$ 4,288	\$ (512)
Total revenues	<u>4,800</u>	<u>4,800</u>	<u>4,288</u>	<u>(512)</u>
EXPENDITURES				
Current				
Judicial				
General operations	-	1,000	905	95
Building repairs and maintenance	<u>15,000</u>	<u>14,000</u>	<u>-</u>	<u>14,000</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>905</u>	<u>14,095</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,200)</u>	<u>(10,200)</u>	<u>3,383</u>	<u>13,583</u>
NET CHANGE IN FUND BALANCE	(10,200)	(10,200)	3,383	13,583
FUND BALANCE AT BEGINNING OF YEAR	<u>30,194</u>	<u>30,194</u>	<u>30,194</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 19,994</u>	<u>\$ 19,994</u>	<u>\$ 33,577</u>	<u>\$ 13,583</u>

POTTER COUNTY, TEXAS
Graffiti Eradication Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-9

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Graffiti eradication fee	\$ 200	\$ 200	\$ 435	\$ 235
Total revenues	<u>200</u>	<u>200</u>	<u>435</u>	<u>235</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>(300)</u>	<u>(300)</u>	<u>435</u>	<u>735</u>
NET CHANGE IN FUND BALANCE	(300)	(300)	435	735
FUND BALANCE AT BEGINNING OF YEAR	<u>1,722</u>	<u>1,722</u>	<u>1,722</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,422</u>	<u>\$ 1,422</u>	<u>\$ 2,157</u>	<u>\$ 735</u>

POTTER COUNTY, TEXAS
Child Abuse Prevention Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

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	\$ 2,400	\$ 2,400	\$ 1,948	\$ (452)
Total revenues	<u>2,400</u>	<u>2,400</u>	<u>1,948</u>	<u>(452)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,400</u>	<u>2,400</u>	<u>1,948</u>	<u>(452)</u>
NET CHANGE IN FUND BALANCE	2,400	2,400	1,948	(452)
FUND BALANCE AT BEGINNING OF YEAR	<u>14,619</u>	<u>14,619</u>	<u>14,619</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 17,019</u>	<u>\$ 17,019</u>	<u>\$ 16,567</u>	<u>\$ (452)</u>

POTTER COUNTY, TEXAS
 County Clerk Records Management Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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	\$ 110,000	\$ 110,000	\$ 105,838	\$ (4,162)
Investment earnings	300	300	513	213
Miscellaneous	-	-	25,758	25,758
Total revenues	<u>110,300</u>	<u>110,300</u>	<u>132,109</u>	<u>21,809</u>
EXPENDITURES				
Current:				
Judicial				
Travel	2,200	2,200	1,849	351
Contract services	45,000	45,000	42,859	2,141
General operations	10,000	10,000	3,697	6,303
Equipment/vehicle maintenance	4,000	4,000	2,830	1,170
Capital outlay	30,000	30,000	-	30,000
Total expenditures	<u>91,200</u>	<u>91,200</u>	<u>51,235</u>	<u>39,965</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,100</u>	<u>19,100</u>	<u>80,874</u>	<u>61,774</u>
NET CHANGE IN FUND BALANCE	19,100	19,100	80,874	61,774
FUND BALANCE AT BEGINNING OF YEAR	<u>175,804</u>	<u>175,804</u>	<u>175,804</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 194,904</u>	<u>\$ 194,904</u>	<u>\$ 256,678</u>	<u>\$ 61,774</u>

POTTER COUNTY, TEXAS
 Election Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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	\$ 4,500	\$ 4,500	\$ 8,275	\$ 3,775
Intergovernmental	-	-	96,777	96,777
Investment earnings	800	800	1,145	345
Total revenues	<u>5,300</u>	<u>5,300</u>	<u>106,197</u>	<u>100,897</u>
EXPENDITURES				
Current:				
Election administration				
Travel	2,500	2,500	-	2,500
Contract services	35,000	35,000	24,440	10,560
General operations	27,745	27,745	-	27,745
Equipment/vehicle maintenance	25,000	25,000	-	25,000
Building repairs and maintenance	5,000	5,000	-	5,000
Capital outlay	40,000	40,000	-	40,000
Total expenditures	<u>135,245</u>	<u>135,245</u>	<u>24,440</u>	<u>110,805</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(129,945)</u>	<u>(129,945)</u>	<u>81,757</u>	<u>211,702</u>
NET CHANGE IN FUND BALANCE	(129,945)	(129,945)	81,757	211,702
FUND BALANCE AT BEGINNING OF YEAR	<u>444,253</u>	<u>444,253</u>	<u>444,253</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 314,308</u>	<u>\$ 314,308</u>	<u>\$ 526,010</u>	<u>\$ 211,702</u>

POTTER COUNTY, TEXAS
Voter Registration Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

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	\$ -	\$ -	\$ 18,464	\$ 18,464
Investment earnings	50	50	92	42
Total revenues	<u>50</u>	<u>50</u>	<u>18,556</u>	<u>18,506</u>
EXPENDITURES				
Current:				
Election administration				
Travel	2,500	2,500	2,352	148
General operations	<u>7,660</u>	<u>7,660</u>	<u>2,964</u>	<u>4,696</u>
Total expenditures	<u>10,160</u>	<u>10,160</u>	<u>5,316</u>	<u>4,844</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,110)</u>	<u>(10,110)</u>	<u>13,240</u>	<u>23,350</u>
NET CHANGE IN FUND BALANCE	(10,110)	(10,110)	13,240	23,350
FUND BALANCE AT BEGINNING OF YEAR	<u>24,799</u>	<u>24,799</u>	<u>24,799</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 14,689</u>	<u>\$ 14,689</u>	<u>\$ 38,039</u>	<u>\$ 23,350</u>

POTTER COUNTY, TEXAS
Court Records Management Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

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	\$ 63,000	\$ 63,000	\$ 60,216	\$ (2,784)
Total revenues	<u>63,000</u>	<u>63,000</u>	<u>60,216</u>	<u>(2,784)</u>
EXPENDITURES				
Current:				
General administrative				
Salaries and fringe benefits	45,448	45,448	35,878	9,570
Travel	2,000	2,000	-	2,000
General operations	2,710	2,710	-	2,710
Capital outlay	<u>26,000</u>	<u>26,000</u>	<u>22,106</u>	<u>3,894</u>
Total expenditures	<u>76,158</u>	<u>76,158</u>	<u>57,984</u>	<u>18,174</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,158)</u>	<u>(13,158)</u>	<u>2,232</u>	<u>15,390</u>
NET CHANGE IN FUND BALANCE	(13,158)	(13,158)	2,232	15,390
FUND BALANCE AT BEGINNING OF YEAR	<u>62,707</u>	<u>62,707</u>	<u>62,707</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 49,549</u>	<u>\$ 49,549</u>	<u>\$ 64,939</u>	<u>\$ 15,390</u>

POTTER COUNTY, TEXAS
 District Clerk Records Management Fund
 Budgetary Comparison Fund
 For the Year Ended September 30, 2015

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	\$ 50,000	\$ 50,000	\$ 54,240	\$ 4,240
Investment earnings	500	500	632	132
Total revenues	<u>50,500</u>	<u>50,500</u>	<u>54,872</u>	<u>4,372</u>
EXPENDITURES				
Current:				
Judicial				
General operations	-	14,500	14,272	228
Capital outlay	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Total expenditures	<u>7,000</u>	<u>21,500</u>	<u>14,272</u>	<u>7,228</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENCITURES	<u>43,500</u>	<u>29,000</u>	<u>40,600</u>	<u>11,600</u>
NET CHANGE IN FUND BALANCE	43,500	29,000	40,600	11,600
FUND BALANCE AT BEGINNING OF YEAR	<u>231,642</u>	<u>231,642</u>	<u>231,642</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 275,142</u>	<u>\$ 260,642</u>	<u>\$ 272,242</u>	<u>\$ 11,600</u>

