



# **TOM GREEN COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2013**



**TOM GREEN COUNTY, TEXAS**

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**TOM GREEN COUNTY, TEXAS**

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# **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Honorable County Judge and Members of the  
Commissioners' Court of Tom Green County  
San Angelo, 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 Tom Green County, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Tom Green County, Texas' 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.

### ***Auditors' 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 auditors' 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 Tom Green County, Texas, as of September 30, 2013, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the budgetary comparisons on pages 36 through 39, and the schedules of funding progress on pages 40 and 41 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 of Tom Green County, Texas' basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements 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 fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014, on our consideration of Tom Green County, Texas' 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 of Tom Green County, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas  
March 21, 2014

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Tom Green County, Texas, we offer readers of Tom Green County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here with the County's financial statements which follow.

### FINANCIAL HIGHLIGHTS

- The assets of Tom Green County exceeded its liabilities as of September 30, 2013, by \$59,073,797. Of this amount, \$16,397,520 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designations and fiscal policies.
- The County's total net position increased by \$2,750,395.
- As of the close of the current fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$20,399,933, an increase of \$2,090,873 compared to the prior year.
- The unassigned fund balance for the General Fund was \$14,783,774 or 45% of total General Fund expenditures. Unassigned fund balance increased 23% from the prior year's unassigned fund balance.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

***Government-wide Financial Statements:*** The government-wide financial statements are designed to provide readers with a broad overview of Tom Green County's finances in a manner similar to a private sector business. The *Statement of Net Position* presents information on all of the County's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Tom Green County is improving or deteriorating.

The *Statement of Activities* presents a comparison between direct expenses and revenues for each of the County's functions or programs. Direct expenses are those that are specially associated with an activity and are clearly identifiable with that activity. Program revenues include charges paid by the recipient of services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not programmatic are presented as general revenues. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement 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 distinguish functions of Tom Green County that are principally supported by taxes and intergovernmental revenues. The governmental activities of Tom Green County include general government, public safety, conservation, highways and streets, health and welfare, and culture and recreation. Tom Green County has no business-type activities.

***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. Tom Green 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 the County are categorized as either governmental funds or 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 the near-term inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating the County'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 County'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 the governmental funds and governmental activities.

Tom Green County maintains 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Texas Juvenile Probation Contracts Fund and the Grants Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Tom Green County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund, the Texas Juvenile Probation Contracts Fund and the Grants Fund to demonstrate compliance with this budget. More information is available concerning the County's budget by reviewing the approved annual budget on file with the Tom Green County Clerk.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are *not* available to support Tom Green County’s own programs.

**Notes to the Financial Statements:** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Supplementary Information:** Generally accepted accounting principles also require certain information to be presented in the required supplementary information immediately following the notes to the financial statements. Combining fund statements can also be found following this section.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the County’s financial position. In the case of Tom Green County, assets exceeded liabilities by \$59,073,797 at the close of the fiscal year.

Tom Green County’s investment in capital assets (e.g. land, buildings, furniture and equipment, and roads and bridges), less any related outstanding debt used to acquire those assets, is 65% of net position. Tom Green County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Tom Green County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining net position, \$16,397,520 is unrestricted and may be used to meet the County’s ongoing obligations to citizens and creditors, and 7%, \$4,254,523, of net position is restricted.

**TOM GREEN COUNTY’S NET POSITION**

	Governmental Activities	
	2013	2012
Current assets	\$ 25,520,369	\$ 23,926,783
Capital assets	45,285,737	46,911,879
Total assets	70,806,106	70,838,662
Current liabilities	2,016,129	2,421,300
Long-term liabilities	9,716,180	12,047,294
Total liabilities	11,732,309	14,468,594
Net position:		
Net investment in capital assets	38,421,754	38,010,759
Restricted	4,254,523	4,706,146
Unrestricted	16,397,520	13,606,497
Total net position	\$ 59,073,797	\$ 56,323,402

As of September 30, 2013, the County has positive balances in all categories of net position.

## TOM GREEN COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2013	2012
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 6,466,450	\$ 5,889,182
Operating grants and contributions	3,287,547	3,546,031
Capital grants and contributions	-	53,736
General revenues:		
Property taxes	24,961,570	24,065,156
Other taxes	8,775,533	7,804,580
Investment earnings	47,437	41,084
Miscellaneous	169,480	163,856
Total revenues	43,708,017	41,563,625
<b>EXPENSES</b>		
General government	14,334,878	13,906,687
Public safety	20,355,678	19,222,090
Highways and streets	3,011,760	2,544,741
Conservation	139,788	131,883
Health and welfare	516,542	682,112
Culture and recreation	2,268,267	2,172,961
Interest on long-term debt	330,709	355,391
Total expenses	40,957,622	39,015,865
<b>CHANGE IN NET POSITION</b>	2,750,395	2,547,760
<b>NET POSITION, BEGINNING</b>	56,323,402	52,496,460
<b>PRIOR PERIOD ADJUSTMENT</b>	-	1,279,182
<b>NET POSITION, ENDING</b>	\$ 59,073,797	\$ 56,323,402

Key elements of the analysis of governmental activities through revenues and expenses include the following:

- Property tax revenue increased by \$896,414 from fiscal year 2012 to 2013. This was the result of increases in the property tax base in the County. Property taxes levied on new property added to the tax base this year were \$279,761.
- Other tax revenue includes sales tax collections of \$8,463,605. This is an increase of 10.9% over fiscal year 2012 and indicates strength in the local economy which continues into fiscal year 2014.
- Total expenses for governmental activities increased by 4.74% across the functions of government. This increase is largely comprised of an approximate 10% increase in employee health insurance premium costs. The County also provided a 3% cost of living wage increase for employees in fiscal year 2013. In addition, renovation projects continued during the year for the courthouse basement and renovations started on the Edd B. Keyes building. These costs are part of the increase in the general government category.

## FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

*Governmental Funds:* The focus of Tom Green County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is useful in assessing Tom Green County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

At the end of the 2013 fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$20,399,933, an increase of \$2,090,873 compared with the prior year.

The General Fund is the chief operating fund of Tom Green County. At the end of fiscal year 2013, the General Fund had a fund balance of \$15,039,230 with \$9,411 classified as nonspendable. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 45% of total General Fund expenditures. In addition, overall revenue in the General Fund increased \$2,287,301 from 2012, and General Fund expenditures increased \$1,664,508 in the same time.

### Descriptions of Functions/Programs:

*General Government:* The costs associated with management and support departments (e.g. Purchasing, Human Resources, and Risk Management), operations of the court systems and prosecution offices (District and County Courts, Justices of the Peace, District and County Attorneys), costs of maintaining public facilities including the Justice Center and the Juvenile Detention Center, the Elections Department, and financial administration for the County.

*Public Safety:* The costs associated with the investigation and arrest of individuals suspected to be involved in criminal activities as well as costs associated with emergency services (i.e. Sheriff's Department, Constables, and Volunteer Fire Departments), in addition to the operations of the court systems and prosecution offices (District and County Courts, Justices of the Peace, District and County Attorneys).

*Conservation:* Includes support for the agriculture and homemakers extension office.

*Highways and Streets:* The costs associated with County road and bridge departments and maintaining the County's infrastructure.

*Health and Welfare:* The costs associated with providing health benefits to citizens of the County (i.e. Indigent Health Care, Mental Health Unit, and contributions to support organizations).

*Culture and Recreation:* The costs associated with the operations of the County Library and Parks.

*Interest on Long-term Debt:* The finance charges associated with debt issuances for construction of County facilities.

## Capital Assets and Debt Administration

The County's investment in capital assets for its governmental activities as of September 30, 2013, amounts to \$45,285,737, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, infrastructure (roads and bridges), equipment, and furnishings. In addition, the County capitalized the following amounts during the year in completing capital projects or purchasing assets:

Construction in progress	\$ 45,078
Buildings	589,959
Machinery and equipment	1,031,536
Infrastructure	355,496

### CAPITAL ASSETS

	Historical Cost	Accumulated Depreciation	Net Investment
Land	\$ 3,775,853	\$ -	\$ 3,775,853
Construction in progress	45,078	-	45,078
Buildings and improvements	61,585,981	26,216,194	35,369,787
Improvements other than buildings	57,870	30,624	27,246
Machinery and equipment	15,003,498	11,519,505	3,483,993
Infrastructure	<u>21,857,668</u>	<u>19,273,888</u>	<u>2,583,780</u>
Total	<u>\$ 102,325,948</u>	<u>\$ 57,040,211</u>	<u>\$ 45,285,737</u>

### LONG-TERM DEBT

At the end of the current fiscal year, the County's long-term outstanding debt was as follows:

	Original Amount	Interest Rate	Balance 09/30/13
General obligation refunding bonds, Series 2008	\$ 7,265,000	2.65%	\$ 180,000
Tax anticipation note, 2009	8,350,000	2.5%	7,845,000
Sales taxes payable, State of Texas	950,350	None	290,400
Loss on refunding	( 113,128)	N/A	( 18,853)
Bond premium	80,921	N/A	40,460
Compensated absences	N/A	N/A	1,016,852
Net OPEB obligation	N/A	N/A	<u>362,321</u>
Total			<u>\$ 9,716,180</u>

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

In fiscal year 2013, significant budget items included health care costs for employees, new vehicle purchases as the County updates its fleet, and a cost of living wage increase for County employees. The County completed the renovation of the courthouse basement during the year, and began the renovation of the Edd B. Keyes Building main floor. The Commissioners Court also made revisions during the year to the original appropriations approved for the 2013 fiscal year budget. These revisions were mainly transfers within departments necessary to cover the expenditures of office by individual line items. During fiscal year 2013, the County's sales tax collections continued to rise and began to reach record levels, posting over 12% higher than 2012 by the end of the fiscal year. Property tax rates remained the same, and property tax values showed a relatively small increase overall. The County continues to budget conservatively for anticipated revenues and expenditures, allowing for an adequate reserve in fund balance as a safety net.

## **ECONOMIC FACTORS**

Generally there is an optimistic outlook about the local economy. Increased activity late in 2013 and in 2014 is attributable to the growth of the oil field and related industries locating in the County. These industries have created more jobs and have attracted more people to the area. Even so, unemployment in the County was down to 4.4% in December 2013. The County's sales tax revenue and property tax rolls are increasing as a result of the influx of the oil industry and work force. Sales tax, in particular, is showing double digit percentage gains in early 2014 over the same months in the prior year. Over a ten year period, this revenue stream is nearly 80% greater than the County's 2003 revenue. Property tax values are increasing; two of the top ten taxpayers for 2014 are oilfield businesses. In addition, the County's debt remains relatively low with full payoff in two years, its equity has been preserved even through difficult times in the past, and the County is positioned well heading into future budgets.