POTTER COUNTY, TEXAS
 Justice Court Technology Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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	\$ 18,076	\$ (1,824)
Total revenues	<u>19,900</u>	<u>19,900</u>	<u>18,076</u>	<u>(1,824)</u>
EXPENDITURES				
Current:				
Judicial				
General operations	-	28,100	27,966	134
Travel	-	10,000	2,669	7,331
Total expenditures	<u>-</u>	<u>38,100</u>	<u>30,635</u>	<u>7,465</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,900</u>	<u>(18,200)</u>	<u>(12,559)</u>	<u>5,641</u>
NET CHANGE IN FUND BALANCE	19,900	(18,200)	(12,559)	5,641
FUND BALANCE AT BEGINNING OF YEAR	<u>189,775</u>	<u>189,775</u>	<u>189,775</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 209,675</u>	<u>\$ 171,575</u>	<u>\$ 177,216</u>	<u>\$ 5,641</u>

POTTER COUNTY, TEXAS
 County Clerk / District Clerk Technology Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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	\$ 6,000	\$ 6,000	\$ 5,776	\$ (224)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>5,776</u>	<u>(224)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,000</u>	<u>6,000</u>	<u>5,776</u>	<u>(224)</u>
NET CHANGE IN FUND BALANCE	6,000	6,000	5,776	(224)
FUND BALANCE AT BEGINNING OF YEAR	<u>23,330</u>	<u>23,330</u>	<u>23,330</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 29,330</u>	<u>\$ 29,330</u>	<u>\$ 29,106</u>	<u>\$ (224)</u>

POTTER COUNTY, TEXAS
 County Attorney Hot Check Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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	\$ 70,000	\$ 70,000	\$ 48,687	\$ (21,313)
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>48,687</u>	<u>(21,313)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	61,543	48,543	43,427	5,116
Travel expenses	1,100	800	-	800
General operations	1,000	14,300	15,278	(978)
Equipment/vehicle maintenance	4,000	4,000	-	4,000
Total expenditures	<u>67,643</u>	<u>67,643</u>	<u>58,705</u>	<u>8,938</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,357</u>	<u>2,357</u>	<u>(10,018)</u>	<u>(12,375)</u>
NET CHANGE IN FUND BALANCE	2,357	2,357	(10,018)	(12,375)
FUND BALANCE AT BEGINNING OF YEAR	<u>147,265</u>	<u>147,265</u>	<u>147,265</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 149,622</u>	<u>\$ 149,622</u>	<u>\$ 137,247</u>	<u>\$ (12,375)</u>

POTTER COUNTY, TEXAS
 County Attorney Forfeiture Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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	\$ 145,000	\$ 115,317	\$ (29,683)
Total revenues	<u>40,000</u>	<u>145,000</u>	<u>115,317</u>	<u>(29,683)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	165,515	206,365	187,330	19,035
Travel expenses	4,550	10,550	1,071	9,479
General operations	12,000	22,000	29,485	(7,485)
Equipment/vehicle maintenance	15,000	16,150	14,127	2,023
Capital outlay	<u>-</u>	<u>12,250</u>	<u>11,242</u>	<u>1,008</u>
Total expenditures	<u>197,065</u>	<u>267,315</u>	<u>243,255</u>	<u>24,060</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(157,065)</u>	<u>(122,315)</u>	<u>(127,938)</u>	<u>(5,623)</u>
NET CHANGE IN FUND BALANCE	(157,065)	(122,315)	(127,938)	(5,623)
FUND BALANCE AT BEGINNING OF YEAR	<u>251,322</u>	<u>251,322</u>	<u>251,322</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 94,257</u>	<u>\$ 129,007</u>	<u>\$ 123,384</u>	<u>\$ (5,623)</u>

POTTER COUNTY, TEXAS
 County Attorney Federal Forfeiture Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

Exhibit C-20

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Miscellaneous	\$ -	\$ 128,000	\$ 128,806	\$ 806
Investment earnings	-	-	151	151
Total revenues	<u>-</u>	<u>128,000</u>	<u>128,957</u>	<u>957</u>
EXPENDITURES				
Current:				
Judicial				
General operations	-	4,000	3,510	490
Total expenditures	<u>-</u>	<u>4,000</u>	<u>3,510</u>	<u>490</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>124,000</u>	<u>125,447</u>	<u>1,447</u>
NET CHANGE IN FUND BALANCE		124,000	125,447	1,447
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 124,000</u>	<u>\$ 125,447</u>	<u>\$ 1,447</u>

POTTER COUNTY, TEXAS
 District Attorney Hot Check Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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				
Licenses and fees	\$ 2,000	\$ 2,000	\$ 1,793	\$ (207)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>1,793</u>	<u>(207)</u>
EXPENDITURES				
Current:				
Judicial				
Travel expenses	800	800	-	800
General operations	<u>2,500</u>	<u>2,500</u>	<u>3,031</u>	<u>(531)</u>
Total expenditures	<u>3,300</u>	<u>3,300</u>	<u>3,031</u>	<u>269</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,300)</u>	<u>(1,300)</u>	<u>(1,238)</u>	<u>62</u>
NET CHANGE IN FUND BALANCE	(1,300)	(1,300)	(1,238)	62
FUND BALANCE AT BEGINNING OF YEAR	<u>129,704</u>	<u>129,704</u>	<u>129,704</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 128,404</u>	<u>\$ 128,404</u>	<u>\$ 128,466</u>	<u>\$ 62</u>

POTTER COUNTY, TEXAS
 District Attorney Payroll Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

Exhibit C-22

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES				
Intergovernmental	\$ -	\$ 22,500	\$ 22,501	\$ 1
Total revenues	<u>-</u>	<u>22,500</u>	<u>22,501</u>	<u>1</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	-	23,520	23,519	1
Total expenditures	<u>-</u>	<u>23,520</u>	<u>23,519</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(1,020)</u>	<u>(1,018)</u>	<u>2</u>
NET CHANGE IN FUND BALANCE	-	(1,020)	(1,018)	2
FUND BALANCE AT BEGINNING OF YEAR	<u>4,931</u>	<u>4,931</u>	<u>4,931</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,931</u>	<u>\$ 3,911</u>	<u>\$ 3,913</u>	<u>\$ 2</u>

POTTER COUNTY, TEXAS
 District Attorney Forfeiture Release Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Investment earnings	15,000	15,000	1,661	(13,339)
Miscellaneous	35,000	35,000	30,411	(4,589)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>32,072</u>	<u>(67,928)</u>
EXPENDITURES				
Current:				
Judicial				
Salaries and fringe benefits	32,957	56,957	56,848	109
Travel	7,500	7,500	3,365	4,135
Contract services	10,000	10,000	-	10,000
General operations	30,000	380,000	370,246	9,754
Equipment/vehicle maintenance	5,000	5,000	-	5,000
Miscellaneous	10,000	10,000	-	10,000
Capital outlay	30,000	6,000	-	6,000
Total expenditures	<u>125,457</u>	<u>475,457</u>	<u>430,459</u>	<u>44,998</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(25,457)</u>	<u>(375,457)</u>	<u>(398,387)</u>	<u>(22,930)</u>
NET CHANGE IN FUND BALANCE	(25,457)	(375,457)	(398,387)	(22,930)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,239,950</u>	<u>1,239,950</u>	<u>1,239,950</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,214,493</u>	<u>\$ 864,493</u>	<u>\$ 841,563</u>	<u>\$ (22,930)</u>

POTTER COUNTY, TEXAS
 District Attorney Federal Forfeiture Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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	\$ -	\$ -	\$ 5	\$ 5
Miscellaneous	100	100	6,721	6,621
Total revenues	<u>100</u>	<u>100</u>	<u>6,726</u>	<u>6,626</u>
EXPENDITURES				
Current:				
Judicial				
General operations	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>6,726</u>	<u>6,726</u>
NET CHANGE IN FUND BALANCE	-	-	6,726	6,726
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>\$ 6,728</u>	<u>\$ 6,726</u>

POTTER COUNTY, TEXAS
Auto Burglary and Theft Prevention Authority Grants Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

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 Contributions	\$ -	\$ 270,250	\$ -	\$ (270,250)
	-	90,000	-	(90,000)
Total revenues	-	360,250	-	(360,250)
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	-	30,250	17,163	13,087
General operations	-	15,000	14,316	684
Equipment/vehicle maintenance	-	15,000	109	14,891
Capital outlay	-	300,000	7,572	292,428
Total expenditures	-	360,250	39,160	321,090
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(39,160)	(39,160)
OTHER FINANCING SOURCES				
Transfers in	-	-	90,000	90,000
Total other financing sources	-	-	90,000	90,000
NET CHANGE IN FUND BALANCE	-	-	50,840	50,840
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 50,840	\$ 50,840