## **FUTURE BUDGET CONCERNS**

The County continues to budget and plan for capital improvements to maintain its assets and provide suitable space for public business and County employees. In future budgets, the County will dedicate funds from reserves to complete the renovation of the Edd B. Keyes building in downtown San Angelo for various County offices. In the longer term, the County will look to address jail and courtroom space needs for an expanding population. The County will also need to address employee retention in the future as the local oil field industry continues to attract many from the County's workforce. The County has and continues to make efforts at improving cost efficiencies with each budget in various other areas to best utilize taxpayer funds.

## **REQUESTS FOR INFORMATION**

The financial report is designed to provide a general overview of Tom Green County's finances for all those with an interest in the County's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

County Auditor's Office  
112 W. Beauregard Avenue  
San Angelo TX 76903

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**BASIC  
FINANCIAL STATEMENTS**

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# TOM GREEN COUNTY, TEXAS

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2013

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 4,003,477
Investments	16,204,484
Receivables (net of allowances for uncollectibles)	4,960,561
Due from other governments	267,592
Prepaid expenses	1,935
Inventory	7,476
Deferred charges	74,844
Capital assets:	
Land	3,775,853
Construction in progress	45,078
Buildings	61,585,981
Improvements other than buildings	57,870
Furniture and equipment	15,003,498
Infrastructure	21,857,668
Less: accumulated depreciation	( 57,040,211)
Total capital assets	<u>45,285,737</u>
Total assets	<u>70,806,106</u>
<b>LIABILITIES</b>	
Accounts payable	1,168,187
Accrued liabilities	762,704
Accrued interest	85,238
Noncurrent liabilities:	
Due within one year	2,797,970
Due in more than one year	<u>6,918,210</u>
Total liabilities	<u>11,732,309</u>
<b>NET POSITION</b>	
Net investment in capital assets	38,421,754
Restricted for:	
Debt service	60,127
Juvenile Probation	1,473,957
Other	2,720,439
Unrestricted	<u>16,397,520</u>
Total net position	<u>\$ 59,073,797</u>

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

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**TOM GREEN COUNTY, TEXAS**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
				Governmental Activities
<b>Governmental activities:</b>				
General government	\$ 14,334,878	\$ 3,301,061	\$ 1,162,330	\$( 9,871,487)
Public safety	20,355,678	1,262,403	1,834,880	( 17,258,395)
Highways and streets	3,011,760	1,740,115	-	( 1,271,645)
Conservation	139,788	69,975	9,823	( 59,990)
Health and welfare	516,542	8,856	53,218	( 454,468)
Culture and recreation	2,268,267	84,040	227,296	( 1,956,931)
Interest on long-term debt	<u>330,709</u>	<u>-</u>	<u>-</u>	<u>( 330,709)</u>
Total governmental activities	\$ <u>40,957,622</u>	\$ <u>6,466,450</u>	\$ <u>3,287,547</u>	<u>( 31,203,625)</u>
<b>General revenues:</b>				
Taxes:				
				22,385,296
				2,576,274
				8,463,605
				311,928
				47,437
				<u>169,480</u>
				<u>33,954,020</u>
				2,750,395
				<u>56,323,402</u>
				<u>\$ 59,073,797</u>

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

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**TOM GREEN COUNTY, TEXAS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2013**

	<u>General</u>	<u>Texas Juvenile Probation Contracts</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 527,451	\$ 1,503,215	\$ 32,802	\$ 1,940,009	\$ 4,003,477
Investments	14,020,174	-	-	2,184,310	16,204,484
Receivables (net of allowances for uncollectibles):					
Accounts	2,432,958	7,463	-	36,025	2,476,446
Taxes:					
Property	757,857	-	-	114,082	871,939
Sales	1,530,936	-	-	-	1,530,936
Mixed beverage	81,240	-	-	-	81,240
Due from other funds	140,577	-	3,600	17,872	162,049
Due from other governments	61,433	12,506	108,867	84,786	267,592
Inventory	7,476	-	-	-	7,476
Prepaid items	1,935	-	-	-	1,935
	<u>19,562,037</u>	<u>1,523,184</u>	<u>145,269</u>	<u>4,377,084</u>	<u>25,607,574</u>
Total assets	\$ <u>19,562,037</u>	\$ <u>1,523,184</u>	\$ <u>145,269</u>	\$ <u>4,377,084</u>	\$ <u>25,607,574</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 823,620	\$ 28,344	\$ 13,229	\$ 302,994	\$ 1,168,187
Accrued liabilities	684,590	20,883	13,219	44,012	762,704
Due to other funds	3,829	-	118,821	39,399	162,049
Deferred revenue	3,010,768	-	-	103,933	3,114,701
Total liabilities	<u>4,522,807</u>	<u>49,227</u>	<u>145,269</u>	<u>490,338</u>	<u>5,207,641</u>
Fund balances:					
Nonspendable	9,411	-	-	-	9,411
Restricted	-	1,473,957	-	3,903,063	5,377,020
Assigned	246,045	-	-	-	246,045
Unassigned	14,783,774	-	-	( 16,317)	14,767,457
Total fund balances	<u>15,039,230</u>	<u>1,473,957</u>	<u>-</u>	<u>3,886,746</u>	<u>20,399,933</u>
	<u>19,562,037</u>	<u>1,523,184</u>	<u>145,269</u>	<u>4,377,084</u>	<u>25,607,574</u>
Total liabilities and fund balances	\$ <u>19,562,037</u>	\$ <u>1,523,184</u>	\$ <u>145,269</u>	\$ <u>4,377,084</u>	\$ <u>25,607,574</u>

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	45,285,737
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not included in fund balance.	3,114,701
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.	<u>( 9,726,574)</u>
Net position of governmental activities	\$ <u>59,073,797</u>