POTTER COUNTY, TEXAS
 Sheriff Federal Forfeiture Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

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				
Investment earnings	\$ 700	\$ 700	\$ 703	\$ 3
Miscellaneous	<u>50,000</u>	<u>50,000</u>	<u>129,036</u>	<u>79,036</u>
Total revenues	<u>50,700</u>	<u>50,700</u>	<u>129,739</u>	<u>79,039</u>
EXPENDITURES				
Current:				
Public safety				
Salaries and fringe benefits	7,000	7,000	-	7,000
Travel	30,000	9,000	-	9,000
General operations	52,500	52,500	14,492	38,008
Equipment/vehicle maintenance	5,000	5,000	3,094	1,906
Capital outlay	<u>50,000</u>	<u>201,000</u>	<u>200,791</u>	<u>209</u>
Total expenditures	<u>144,500</u>	<u>274,500</u>	<u>218,377</u>	<u>56,123</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(93,800)</u>	<u>(223,800)</u>	<u>(88,638)</u>	<u>135,162</u>
NET CHANGE IN FUND BALANCE	(93,800)	(223,800)	(88,638)	135,162
FUND BALANCE AT BEGINNING OF YEAR	<u>398,975</u>	<u>398,975</u>	<u>398,975</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 305,175</u>	<u>\$ 175,175</u>	<u>\$ 310,337</u>	<u>\$ 135,162</u>

POTTER COUNTY, TEXAS
Law Enforcement Grants Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-27

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 51,091	\$ 98,494	\$ -	\$ (98,494)
Investment earnings	-	-	73	73
Total revenues	<u>51,091</u>	<u>98,494</u>	<u>73</u>	<u>(98,421)</u>
EXPENDITURES				
Current:				
Public safety				
General operations	19,180	62,983	-	62,983
Capital outlay	31,912	35,512	35,475	37
Total expenditures	<u>51,092</u>	<u>98,495</u>	<u>35,475</u>	<u>63,020</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1)</u>	<u>(1)</u>	<u>(35,402)</u>	<u>(35,401)</u>
NET CHANGE IN FUND BALANCE	(1)	(1)	(35,402)	(35,401)
FUND BALANCE AT BEGINNING OF YEAR	<u>44,940</u>	<u>44,940</u>	<u>44,940</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 44,939</u>	<u>\$ 44,939</u>	<u>\$ 9,538</u>	<u>\$ (35,401)</u>

POTTER COUNTY, TEXAS
Sheriff Office Forfeiture Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-28

	<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	\$ -	\$ -	\$ 11	\$ 11
Miscellaneous	2,000	2,000	26,107	24,107
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>26,118</u>	<u>24,118</u>
EXPENDITURES				
Current:				
Public safety				
Travel	2,000	1,000	2,811	(1,811)
General operations	9,880	14,480	3,169	11,311
Equipment/vehicle maintenance	2,500	2,500	-	2,500
Capital outlay	5,000	1,400	-	1,400
Total expenditures	<u>19,380</u>	<u>19,380</u>	<u>5,980</u>	<u>13,400</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,380)</u>	<u>(17,380)</u>	<u>20,138</u>	<u>37,518</u>
NET CHANGE IN FUND BALANCE	(17,380)	(17,380)	20,138	37,518
FUND BALANCE AT BEGINNING OF YEAR	<u>19,125</u>	<u>19,125</u>	<u>19,125</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,745</u>	<u>\$ 1,745</u>	<u>\$ 39,263</u>	<u>\$ 37,518</u>

DEBT SERVICE FUND

POTTER COUNTY, TEXAS
Series 2012 Refunding Bond
Budgetary Comparison Schedule
For the Year Ended September 30, 2015

Exhibit C-29

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,934,900	\$ 1,934,900	\$ 2,166,758	\$ 231,858
Investment earnings	1,000	1,000	4,439	3,439
Total revenues	<u>1,935,900</u>	<u>1,935,900</u>	<u>2,171,197</u>	<u>235,297</u>
EXPENDITURES				
General administrative				
General operations	1,000	1,000	500	500
Debt service:				
Principal	1,820,000	1,820,000	1,820,000	-
Interest and fiscal charges	<u>114,900</u>	<u>114,900</u>	<u>114,901</u>	<u>(1)</u>
Total expenditures	<u>1,935,900</u>	<u>1,935,900</u>	<u>1,935,401</u>	<u>499</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>235,796</u>	<u>235,796</u>
NET CHANGE IN FUND BALANCE	-	-	235,796	235,796
FUND BALANCE AT BEGINNING OF YEAR	<u>1,517,693</u>	<u>1,517,693</u>	<u>1,517,693</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,517,693</u>	<u>\$ 1,517,693</u>	<u>\$ 1,753,489</u>	<u>\$ 235,796</u>

CAPITAL PROJECTS FUND

POTTER COUNTY, TEXAS
 Capital Projects Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2015

Exhibit C-30

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 6,000	\$ 6,000	\$ 8,141	\$ 2,141
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>8,141</u>	<u>2,141</u>
EXPENDITURES				
Current:				
Capital outlay	<u>6,450,000</u>	<u>6,450,000</u>	<u>1,464,557</u>	<u>4,985,443</u>
Total expenditures	<u>6,450,000</u>	<u>6,450,000</u>	<u>1,464,557</u>	<u>4,985,443</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,444,000)</u>	<u>(6,444,000)</u>	<u>(1,456,416)</u>	<u>4,987,584</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>
NET CHANGE IN FUND BALANCE	(6,444,000)	(6,444,000)	1,543,584	7,987,584
FUND BALANCE AT BEGINNING OF YEAR	<u>7,679,758</u>	<u>7,679,758</u>	<u>7,679,758</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,235,758</u>	<u>\$ 1,235,758</u>	<u>\$ 9,223,342</u>	<u>\$ 7,987,584</u>

AGENCY FUNDS

POTTER COUNTY, TEXAS
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
September 30, 2015

	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	\$ 491,040	\$ 1,927,034	\$ 67,500	\$ 213,241	\$ 2,588,242	\$ 302,070
Investments						
Accounts receivable						
Other	3,996	225		94,216		
TOTAL ASSETS	<u>\$ 495,036</u>	<u>\$ 1,927,259</u>	<u>\$ 67,500</u>	<u>\$ 307,457</u>	<u>\$ 2,588,242</u>	<u>\$ 302,070</u>
LIABILITIES:						
Accounts payable and other current liabilities	\$ 117,007	\$	\$	\$ 274,396	\$	\$
Due to other governments	378,029	1,927,259		33,061		
Due to trust beneficiaries					2,588,242	302,070
Due to other entities						
Deposits			67,500			
TOTAL LIABILITIES	<u>\$ 495,036</u>	<u>\$ 1,927,259</u>	<u>\$ 67,500</u>	<u>\$ 307,457</u>	<u>\$ 2,588,242</u>	<u>\$ 302,070</u>

<u>740</u> <u>County</u> <u>Attorney</u> <u>Restitution</u>	<u>750</u> <u>District</u> <u>Attorney</u> <u>Restitution</u>	<u>760</u> <u>District</u> <u>Attorney</u> <u>Seizure</u>	<u>771</u> <u>Detention</u> <u>Center</u> <u>Trust Fund</u>	<u>772</u> <u>Detention</u> <u>Center Bond</u> <u>Fund</u>	<u>200</u> <u>Unclaimed</u> <u>Property</u>	<u>Total</u> <u>Agency</u> <u>Funds</u>
\$ 29,394	\$ 21	\$ 355,433	\$ 71,832	\$ 17,000	\$ 202,559	\$ 6,265,366
<u>1,615</u>						<u>100,052</u>
<u>\$ 31,009</u>	<u>\$ 21</u>	<u>\$ 355,433</u>	<u>\$ 71,832</u>	<u>\$ 17,000</u>	<u>\$ 202,559</u>	<u>\$ 6,365,418</u>
\$	\$	\$	\$ 71,832	\$ 17,000	\$	\$ 480,235
		355,433				2,693,782
31,009	21					2,921,342
					202,559	202,559
						<u>67,500</u>
<u>\$ 31,009</u>	<u>\$ 21</u>	<u>\$ 355,433</u>	<u>\$ 71,832</u>	<u>\$ 17,000</u>	<u>\$ 202,559</u>	<u>\$ 6,365,418</u>