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

**TOM GREEN COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	General	Texas Juvenile Probation Contracts	Grants	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 31,206,468	\$ -	\$ -	\$ 2,581,705	\$ 33,788,173
Fees of office	2,573,009	-	-	1,770,631	4,343,640
Intergovernmental	1,298,658	1,126,679	670,717	152,021	3,248,075
Fines and forfeitures	969,066	-	-	79,838	1,048,904
Licenses and permits	37,266	-	-	543,788	581,054
Donations	700	-	2,000	67,462	70,162
Investment income	40,333	1,429	-	5,674	47,436
Miscellaneous	400,141	-	-	156,594	556,735
Total revenues	<u>36,525,641</u>	<u>1,128,108</u>	<u>672,717</u>	<u>5,357,713</u>	<u>43,684,179</u>
<b>EXPENDITURES</b>					
Current:					
General government	12,283,917	-	107,283	535,538	12,926,738
Public safety	17,322,255	1,008,656	597,476	169,246	19,097,633
Highways and streets	-	-	-	2,336,346	2,336,346
Culture and recreation	2,049,160	-	23,694	147,538	2,220,392
Health and welfare	514,119	-	-	-	514,119
Conservation	139,183	-	-	-	139,183
Debt service:					
Principal	39,600	-	-	2,450,000	2,489,600
Interest and other charges	360	-	-	255,693	256,053
Capital outlay	637,339	19,664	26,086	978,053	1,661,142
Total expenditures	<u>32,985,933</u>	<u>1,028,320</u>	<u>754,539</u>	<u>6,872,414</u>	<u>41,641,206</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,539,708</u>	<u>99,788</u>	<u>( 81,822)</u>	<u>( 1,514,701)</u>	<u>2,042,973</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	1,052	-	-	46,848	47,900
Transfers in	108,308	-	80,917	781,122	970,347
Transfers out	( 848,805)	-	-	( 121,542)	( 970,347)
Total other financing sources (uses)	<u>( 739,445)</u>	<u>-</u>	<u>80,917</u>	<u>706,428</u>	<u>47,900</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,800,263	99,788	( 905)	( 808,273)	2,090,873
<b>FUND BALANCES, BEGINNING</b>	<u>12,238,967</u>	<u>1,374,169</u>	<u>905</u>	<u>4,695,019</u>	<u>18,309,060</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 15,039,230</u>	<u>\$ 1,473,957</u>	<u>\$ -</u>	<u>\$ 3,886,746</u>	<u>\$ 20,399,933</u>

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

**TOM GREEN 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, 2013**

Net change in fund balances - total governmental funds:	\$ 2,090,873
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	( 1,545,894)
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	( 80,248)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	23,838
Governmental funds report repayment of long-term debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.	2,489,600
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.	<u>( 227,774)</u>
Change in net position of governmental activities	<u>\$ 2,750,395</u>

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

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**TOM GREEN COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2013**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 2,874,418
Investments	1,335,083
Accounts receivable	<u>87,905</u>
Total assets	<u>\$ 4,297,406</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 2,831,863
Due to other governments	<u>1,465,543</u>
Total liabilities	<u>\$ 4,297,406</u>

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

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# TOM GREEN COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The County of Tom Green is an independent governmental entity created under the laws of the State of Texas. The County is governed by an elected Commissioners' Court. The reporting entity is defined as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either (a) the primary government must be able to impose its will, or (b) the primary government may potentially benefit financially or be financially responsible for the component unit. The County has no component units.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County has the following major governmental funds:

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

The ***Texas Juvenile Probation Contracts Fund*** is used to account for the accumulation of state funding for the Tom Green County Juvenile Probation and Detention departments. It accounts separately for each revenue stream from the Texas Juvenile Probation Commission for the operation of offender supervision and rehabilitation.

The ***Grants Fund*** is used to account for a variety of federal and state awards received by the County during the course of a given fiscal year. Revenues and expenditures of these awards are accounted for separately from other governmental funds to aid in reporting and record keeping requirements of the grants.

Additionally, the County reports the following fund types:

***Debt Service Funds*** are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

***Capital Projects Funds*** account for the acquisition and construction of the County's major capital facilities.

***Agency Funds*** are used to account for assets held by the County as an agent for individuals, private organizations or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

#### **D. Assets, Liabilities and Net Position or Equity**

##### **Deposits and Investments**

The County's cash and investments consist of cash on hand, demand deposits, and investment pools.

Investments for the County are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations. The reported values of the pools are the same as the fair value of the pool shares.

##### **Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the time of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advance to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All property tax receivables are shown net of an allowance for uncollectibles.

Taxes are due October 1 and become delinquent after January 31. No split payments or discounts are allowed. Penalties and Interest: (a) a delinquent tax incurs a penalty of six percent of the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax on July 1 incurs a total penalty of 12 percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent; (b) a delinquent tax accrues interest at a rate of one percent for each month or portion of a month the tax remains unpaid; and an additional penalty up to a maximum of 15% of taxes, penalty and interest may be imposed to defray costs of collection for taxes delinquent after July 1.

##### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

##### **Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of one year. Such assets are recorded

at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Assets	Years
Infrastructure (roads and bridges)	20
Buildings and improvements	20 - 30
Vehicles	5
Machinery and equipment	3 - 15

### **Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements.

### **Long-term Obligations**

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

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

## **Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court or County Judge.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

## Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the County’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

## 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(9,726,574) difference are as follows:

Bonds, notes and capital leases	\$( 8,315,400)
Deferred charges - bonds	74,844
Accrued interest payable	( 85,238)
Compensated absences	( 1,016,852)
Net OPEB obligation	( 362,321)
Loss on refunding	18,853
Bond premium	( <u>40,460</u> )
 Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 \$( <u>9,726,574</u> )

### Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is

allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(1,545,894) difference are as follows:

Capital outlay	\$ 2,022,069
Depreciation expense	<u>( 3,567,963)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ ( 1,545,894)</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$23,837 difference are as follows:

Property tax revenue	\$( 51,070)
Court fines	<u>74,907</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 23,837</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(227,774) difference are as follows:

Compensated absences	\$( 92,145)
Accrued interest	( 35,799)
Increase in Net OPEB Obligation	( 60,973)
Amortized loss on refunding	( 18,855)
Amortized bond issuance costs	( 33,489)
Amortized bond premium	<u>13,487</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ ( 227,774)</u>

### 3. DETAILED NOTES ON ALL FUNDS

#### Deposits and Investments

As of September 30, 2013, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Texas CLASS	\$ 3,868,341	37
TexPool	3,305,526	55
TexPool Prime	5,509,557	42
Certificates of deposit	<u>3,521,060</u>	
Total fair value	<u>\$ 16,204,484</u>	

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The County’s investment pools are 2a7-like pools. 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 2a7 of the Investment Company Act of 1940.

Regulatory oversight for the operations of the external investment pools are found in the Public Funds Investment Act of the State of Texas. Required oversight for pools includes compliance with investment guidelines, annual independent audits, and the establishment of oversight boards.

**Interest Rate Risk**

In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 90 days.

**Custodial Credit Risk**

In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2013, the County’s deposit balance was entirely collateralized with securities held by the pledging financial institution or covered by FDIC insurance.

**Credit Risk**

It is the County’s policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The County’s investment pools are rated as follows by Standard & Poor’s Investors Service.

Texas CLASS	AAAm
TexPool	AAAm
TexPool Prime	AAAm

**Receivables**

Receivables as of year-end for the County’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Texas Juvenile Probation Contracts</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 2,504,132	\$ -	\$ 147,153	\$ 2,651,285
Accounts	<u>7,892,867</u>	<u>7,463</u>	<u>36,025</u>	<u>7,936,355</u>
Gross receivables	10,396,999	7,463	183,178	10,587,640
Less: allowance for uncollectibles	<u>5,594,008</u>	<u>-</u>	<u>33,071</u>	<u>5,627,079</u>
Net total receivables	<u>\$ 4,802,991</u>	<u>\$ 7,463</u>	<u>\$ 150,107</u>	<u>\$ 4,960,561</u>

Governmental funds report *deferred revenue* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
General:	
Delinquent property taxes receivable	\$ 670,808
Court fines receivable	2,339,961
Other governmental:	
Delinquent property taxes receivable	<u>103,932</u>
Governmental funds	<u>\$ 3,114,701</u>

## Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,775,853	\$ -	\$ -	\$ 3,775,853
Construction in progress	<u>-</u>	<u>45,078</u>	<u>-</u>	<u>45,078</u>
Total capital assets being depreciated	<u>3,775,853</u>	<u>45,078</u>	<u>-</u>	<u>3,820,931</u>
Capital assets, being depreciated:				
Buildings	60,996,022	589,959	-	61,585,981
Improvements other than buildings	57,870	-	-	57,870
Infrastructure	21,528,464	355,496	( 26,292)	21,857,668
Machinery and equipment	<u>14,495,689</u>	<u>1,031,536</u>	<u>( 523,727)</u>	<u>15,003,498</u>
Total capital assets being depreciated	<u>97,078,045</u>	<u>1,976,991</u>	<u>( 550,019)</u>	<u>98,505,017</u>
Less accumulated depreciation:				
Buildings	( 24,314,149)	( 1,902,045)	-	( 26,216,194)
Improvements other than buildings	( 27,730)	( 2,894)	-	( 30,624)
Infrastructure	( 18,981,063)	( 293,811)	986	( 19,273,888)
Machinery and equipment	<u>( 10,619,077)</u>	<u>( 1,369,213)</u>	<u>468,785</u>	<u>( 11,519,505)</u>
Total accumulated depreciation	<u>( 53,942,019)</u>	<u>( 3,567,963)</u>	<u>469,771</u>	<u>( 57,040,211)</u>
Total capital assets being depreciated, net	<u>43,136,026</u>	<u>( 1,590,972)</u>	<u>( 80,248)</u>	<u>41,464,806</u>
Governmental activities capital assets, net	<u>\$ 46,911,879</u>	<u>\$( 1,545,894)</u>	<u>\$( 80,248)</u>	<u>\$ 45,285,737</u>

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General government	\$ 1,681,966
Public safety	1,181,053
Highways and streets	665,806
Culture and recreation	<u>39,138</u>
	<u>\$ 3,567,963</u>

**Interfund Receivables, Payables and Transfers**

**Due to/from other funds:**

	<u>Due to:</u>			
	Nonmajor			
	<u>General</u>	<u>Grants</u>	<u>Funds</u>	<u>Total</u>
Due from:				
General	\$ -	\$ 118,821	\$ 21,756	\$ 140,577
Grants	3,600	-	-	3,600
Nonmajor	<u>229</u>	<u>-</u>	<u>17,643</u>	<u>17,872</u>
 Total	 <u>\$ 3,829</u>	 <u>\$ 118,821</u>	 <u>\$ 39,399</u>	 <u>\$ 162,049</u>

These balances resulted from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

**Interfund transfers:**

	<u>Transfers out</u>		
	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Transfers in:			
General	\$ -	\$ 108,308	\$ 108,308
Grants	80,917	-	80,917
Nonmajor governmental funds	<u>767,888</u>	<u>13,234</u>	<u>781,122</u>
 Total transfers	 <u>\$ 848,805</u>	 <u>\$ 121,542</u>	 <u>\$ 970,347</u>

Transfers are used to: (1) move revenues from the fund required by statute or budget to collect them to the fund required by budget to expend them; and (2) fund the County's match portion for grants.