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2015

	Balance 10/1/2014	Additions	Deductions	Balance 9/30/2015
STATE & COUNTY COLLECTIONS				
ASSETS				
Cash and cash equivalents	\$ 555,172	\$ 5,302,777	\$ 5,366,909	\$ 491,040
Accounts receivable	9,649	8,075	13,728	3,996
Total assets	\$ 564,821	\$ 5,310,852	\$ 5,380,637	\$ 495,036
LIABILITIES				
Accounts payable	\$ 124,012	\$ 355,983	\$ 362,988	\$ 117,007
Due to other governments	440,809	402,485	465,265	378,029
Total liabilities	\$ 564,821	\$ 758,468	\$ 828,253	\$ 495,036
TAX ASSESSOR/COLLECTOR				
ASSETS				
Cash and cash equivalents	\$ 1,919,799	\$ 179,681,053	\$ 179,673,818	\$ 1,927,034
Investments	134	-	134	-
Accounts receivable	225	-	-	225
Total assets	\$ 1,920,158	\$ 179,681,053	\$ 179,673,952	\$ 1,927,259
LIABILITIES				
Due to other governments	\$ 1,920,158	\$ 179,681,053	\$ 179,673,952	\$ 1,927,259
Total liabilities	\$ 1,920,158	\$ 179,681,053	\$ 179,673,952	\$ 1,927,259
BAIL SECURITY FUND				
ASSETS				
Cash and cash equivalents	\$ 65,000	\$ 2,500	\$ -	\$ 67,500
Total assets	\$ 65,000	\$ 2,500	\$ -	\$ 67,500
LIABILITIES				
Deposits	\$ 65,000	\$ 2,500	\$ -	\$ 67,500
Total liabilities	\$ 65,000	\$ 2,500	\$ -	\$ 67,500

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2015

	Balance 10/1/2014	Additions	Deductions	Balance 9/30/2015
STATE COURT COSTS				
ASSETS				
Cash and cash equivalents	\$ 195,548	\$ 1,252,094	\$ 1,234,401	\$ 213,241
Accounts receivable	91,493	94,216	91,493	94,216
Total assets	\$ 287,041	\$ 1,346,310	\$ 1,325,894	\$ 307,457
LIABILITIES				
Accounts payable	\$ 260,334	\$ 1,368,292	\$ 1,354,230	\$ 274,396
Due to other governments	26,707	41,064	34,710	33,061
Total liabilities	\$ 287,041	\$ 1,409,356	\$ 1,388,940	\$ 307,457
DISTRICT CLERK REGISTRY FUND				
ASSETS				
Cash and cash equivalents	\$ 3,002,547	\$ 474,220	\$ 888,525	\$ 2,588,242
Total assets	\$ 3,002,547	\$ 474,220	\$ 888,525	\$ 2,588,242
LIABILITIES				
Due to trust beneficiaries	\$ 3,002,547	\$ 474,220	\$ 888,525	\$ 2,588,242
Total liabilities	\$ 3,002,547	\$ 474,220	\$ 888,525	\$ 2,588,242
COUNTY CLERK REGISTRY FUND				
ASSETS				
Cash and cash equivalents	\$ 252,465	\$ 786,483	\$ 736,878	\$ 302,070
Total assets	\$ 252,465	\$ 786,483	\$ 736,878	\$ 302,070
LIABILITIES				
Due to trust beneficiaries	\$ 252,465	\$ 786,483	\$ 736,878	\$ 302,070
Total liabilities	\$ 252,465	\$ 786,483	\$ 736,878	\$ 302,070
COUNTY ATTORNEY RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 44,256	\$ 485,816	\$ 500,678	\$ 29,394
Accounts receivable	11,319	1,615	11,319	1,615
Total assets	\$ 55,575	\$ 487,431	\$ 511,997	\$ 31,009
LIABILITIES				
Due to trust beneficiaries	\$ 55,575	\$ 487,430	\$ 511,996	\$ 31,009
Total liabilities	\$ 55,575	\$ 487,430	\$ 511,996	\$ 31,009

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2015

	Balance 10/1/2014	Additions	Deductions	Balance 9/30/2015
DISTRICT ATTORNEY RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 4,811	\$ 10,408	\$ 15,198	\$ 21
Total assets	<u>\$ 4,811</u>	<u>\$ 10,408</u>	<u>\$ 15,198</u>	<u>\$ 21</u>
LIABILITIES				
Due to trust beneficiaries	\$ 4,811	\$ 10,408	\$ 15,198	\$ 21
Total liabilities	<u>\$ 4,811</u>	<u>\$ 10,408</u>	<u>\$ 15,198</u>	<u>\$ 21</u>
DISTRICT ATTORNEY SEIZURE				
ASSETS				
Cash and cash equivalents	\$ 46,743	\$ 458,572	\$ 149,882	\$ 355,433
Total assets	<u>\$ 46,743</u>	<u>\$ 458,572</u>	<u>\$ 149,882</u>	<u>\$ 355,433</u>
LIABILITIES				
Due to other governments	\$ 46,743	\$ 458,572	\$ 149,882	\$ 355,433
Total liabilities	<u>\$ 46,743</u>	<u>\$ 458,572</u>	<u>\$ 149,882</u>	<u>\$ 355,433</u>
DETENTION CENTER INMATE TRUST FUND				
ASSETS				
Cash and cash equivalents	\$ 121,371	\$ 852,779	\$ 902,318	\$ 71,832
Total assets	<u>\$ 121,371</u>	<u>\$ 852,779</u>	<u>\$ 902,318</u>	<u>\$ 71,832</u>
LIABILITIES				
Accounts payable	\$ 121,371	\$ 852,779	\$ 902,318	\$ 71,832
Total liabilities	<u>\$ 121,371</u>	<u>\$ 852,779</u>	<u>\$ 902,318</u>	<u>\$ 71,832</u>

POTTER COUNTY, TEXAS
Combining Statement of Changes in Assets and Liabilities - continued
All Agency Funds
For the Year Ended September 30, 2015

Exhibit C-32
Page 4 of 4

	Balance 10/1/2014	Additions	Deductions	Balance 9/30/2015
DETENTION CENTER BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 21,500	\$ 109,654	\$ 114,154	\$ 17,000
Total assets	<u>\$ 21,500</u>	<u>\$ 109,654</u>	<u>\$ 114,154</u>	<u>\$ 17,000</u>
LIABILITIES				
Accounts payable	\$ 21,500	\$ 109,654	\$ 114,154	\$ 17,000
Total liabilities	<u>\$ 21,500</u>	<u>\$ 109,654</u>	<u>\$ 114,154</u>	<u>\$ 17,000</u>
UNCLAIMED PROPERTY				
ASSETS				
Cash and cash equivalents	\$ 132,575	\$ 71,195	\$ 1,211	\$ 202,559
Total assets	<u>\$ 132,575</u>	<u>\$ 71,195</u>	<u>\$ 1,211</u>	<u>\$ 202,559</u>
LIABILITIES				
Due to other entities	\$ 132,575	\$ 88,444	\$ 18,460	\$ 202,559
Total liabilities	<u>\$ 132,575</u>	<u>\$ 88,444</u>	<u>\$ 18,460</u>	<u>\$ 202,559</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 6,361,787	\$ 189,487,551	\$ 189,583,972	\$ 6,265,366
Investments	134	-	134	-
Accounts receivable	112,686	103,906	116,540	100,052
Total assets	<u>\$ 6,474,607</u>	<u>\$ 189,591,457</u>	<u>\$ 189,700,646</u>	<u>\$ 6,365,418</u>
LIABILITIES				
Accounts payable	\$ 527,217	\$ 2,686,708	\$ 2,733,690	\$ 480,235
Due to other governments	2,434,417	180,583,174	180,323,809	2,693,782
Due to trust beneficiaries	3,315,398	1,758,541	2,152,597	2,921,342
Due to other entities	132,575	88,444	18,460	202,559
Deposits	65,000	2,500	-	67,500
Total liabilities	<u>\$ 6,474,607</u>	<u>\$ 185,119,367</u>	<u>\$ 185,228,556</u>	<u>\$ 6,365,418</u>

STATISTICAL SECTION

POTTER COUNTY, TEXAS

Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	101
Revenue Capacity These schedules contain information to help the reader assess the County's most significant revenue source, property taxes.	106
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	111
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	115
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the government provides and the activities it performs.	119

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

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

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

Source: County financial statements

Fiscal Year				
2011	2012	2013	2014	2015
\$ 56,126,465	\$ 63,177,320	\$ 61,999,277	\$ 65,492,484	\$ 66,480,662
2,439,212	2,178,182	2,758,943	3,226,294	4,038,120
24,775,385	22,079,761	25,100,759	27,408,567	19,262,870
<u>\$ 83,341,062</u>	<u>\$ 87,435,263</u>	<u>\$ 89,858,979</u>	<u>\$ 96,127,345</u>	<u>\$ 89,781,652</u>
\$ 56,126,465	\$ 63,177,320	\$ 61,999,277	\$ 65,492,484	\$ 66,480,662
2,439,212	2,178,182	2,758,943	3,226,294	4,038,120
24,775,385	22,079,761	25,100,759	27,408,567	19,262,870
<u>\$ 83,341,062</u>	<u>\$ 87,435,263</u>	<u>\$ 89,858,979</u>	<u>\$ 96,127,345</u>	<u>\$ 89,781,652</u>

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

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

						Fiscal Year									
						2011	2012	2013	2014	2015					
\$	5,327,965	\$	6,237,219	\$	5,843,096	\$	6,966,432	\$	6,665,962						
	-		-		-		-		-						
	-		-		-		-		-						
	-		-		-		-		-						
	3,227,551		3,106,581		3,891,407		3,940,745		3,743,189						
	335,654		333,261		343,204		399,450		445,008						
	12,958,440		13,705,026		13,432,209		14,145,048		14,606,765						
	-		-		-		-		-						
	7,846,797		7,804,487		8,674,589		9,129,698		8,805,956						
	12,136,464		12,918,829		12,970,815		13,994,064		13,764,889						
	659,153		751,915		745,435		799,112		757,696						
	3,289,488		3,790,135		3,413,410		3,876,443		3,302,840						
	445,151		563,688		138,799		86,454		58,330						
	-		-		-		-		-						
	<u>46,226,663</u>		<u>49,211,141</u>		<u>49,452,964</u>		<u>53,337,446</u>		<u>52,150,635</u>						
	779,092		855,609		1,013,504		1,676,695		1,028,289						
	-		-		-		-		-						
	-		-		-		-		-						
	-		-		-		-		-						
	-		203		233		689		660						
	3,632,345		3,578,840		3,734,494		3,784,998		3,622,668						
	-		-		-		-		-						
	738,341		891,934		813,947		792,836		810,363						
	37,384		37,536		74,628		109,480		431,524						
	8,614		9,650		18,301		14,496		20,914						
	1,823,296		1,915,038		1,990,123		2,094,405		2,110,225						
	1,637,501		1,679,624		1,457,688		1,847,566		1,661,597						
	1,886,767		3,266,348		581,456		5,538,985		10,000						
	<u>10,543,340</u>		<u>12,234,782</u>		<u>9,684,374</u>		<u>15,860,150</u>		<u>9,696,240</u>						
	(35,683,323)		(36,976,359)		(39,768,590)		(37,477,296)		(42,454,395)						
\$	<u>(35,683,323)</u>	\$	<u>(36,976,359)</u>	\$	<u>(39,768,590)</u>	\$	<u>(37,477,296)</u>	\$	<u>(42,454,395)</u>						

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

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

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

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

Source: Statement of Activities from County CAFRs

Fiscal Year				
2011	2012	2013	2014	2015
\$ 35,437,310	\$ 38,071,717	\$ 38,770,264	\$ 40,523,681	\$ 41,867,636
2,331,124	2,308,480	2,198,926	2,090,642	2,165,610
-	-	-	-	-
-	-	-	-	-
428,519	387,758	435,541	556,096	593,951
11,047	2,852	28,997	19,738	15,587
207,010	210,328	211,210	216,162	212,810
71,349	89,425	88,932	75,942	90,894
-	-	90,150	28,256	-
370,108	-	368,286	235,145	60,069
<u>38,856,467</u>	<u>41,070,560</u>	<u>42,192,306</u>	<u>43,745,662</u>	<u>45,006,557</u>
\$ <u>38,856,467</u>	\$ <u>41,070,560</u>	\$ <u>42,192,306</u>	\$ <u>43,745,662</u>	\$ <u>45,006,557</u>
\$ 3,173,144	\$ 4,094,201	\$ 2,423,716	\$ 6,268,366	\$ 2,552,162
\$ <u>3,173,144</u>	\$ <u>4,094,201</u>	\$ <u>2,423,716</u>	\$ <u>6,268,366</u>	\$ <u>2,552,162</u>

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

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 273,861	\$ 489,157	\$ 116,685	\$ 131,550	\$ 425,469
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unreserved/Unassigned	<u>12,054,462</u>	<u>14,986,535</u>	<u>16,047,905</u>	<u>16,918,011</u>	<u>16,817,279</u>
Total General Fund	<u>\$ 12,328,323</u>	<u>\$ 15,475,692</u>	<u>\$ 16,164,590</u>	<u>\$ 17,049,561</u>	<u>\$ 17,242,748</u>
All Other Governmental Funds					
Reserved					
Debt service funds	\$ 358,463	\$ 440,461	\$ 534,661	\$ 732,268	\$ 989,366
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Encumbrances	-	611,403	1,253,119	395,122	479,476
Restricted					
Debt service funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Assigned					
Capital projects funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	2,249,575	2,707,338	2,781,788	2,721,110	2,952,805
Capital projects funds	<u>4,897,559</u>	<u>5,223,091</u>	<u>6,767,146</u>	<u>8,860,744</u>	<u>7,228,505</u>
Total all other governmental funds	<u>\$ 7,505,597</u>	<u>\$ 8,982,293</u>	<u>\$ 11,336,714</u>	<u>\$ 12,709,244</u>	<u>\$ 11,650,152</u>

Source: County financial statements.

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

Table 3

		Fiscal Year							
		2011 (1)	2012	2013	2014	2015			
\$	-	\$	-	\$	-	\$	-		
	62,109		52,004		53,134		23,245		17,110
	297,123		308,426		353,110		655,805		864,229
	3,000,000		2,000,000		2,700,000		3,000,000		3,000,000
	-		-		-		-		-
	<u>12,607,617</u>		<u>14,021,844</u>		<u>14,495,590</u>		<u>14,102,331</u>		<u>13,236,882</u>
\$	<u>15,966,849</u>	\$	<u>16,382,274</u>	\$	<u>17,601,834</u>	\$	<u>17,781,381</u>	\$	<u>17,118,221</u>
\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	1,260,106		1,031,222		1,283,520		1,517,693		1,753,489
	20,216		20,339		206,381		382,433		518,177
	5,129,931		3,097,475		5,059,469		7,679,758		9,223,342
	3,351,928		3,218,732		3,351,666		3,522,336		3,350,640
	-		-		(2,522)		-		-
	-		-		-		-		-
\$	<u>9,762,181</u>	\$	<u>7,367,768</u>	\$	<u>9,898,514</u>	\$	<u>13,102,220</u>	\$	<u>14,845,648</u>