**Fund Balance:**

As of September 30, 2013, governmental fund balance is composed of the following:

Fund Balance Classification	General	Texas Juvenile Probation Contracts	Other Governmental	Totals
Nonspendable:				
Inventories	\$ 7,476	\$ -	\$ -	\$ 7,476
Prepaid items	1,935	-	-	1,935
Restricted:				
Retirement of long-term debt	-	-	57,749	57,749
Road and bridge	-	-	687,247	687,247
Library services	-	-	666,074	666,074
Federal and state programs	-	1,473,957	12,536	1,486,493
Judicial services	-	-	312,191	312,191
County Clerk	-	-	287,212	287,212
District Clerk	-	-	162,014	162,014
Justice Court technology	-	-	111,823	111,823
Courthouse security	-	-	91,139	91,139
District Attorney	-	-	32,018	32,018
County Attorney	-	-	214,843	214,843
Veterans' services	-	-	4,889	4,889
Election services	-	-	83,076	83,076
Capital projects	-	-	1,180,252	1,180,252
Assigned:				
Juvenile services	42,396	-	-	42,396
Judicial services	203,649	-	-	203,649
Unassigned	<u>14,783,774</u>	<u>-</u>	<u>( 16,317)</u>	<u>14,767,457</u>
Total governmental fund balance	<u>\$ 15,039,230</u>	<u>\$ 1,473,957</u>	<u>\$ 3,886,746</u>	<u>\$ 20,399,933</u>

**Long-term Debt:****Refunding Bonds, Sales Tax Payable and Notes Payable**

The County had the following outstanding debt issues as of September 30, 2013:

\$950,351 Sales Tax Payable to the State of Texas in monthly installments of \$3,251 to \$3,300 through February 2021; interest at 0%.	\$ 290,400
\$7,265,000 Series 2008 General Obligation Refunding Bonds issued in 2008; interest at 2.65%.	180,000
\$8,350,000 Tax Anticipation Note issued in 2009; interest at 2% - 3%.	<u>7,845,000</u>
Total	<u>\$ 8,315,400</u>

Annual debt service requirements to maturity for the bonds and the note payables are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2014	\$ 2,594,600	\$ 182,723
2015	2,729,600	117,025
2016	2,819,600	41,700
2017	39,600	-
2018	39,600	-
2019-2021	<u>92,400</u>	<u>-</u>
Total	<u>\$ 8,315,400</u>	<u>\$ 341,448</u>

### Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Government activities</b>					
Refunding bonds	\$ 475,000	\$ -	\$ 295,000	\$ 180,000	\$ 180,000
Tax anticipation note	10,000,000	-	2,155,000	7,845,000	2,375,000
Sales tax payable	330,000	-	39,600	290,400	39,600
Compensated absences	924,707	1,092,659	1,000,514	1,016,852	203,370
Loss on refunding	( 37,708)	-	( 18,855)	( 18,853)	-
Unamortized bond premium	53,947	-	13,487	40,460	-
Net OPEB obligation	<u>301,348</u>	<u>82,663</u>	<u>21,690</u>	<u>362,321</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 12,047,294</u>	<u>\$ 1,175,322</u>	<u>\$ 3,506,436</u>	<u>\$ 9,716,180</u>	<u>\$ 2,797,970</u>

### Conduit Debt Obligations

In 2013, the County created the Tom Green County Cultural Education Facilities Finance Corporation, which issued Education Revenue Bonds, the proceeds thereof were loaned to an open enrollment public charter school in San Angelo, Texas. The proceeds will be used to finance the construction and repair of public school facilities and the acquisition of land deemed to be in the public interest. The bonds are secured by the property financed and are payable solely by the public charter school. Tom Green County, the State, or any other political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2013, there are three series of Education Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$17.17 million.

## **Retirement Benefits**

### **Plan Description**

Tom Green County provides retirement, disability, and death benefits for all of its fulltime employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the Commissioners' Court of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 years or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any County-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and County-financed monetary credits. The level of these credits is adopted by the Commissioners' Court 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 County'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 County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

### **Funding Policy**

The employer 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 employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 7.90% for the months of the accounting year in 2012, and 8.20% for the months of the accounting year in 2013. The deposit rate payable by the employee members for calendar year 2013 is the rate of 7.00% as adopted by the Commissioners Court. The employee deposit rate and the employer deposit rate may be changed by the Commissioners Court within the options available in the TCDRS Act. The December 31, 2012, actuarial valuation is the most recent valuation.

## Actuarial Valuation Information

Actuarial Valuation Date	12/31/10	12/31/11	12/31/12
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10-yr smoothed value ESF: fund value	SAF: 10-yr smoothed value ESF: fund value	SAF: 10-yr smoothed value ESF: fund value
Assumptions:			
Investment return <sup>1</sup>	8.00%	8.00%	8.00%
Projected salary increases <sup>1</sup>	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

<sup>1</sup>Includes inflation at the stated rate

### Annual Pension Cost

The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2012 was 20 years.

For the employer's accounting year ended September 30, 2013, the annual pension cost for the TCDRS plan for its employees was \$1,596,056 and the actual contributions were \$1,596,056. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2012 and December 31, 2011, the basis for determining the contribution rates for calendar years 2013 and 2012.

### Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the plan was 85.58 percent funded. The actuarial accrued liability for benefits was \$60,269,940, and the actuarial value of assets was \$51,576,956, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,692,984. The covered payroll (annual payroll of active employees covered by the plan) was \$22,745,350, and the ratio of the UAAL to the covered payroll was 38.22 percent. The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Trend Information for the  
Retirement Plan for the Employees of Tom Green County**

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/11	\$ 1,596,251	100%	-
09/30/12	1,578,134	100%	-
09/30/13	1,596,056	100%	-

**Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases workers' compensation insurance coverage from the Texas Association of Counties Self-insurance Fund, a public entity risk pool, which is self-sustaining through member premiums. The Fund reinsures through commercial companies for claims in excess of \$300,000.

The County maintains commercial insurance coverage covering other risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. There have been no significant reductions in insurance coverage from the prior year.

**Commitments and Contingencies**

**Litigation**

The County is party to various legal proceedings which normally occur in governmental operations. In the opinion of management, these legal proceedings are not likely to have a material adverse impact on the affected funds of the County. No accrual has been made for any contingency in these financial statements.

**Federal and State Grants**

In the normal course of operations, the County receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

**Fund Deficits**

The following funds had equity deficits as of September 30, 2013:

Fund	Deficit	Plan for Elimination of Deficit
2009 TAN I&S	16,317	Future revenues

## **Post-Employment Benefits Other Than Pension Benefits**

### **Plan Participants**

Eligible plan participants are retirees who are eligible and elect to receive a monthly annuity from the Texas County and District Retirement System (TCDRS). TCDRS retirement forms must be completed prior to resignation and must take effect immediately upon terminating employment with the County. Retirees who subscribe to the County's plan may stay on the plan until they reach the age of Medicare eligibility (currently age 65). Dependents of retirees may be eligible only if the dependent has been on the County's insurance plan for a minimum of one year prior to the employee's retirement date.

### **Normal Retirement Benefits**

Eligible plan participants who elect to continue with the County's health insurance plan are responsible for paying their own monthly premiums. The County does not provide any payment toward these premiums. In addition to the premium, a 2% fee above the premium rate is charged by the County to the retiree for administrative handling of these plan participants.

### **Health Care Benefit Eligibility Conditions**

TCDRS monthly annuity retirement is required. Once a retiree reaches Medicare eligibility, they are no longer eligible to purchase the County's health insurance. Dependents of retirees must have been on the County's insurance plan at least one year prior to the employee's retirement date.

### **Health Care Benefits Provided by Plan**

Member:	Health Insurance
Spouse:	Health Insurance
Dependent:	Health Insurance

### **Summary of Benefits as of December 31, 2013**

The County does not offer dental or vision insurance to retirees, but dental insurance is available for COBRA.

Early retirement benefits are available only if conditions for retirement have been met according to the TCDRS plan (vested and age 60, service time plus age equals 75, or completed 30 years service time at any age). Eight years of service credit in the TCDRS system are required to vest for retirement and qualify for the County's contribution.

## Funding Policy and Annual OPEB Cost

The County's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008. The annual OPEB cost for the fiscal year ended September 30, 2013, is as follows:

Annual required contribution	\$ 81,666
Interest on OPEB obligation	13,561
Adjustment to ARC	<u>( 12,564)</u>
Annual OPEB cost (expense), end of year	82,663
Net estimated employer contributions	<u>( 21,690)</u>
Increase in net OPEB obligation	60,973
Net OPEB obligation, beginning of year	<u>301,348</u>
Net OPEB obligation (asset), end of year	<u>\$ 362,321</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2013, and the preceding two fiscal years, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
September 30, 2011	\$ 92,313	\$ 22,146	24.0%	\$ 235,028
September 30, 2012	95,297	28,977	30.4%	301,348
September 30, 2013	82,663	21,690	26.2%	362,321

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$609,889 at December 31, 2012.

## Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

*Actuarial Methods and Assumptions*

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit cost method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Salary Growth	3.0% per annum
Healthcare cost trend rate	Initial rate of 7.5% declining to an ultimate rate of 4.50% after 8 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

**TOM GREEN COUNTY, TEXAS**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 30,051,872	\$ 30,051,872	\$ 31,206,468	\$ 1,154,596
Fees of office	2,196,680	2,196,680	2,573,009	376,329
Intergovernmental	1,226,475	1,226,475	1,298,658	72,183
Fines and forfeitures	991,500	1,031,101	969,066	( 62,035)
Licenses and permits	32,000	32,000	37,266	5,266
Donations	-	200	700	500
Investment income	24,750	24,750	40,333	15,583
Miscellaneous	351,858	358,258	400,141	41,883
Total revenues	<u>34,875,135</u>	<u>34,921,336</u>	<u>36,525,641</u>	<u>1,604,305</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Salaries and wages	3,881,152	3,892,009	3,822,814	69,195
Benefits	1,987,326	1,985,906	1,700,130	285,776
Operations	7,023,579	7,489,233	6,760,973	728,260
Capital outlay	2,466,316	2,028,495	314,832	1,713,663
Total general government	<u>15,358,373</u>	<u>15,395,643</u>	<u>12,598,749</u>	<u>2,796,894</u>
Public safety:				
Salaries and wages	10,593,120	10,602,776	10,246,788	355,988
Benefits	4,154,130	4,155,648	3,491,057	664,591
Operations	3,980,437	4,007,003	3,584,410	422,593
Capital outlay	364,671	383,725	305,954	77,771
Total public safety	<u>19,092,358</u>	<u>19,149,152</u>	<u>17,628,209</u>	<u>1,520,943</u>
Conservation:				
Salaries and wages	85,128	85,128	85,381	( 253)
Benefits	31,041	31,041	29,249	1,792
Operations	25,672	25,672	24,553	1,119
Total conservation	<u>141,841</u>	<u>141,841</u>	<u>139,183</u>	<u>2,658</u>