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Revenue					
Taxes	\$ 31,836,208	\$ 33,868,870	\$ 35,373,010	\$ 37,220,666	\$ 37,617,375
Licenses and fees	5,184,202	3,964,127	4,782,390	4,744,096	4,724,465
Intergovernmental	2,041,654	1,986,215	1,672,104	1,701,292	3,983,665
Fines and forfeitures	1,685,287	1,729,089	1,630,752	1,386,758	1,410,844
Charges for services	864,540	1,115,763	1,042,421	946,385	887,002
Investment earnings	1,210,448	1,588,175	1,058,154	374,434	216,028
Miscellaneous	244,873	1,494,943	664,826	329,658	844,620
Total revenues	43,067,212	45,747,182	46,223,657	46,703,289	49,683,999
Expenditures					
General administrative	3,345,715	4,215,460	4,620,124	4,769,440	4,845,930
Public service	1,133,020	-	-	-	-
Transportation	1,492,074	-	-	-	-
Facilities maintenance	1,939,474	2,403,939	2,741,042	2,142,823	2,385,538
Tax and recording offices	3,297,289				
Election administration		200,820	212,444	252,124	312,223
Judicial	5,070,663	11,095,322	11,624,598	12,022,407	12,480,138
Legal	4,112,711	-	-	-	-
Public safety and correctional	15,142,030	6,536,554	6,807,111	7,186,687	7,546,648
Corrections and rehabilitation	-	10,585,748	11,031,909	11,267,983	11,322,711
Health and human services	-	570,136	583,017	593,662	603,442
Road and bridge	-	1,669,391	1,707,486	1,843,461	1,904,364
Debt service					
Principal	1,332,905	1,414,773	1,460,900	1,559,400	1,540,000
Interest and fiscal charges	896,708	835,988	816,721	572,206	517,817
Capital outlay	2,557,826	1,832,684	1,663,975	1,470,595	7,091,093
Total expenditures	40,320,415	41,360,815	43,269,327	43,680,788	50,549,904
Excess of revenues over (under) expenditures	2,746,797	4,386,367	2,954,330	3,022,501	(865,905)
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	2,602,000	2,192,046	3,713,937	2,316,262	3,285,291
Transfers out	(2,602,000)	(2,192,046)	(3,713,937)	(2,316,262)	(3,285,291)
Capital leases	-	-	-	-	-
Total other financing sources (uses)	-	-	88,989	-	-
Net change in fund balances	\$ 2,746,797	\$ 4,386,367	\$ 3,043,319	\$ 3,022,501	\$ (865,905)
Debt service as a percentage of noncapital expenditures	5.89%	5.78%	5.52%	5.13%	4.80%

Source: Statement of Activities from County CAFRs

Fiscal Year				
2011	2012	2013	2014	2015
\$ 38,143,874	\$ 40,803,354	\$ 41,539,743	\$ 43,249,022	\$ 44,666,123
4,824,188	4,921,922	5,145,257	5,278,496	5,349,635
3,636,198	3,314,546	2,291,646	2,116,903	2,022,231
1,414,392	1,215,965	1,232,042	1,216,979	1,210,983
817,292	882,704	1,011,174	1,689,100	807,248
68,799	87,376	86,616	73,550	88,345
355,451	403,384	613,037	496,001	591,810
<u>49,260,194</u>	<u>51,629,251</u>	<u>51,919,515</u>	<u>54,120,051</u>	<u>54,736,375</u>
5,083,324	5,266,137	5,470,342	6,468,387	6,224,416
-	-	-	-	-
-	-	-	-	-
2,549,165	2,062,923	2,592,756	2,387,130	2,463,133
334,758	326,743	342,414	388,101	448,712
12,887,673	13,368,693	13,306,483	13,881,739	14,556,061
-	-	-	-	-
7,280,056	7,501,439	8,005,241	8,317,540	8,364,568
11,895,403	12,479,813	12,734,733	13,627,840	13,678,450
657,032	735,533	743,590	788,055	765,410
1,851,470	1,905,658	1,966,392	1,973,601	1,967,957
1,595,000	1,650,000	1,710,000	1,705,000	1,820,000
462,955	392,210	244,883	161,525	114,901
7,827,228	7,397,913	1,052,375	1,037,880	3,252,499
<u>52,424,064</u>	<u>53,087,062</u>	<u>48,169,209</u>	<u>50,736,798</u>	<u>53,656,107</u>
<u>(3,163,870)</u>	<u>(1,457,811)</u>	<u>3,750,306</u>	<u>3,383,253</u>	<u>1,080,268</u>
-	7,220,000	-	-	-
-	306,365	-	-	-
-	(8,047,542)	-	-	-
3,785,747	3,627,173	2,456,304	5,250,556	3,600,000
(3,785,747)	(3,627,173)	(2,456,304)	(5,250,556)	(3,600,000)
-	-	-	-	-
-	(521,177)	-	-	-
<u>\$ (3,163,870)</u>	<u>\$ (1,978,988)</u>	<u>\$ 3,750,306</u>	<u>\$ 3,383,253</u>	<u>\$ 1,080,268</u>
4.60%	4.46%	4.15%	3.76%	3.86%

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
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
2015	44,033,246	593,951	15,587	212,810	44,855,594

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	
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	5,481,032	5,675,043	2,223,926	2,224,201	7,704,958	7,899,244	0.60
2010	6,144,595	6,186,664	1,467,480	1,600,943	7,612,075	7,787,607	0.60
2011	6,257,274	6,506,527	1,469,795	1,469,829	7,727,069	7,976,356	0.60
2012	6,499,571	6,754,319	1,626,148	1,625,163	8,125,719	8,379,482	0.63
2013	6,647,265	6,893,284	1,687,907	1,687,907	8,335,172	8,581,191	0.63
2014	6,690,462	6,935,556	1,631,586	1,631,586	8,322,048	8,567,142	0.63
2015	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					
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	0.160430	1.323000
2009	0.596740	0.310090	1.170000	0.183950	1.323000
2010	0.596270	0.310090	1.170000	0.184130	1.317000
2011	0.599110	0.310090	1.170000	0.189960	1.360000
2012	0.633500	0.320090	1.170000	0.189380	1.350000
2013	0.627070	0.320090	1.170000	0.189380	1.350000
2014	0.634020	0.345090	1.189000	0.199500	1.350000
2015	0.634020	0.345090	1.189000	0.207500	1.350000

Underground Water Conservation District	Bushland ISD	Highland Park ISD	Bishop Hills	Total
TAX RATES / \$100 ASSESSED VALUATION				
0.092700	1.619930	1.647600	0.080000	7.91962
0.020700	1.479450	1.495660	0.080000	7.38448
0.017940	1.187950	1.194210	0.080000	6.01598
0.016840	1.183000	1.190810	0.080000	6.05443
0.016840	1.249500	1.185440	0.080000	6.10927
0.016910	1.268620	1.182520	0.080000	6.17721
0.016410	1.269600	1.172890	0.080000	6.20187
0.016410	1.269600	1.167440	0.080000	6.18999
0.016040	1.294400	1.167500	0.080000	6.27555
0.016040	1.268040	1.161900	0.080000	6.25159

POTTER COUNTY, TEXAS

Principal Taxpayers

September 30, 2015

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2014 Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Southwestern Public Service (Xcel)	Electric Utility	\$ 288,070,777	1	4.18%
BNSF Railway Company	Railroad	106,992,001	2	1.55%
BSA Hospital LLC	Healthcare	93,830,827	3	1.36%
Tyson Fresh Meats Inc.	Food Distribution	91,101,282	4	1.32%
Northwest Texas Healthcare	Healthcare	91,013,625	5	1.32%
Asarco Inc.	Copper Refinery	79,024,788	6	1.15%
Air Products, LP	Helium	65,571,546	7	0.95%
Linde Gas North America	Helium	61,319,898	8	0.89%
Amarillo Mall, LLC	Shopping Mall	60,744,740	9	0.88%
Sharyland Utilities	Electronic Transmission Lines	<u>47,980,250</u>	10	0.70%
		\$ <u><u>985,649,734</u></u>		<u><u>14.28%</u></u>
UHS of Amarillo	Healthcare			
Pioneer Natural Resources (USA)	Natural Gas Utility			
Amarillo Partners, LP	Real Estate			
Wal Mart Real Estate	Retailer			
Pioneer Natural Resources (GPC)	Natural Gas Utility			
BOC Group Inc.	Gas Company			

	2005 Valuation	Rank	Percentage of Total Assessed Valuation
\$	315,552,883	1	6.46%
	46,786,022	7	0.96%
	93,358,643	2	1.91%
	69,527,147	5	1.42%
	83,239,562	3	1.70%
	80,462,027	4	1.65%
	57,308,241	6	1.17%
	44,394,945	8	0.91%
	38,378,270	9	0.79%
	<u>34,556,876</u>	10	0.71%
\$	<u><u>863,564,616</u></u>		<u><u>17.68%</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
2006	\$ 31,425,558	\$ 30,388,380	96.70%	\$ 965,574	\$ 31,353,954	99.77%
2007	32,576,226	31,984,967	98.18%	513,384	32,498,351	99.76%
2008	34,619,979	34,022,680	98.27%	499,581	34,522,261	99.72%
2009	36,435,657	35,668,444	97.89%	654,386	36,322,830	99.69%
2010	36,838,767	35,810,722	97.21%	904,197	36,714,919	99.66%
2011	37,151,855	36,511,897	98.28%	498,161	37,010,058	99.62%
2012	39,788,918	39,101,638	98.27%	500,153	39,601,791	99.53%
2013	40,409,642	39,698,578	98.24%	444,010	40,142,588	99.34%
2014	42,066,200	41,545,818	98.76%	318,714	41,535,835	98.74%
2015	43,446,569	42,961,582	98.88%	-	42,961,582	98.88%

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)
2006	\$ 19,560,000	\$ 285,072	\$ 19,845,072	0.57%	\$ 166
2007	18,260,000	170,299	18,430,299	0.53%	153
2008	16,890,000	74,399	16,964,399	0.44%	142
2009	15,405,000	-	15,405,000	0.42%	128
2010	13,865,000	-	13,865,000	0.36%	114
2011	12,270,000	-	12,270,000	0.30%	100
2012	10,070,000	-	10,070,000	0.24%	82
2013	8,360,000	-	8,360,000	0.19%	68
2014	6,655,000	-	6,655,000	0.13%	55
2015	4,835,000	-	4,835,000	0.09%	40

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

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

(1) 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)
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	0.17%	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
2015	4,835,000	1,753,489	3,081,511	0.03%	25

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

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 115.

Source: Potter County financial records

POTTER COUNTY, TEXAS

Table 12

Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds
September 30, 2015

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	\$ 163,507,516	51.74%	\$ 84,598,789
Amarillo College District	64,470,000	46.85%	30,204,195
River Road Independent School District	12,097,768	100.00%	12,097,768
Highland Park Independent School District	9,100,000	100.00%	9,100,000
Bushland Independent School District	26,070,000	90.18%	23,509,926
City of Amarillo	35,514,714	46.73%	16,596,026
Subtotal, overlapping debt			176,106,703
Potter County, Texas	3,081,511	100.00%	3,081,511
Total direct and overlapping debt			\$ 179,188,214

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 - 2014 roll					\$ <u>6,899,209,753</u>
Legal debt margin					
Debt limitation - 5% of total assessed value					\$ 344,960,488
Debt applicable to limitation:					
Total bonded debt			4,835,000		
Less: debt service funds			<u>(1,753,489)</u>		
Total debt applicable to limitation					<u>3,081,511</u>
Legal debt margin					\$ <u>341,878,977</u>
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 258,842,997	\$ 270,855,283	\$ 290,075,905	\$ 306,952,196	\$ 306,060,172
Total net debt applicable to limit	<u>19,201,537</u>	<u>17,819,539</u>	<u>16,355,339</u>	<u>14,672,732</u>	<u>12,875,634</u>
Legal debt margin	<u>\$ 239,641,460</u>	<u>\$ 253,035,744</u>	<u>\$ 273,720,566</u>	<u>\$ 292,279,464</u>	<u>\$ 293,184,538</u>
Total net debt applicable to the limit as a percentage of debt limit	7.42%	6.58%	5.64%	4.78%	4.21%
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 310,385,535	\$ 316,787,646	\$ 324,502,416	\$ 334,013,008	\$ 344,960,488
Total net debt applicable to limit	<u>11,009,894</u>	<u>9,038,778</u>	<u>7,076,480</u>	<u>5,152,339</u>	<u>3,081,511</u>
Legal debt margin	<u>\$ 299,375,641</u>	<u>\$ 307,748,868</u>	<u>\$ 317,425,936</u>	<u>\$ 328,860,669</u>	<u>\$ 341,878,977</u>
Total net debt applicable to the limit as a percentage of debt limit	3.55%	2.85%	2.18%	1.54%	0.89%

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
2006	119,780	\$ 3,461,772,000	\$ 28,901	4.20%
2007	120,758	3,490,668,000	29,202	3.80%
2008	119,740	3,846,102,000	32,120	4.00%
2009	120,118	3,680,610,000	30,642	6.00%
2010	121,448	3,831,073,000	31,563	6.30%
2011	122,285	4,071,704,000	33,358	5.90%
2012	122,335	4,248,586,000	34,707	5.30%
2013	122,146	4,344,796,000	35,712	5.00%
2014	121,627	4,950,948,662	40,706	4.10%
2015	121,857 *	5,148,986,608 *	42,334 *	3.20%

Source: Texas Workforce Commission Tracer

*Estimates for 2015 are based on the average growth of the previous 9 years.

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

Table 15

<u>Employer</u>	<u>2015</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Amarillo ISD	4,200	1	4.23%
Tyson Foods	3,678	2	3.71%
CNS Pantex	3,112	3	3.14%
Baptist St. Anthony's Health Care System	2,900	4	2.92%
City of Amarillo	1,900	5	1.92%
Amarillo College	1,642	6	1.66%
Northwest Texas Healthcare System	1,490	7	1.50%
Xcel Energy/Southwestern Public Service Co.	1,430	8	1.44%
Texas Department of Criminal Justice	1,274	9	1.28%
American International Group	1,135	10	1.14%
Total	22,761		22.96%

<u>Employer</u>	<u>2006</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*
American International Group	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>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>	<u>2015</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	3.5	4	4	4	4	4	4	4	4	4
Information Technology	6	6	7	7	7	8	8	8	8	10
Information and Records Mgmt	6	6	6	6	7	7	7	7	7	7
County Auditor	6	6	6	6	6	6	6	6	6	6
County Treasurer	3	2	3	3	3	3	3	3	3	3
Purchasing Agent	5.5	5.5	6	6	6	6	6	6	6	6
Collections	3	3	3	3	3	3.5	3.5	3.75	3.75	3.75
Tax Assessor/Collector	21	21	21	21	21	21	21	21	21	21
Facilities Maintenance	26	26	26	26	26	26	26	27	27	28
Elections Administrator	-	-	-	-	4	4.5	4.5	4.5	4.5	4.5
County Clerk	22.5	22.5	22.5	21.5	18	17.5	17.5	17.5	17	17
District Clerk	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21	21.5
Court of Appeals	4	4	4	4	4	4	4	4	4	4
47th District Court	4	4	4	4	4	4	4	4	4	4
108th District Court	4	4	4	4	4	4	4	4	4	4
181st District Court	4	4	4	4	4	4	4	4	4	4
251st District Court	4	4	4	4	4	4	4	4	4	4
320th District Court	4	4	4	4	4	4	4	4	4	4
County Court at Law #1	5	5	5	5	5	5	5	5	5	5
County Court at Law #2	5	4	5	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	3.5	3.5	3.5	3.5	3.5	3.5	4	3.5	3.5	3
County Attorney	25.5	25.5	28.5	28.5	29.5	27	27	27	26.5	29
Family Crime Unit	2	2	2	2	2	2	1	1	2	2
District Attorney	27	28	32	32	32	32	32	32	32	32.5
Forensic Science Lab	1	1	1	1	1	1	1	1	1	1
Constables	3	3	4	4	4	3	3	4	4	4
Sheriff	80.5	81.5	81	81	80	80	80	79	81	81
Fire/Rescue Department	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4	4	4
Detention Center	121.2	121.2	122.2	122.2	123	123	123	126	129	131
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	19	19	19	19	19	19	19	19	19	19
Total General Fund	<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>489.3</u>	<u>493.8</u>	<u>501.8</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>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>	<u>2015</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	2	4	5	5	5	6	6
County Clerk Record Mgmt	1.5	1.5	1.5	1.5	1.5	1.5	1	1	0	0
Court Records Management	4	4	2.5	2	1	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	0	0	0	0	0
County Attorney Check	6	4	3	3.5	3.5	2	2.5	2.5	2.5	2
County Attorney Forfeiture Release	-	-	-	-	-	3	3	3	3	3
District Attorney State Payroll	2	1	0.5	-	-	-	-	-	-	-
District Attorney Forfeiture Release	-	1	-	-	2	2	2.5	2.5	0.5	0.5
District Attorney Welfare Fraud	-	-	-	0.5	0.5	-	-	-	-	-
Panhandle Auto Burglary and Theft Pre	-	-	-	-	-	-	-	-	-	3
Local Law Enforcement Block Grant	1	-	-	-	-	-	-	-	-	-
Total Other										
Governmental Funds	<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>	<u>38</u>
Total Governmental Funds	<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>526.8</u>	<u>529.3</u>	<u>539.8</u>

Source: Potter County employee records

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

Function	2006	2007	2008	2009	2010
General Government					
Tax Office					
Auto titles issued ⁽¹⁾	34,473	33,226	34,621	30,168	30,180
Auto registrations ⁽²⁾	101,842	101,611	102,910	99,845	104,539
County Clerk ⁽³⁾					
Marriage license applications	1,685	1,661	1,582	1,458	1,431
Registered voters	24,660	22,373	23,793	23,734	21,537
Real property documents filed	52,467	52,590	55,144	56,451	49,053
Elections Administration					
Registered voters					
Administration of Justice ⁽⁴⁾					
District Court Level					
Civil cases filed	3,404	3,361	2,910	3,031	3,441
Civil case dispositions	3,119	3,295	3,128	2,995	2,730
Criminal cases filed	2,968	2,817	2,753	2,475	2,043
Criminal case dispositions	2,891	2,768	2,677	2,533	2,136
County Court Level					
Civil cases filed	1,460	1,197	1,042	1,052	1,047
Civil case dispositions	1,074	1,454	1,212	962	962
Criminal cases filed	4,369	3,282	3,267	2,930	3,206
Criminal case dispositions	4,834	3,853	3,158	2,557	2,943
Justice of the Peace Court Level					
Civil cases filed	5,258	2,259	2,521	2,293	2,281
Civil case dispositions	5,146	2,034	2,376	2,096	2,356
Criminal cases filed	8,740	11,079	10,241	10,298	8,753
Criminal case dispositions	8,528	11,053	9,516	9,561	10,078
Public Safety and Correctional					
Sheriff ⁽⁵⁾					
Average daily jail population	543	550	545	488	522
Average daily prisoner cost	\$ 36.16	\$ 40.15	\$ 41.00	\$ 46.42	\$ 45.05
Human Services					
County Extension					
Number of programs	421	531	523	305	350
Number of contacts at programs	14,677	44,876	21,533	22,038	7,198
Number of individual, newsletter, and volunteer contacts	23,138	42,080	47,967	31,595	45,562

(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

2011	2012	2013	2014	2015
31,083	30,820	32,260	31,956	31,122
101,487	101,571	102,890	104,225	108,774
1,424	1,606	1,476	1,529	1,540
19,393	20,315	21,359	19,822	18,617
-	-	-	-	-
49,689	48,265	51,003	52,666	54,120
3,548	3,412	3,426	3,472	3,981
3,851	3,578	3,259	3,477	3,229
2,474	2,111	2,202	2,385	2,019
2,450	2,371	2,151	2,449	2,212
1,109	1,070	922	1,065	977
1,133	1,134	876	1,080	870
3,103	3,319	3,011	2,342	2,816
3,151	3,339	3,200	3,189	2,597
1,819	2,045	2,117	2,032	2,291
4,249	2,324	2,058	1,962	2,063
7,420	8,316	8,038	9,209	6,954
9,176	8,508	8,374	7,680	9,617
529	471	491	501	477
\$ 45.86	\$ 52.72	\$ 52.55	\$ 57.05	\$ 60.32
508	390	375	453	769
12,997	10,290	8,017	19,617	37,695
55,590	28,775	10,786	98,564	75,885

POTTER COUNTY, TEXAS

Table 18

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Office buildings / courthouses	6	7	7	7	7	7	7	7	7	7
Public safety and correctional										
Constables										
Patrol vehicles	2	3	3	3	3	2	2	4	4	4
Sheriff										
Enforcement vehicles	29	29	29	29	29	29	41	43	43	46
Corrections vehicles	9	9	9	11	11	11	11	10	10	8
Fire / Rescue										
Fire stations	7	7	7	7	7	7	7	7	7	7
Transportation										
County roads (miles)	220	233	260.7	299	300.8	301.1	282.6	287.9	291.6	291.6
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, 2015, 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 18, 2016.

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.

Davis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 18, 2016

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

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

Report on Compliance for Each Major Federal Program

We have audited Potter County, Texas' (the County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

Dennis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 18, 2016

POTTER COUNTY, TEXAS
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2015

A. Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Major Federal Programs:

Grantor Agency:	U.S. Department of Homeland Security passed through Federal Emergency Management Agency
Program: CFDA No.	Assistance to Firefighters' Grant 97.044
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$300,000
Low Risk Auditee	The County was classified as a low-risk auditee in the context of OMB Circular A-133.

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

None

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

None

POTTER COUNTY, TEXAS
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2015

Status of Prior Year's Finding/Noncompliance

None

POTTER COUNTY, TEXAS
Corrective Action Plan
Year Ended September 30, 2015

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

POTTER COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2015

Exhibit D-1

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Justice Assistance Grant - DEA Overtime Reimbursement	16.111	SW-TXN-0246	\$ 1,216
Justice Assistance Grant - DEA Overtime Reimbursement	16.111	SW-TXN-0323	2,253
Justice Assistance Grant - DEA Overtime Reimbursement	16.111	SW-TXN-0342	2,284
Justice Assistance Grant - DEA Overtime Reimbursement	16.111	SW-TXN-0531	184
Justice Assistance Grant - DEA Overtime Reimbursement	16.111	FC-FLM-1009	1,400
Justice Assistance Grant - SSTF Overtime Reimbursement	16.111	11710	17,360
Justice Assistance Grant - SCAAP Award	16.606	2015-AP-BX-0523	11,761
Total Direct U.S. Department of Justice			36,458
Passed through City of Amarillo:			
Justice Assistance Grant	16.738	2013-DX-BX-0844	179
Justice Assistance Grant	16.738	2014-DJ-BX-1642	35,296
Total Passed Through City of Amarillo			35,475
Passed through Office of the Governor - Criminal Justice Division			
Victim Assistance Program	16.575	2093306	41,250
Victim Assistance Program	16.575	2093307	12,879
DJ-Edward Byrne Memorial Justice Assistance Grant	16.738	2869901	53,301
Total Passed Through Office of the Governor - Criminal Justice Division			107,430
Passed through the City of Dallas			
Internet Crimes Against Children Task Force	16.543	2010-MC-CX-K037	1,156
Total Passed Through the City of Dallas			1,156
Total U.S. Department of Justice			180,519
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Texas Department of Family and Protective Services			
Title IV-E-Legal Reimbursement	93.658	23379137	45,470
Total Passed Through Texas Department of Protective and Regulatory Services			45,470
Passed through Texas Juvenile Probation Commission			
Title IV-E-Administrative & Foster Care Reimbursement Program	93.658	TJPC-E-14-188	32,311
Title IV-E-Administrative & Foster Care Reimbursement Program	93.658	TJPC-E-15-188	101,125
Total Passed Through Texas Juvenile Probation Commission			133,436
Passed through the Office of the Attorney General			
Child Support Enforcement - Title IV-D	93.563	14-C0003	61,940
Total Passed Through Office of the Attorney General:			61,940
Total U.S. Department of Health and Human Services			240,846
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed through Federal Emergency Management Agency			
Assistance to Firefighters' Grant	97.044	EMW-2013-FO-05353	174,819
Total Passed through Federal Emergency Management Agency			174,819
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 596,184

The accompanying notes are an integral part of this schedule.

POTTER COUNTY, TEXAS

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2015

Note 1: Summary of Accounting Policies

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

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

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

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

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