**TOM GREEN COUNTY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Health and welfare:				
Salaries and wages	\$ 91,192	\$ 91,192	\$ 85,109	\$ 6,083
Benefits	76,440	74,940	29,911	45,029
Operations	<u>555,353</u>	<u>456,853</u>	<u>399,099</u>	<u>57,754</u>
Total health and welfare	<u>722,985</u>	<u>622,985</u>	<u>514,119</u>	<u>108,866</u>
Culture and recreation:				
Salaries and wages	1,222,317	1,222,317	1,190,793	31,524
Benefits	433,864	433,864	349,122	84,742
Operations	539,632	548,839	509,245	39,594
Capital outlay	<u>92,500</u>	<u>92,500</u>	<u>16,553</u>	<u>75,947</u>
Total culture and recreation	<u>2,288,313</u>	<u>2,297,520</u>	<u>2,065,713</u>	<u>231,807</u>
Debt service:				
Principal	39,600	39,600	39,600	-
Interest and other charges	<u>356</u>	<u>456</u>	<u>360</u>	<u>96</u>
Total debt service	<u>39,956</u>	<u>40,056</u>	<u>39,960</u>	<u>96</u>
Total expenditures	<u>37,643,826</u>	<u>37,647,197</u>	<u>32,985,933</u>	<u>4,661,264</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 2,768,691)</u>	<u>( 2,725,861)</u>	<u>3,539,708</u>	<u>6,265,569</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of capital assets	15,000	15,000	1,052	( 13,948)
Transfers in	157,160	157,160	108,308	( 48,852)
Transfers out	<u>( 853,999)</u>	<u>( 896,829)</u>	<u>( 848,805)</u>	<u>48,024</u>
Total other financing sources (uses)	<u>( 681,839)</u>	<u>( 724,669)</u>	<u>( 739,445)</u>	<u>( 14,776)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 3,450,530)</u>	<u>( 3,450,530)</u>	2,800,263	6,250,793
<b>FUND BALANCE, BEGINNING</b>			<u>12,238,967</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ 15,039,230</u>	

**TOM GREEN COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**TEXAS JUVENILE PROBATION CONTRACTS FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 992,394	\$ 967,894	\$ 1,126,679	\$ 158,785
Investment earnings	<u>-</u>	<u>-</u>	<u>1,429</u>	<u>1,429</u>
Total revenues	<u>992,394</u>	<u>967,894</u>	<u>1,128,108</u>	<u>160,214</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	1,958,991	1,934,491	1,008,656	925,835
Capital outlay	<u>70,095</u>	<u>70,095</u>	<u>19,664</u>	<u>50,431</u>
Total expenditures	<u>2,029,086</u>	<u>2,004,586</u>	<u>1,028,320</u>	<u>976,266</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 1,036,692)	( 1,036,692)	99,788	1,136,480
<b>FUND BALANCE, BEGINNING</b>			<u>1,374,169</u>	
<b>FUND BALANCE, ENDING</b>			\$ <u><u>1,473,957</u></u>	

**TOM GREEN COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**GRANTS FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 796,458	\$ 979,461	\$ 670,717	\$( 308,744)
Donations	-	2,000	2,000	-
Total revenues	<u>796,458</u>	<u>981,461</u>	<u>672,717</u>	<u>( 308,744)</u>
<b>EXPENDITURES</b>				
Current:				
General government	150,000	262,800	107,283	155,517
Public safety	532,208	565,553	597,476	( 31,923)
Culture and recreation	205,941	247,789	23,694	224,095
Capital outlay	<u>30,000</u>	<u>27,010</u>	<u>26,086</u>	<u>924</u>
Total expenditures	<u>918,149</u>	<u>1,103,152</u>	<u>754,539</u>	<u>348,613</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>121,691</u>	<u>121,691</u>	<u>80,917</u>	<u>( 40,774)</u>
Total other financing sources	<u>121,691</u>	<u>121,691</u>	<u>80,917</u>	<u>( 40,774)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	( 905)	( 905)
<b>FUND BALANCE, BEGINNING</b>			<u>905</u>	
<b>FUND BALANCE, ENDING</b>			<u>\$ -</u>	

## TOM GREEN COUNTY, TEXAS

### SCHEDULE OF FUNDING PROGRESS FOR PARTICIPATION IN TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
12/31/2010	\$ 46,607,931	\$ 54,046,248	86%	\$ 7,438,317	\$ 23,251,780	32%
12/31/2011	48,618,357	56,717,395	86%	8,099,038	22,702,822	36%
12/31/2012	51,576,956	60,269,940	86%	8,692,984	22,745,350	38%

**TOM GREEN COUNTY, TEXAS**

**SCHEDULE OF FUNDING PROGRESS  
POST-RETIREMENT HEALTH CARE BENEFIT PLAN**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Funded Ratio (a/b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>
12/31/2008	\$ -	\$ 642,858	0%	\$ 642,858
12/31/2010	-	673,440	0%	673,440
12/31/2012	-	609,889	0%	609,889

## **TOM GREEN COUNTY, TEXAS**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2013**

#### **Budgetary Information**

The County follows these procedures in establishing the budgetary data reflected in the financial report:

1. The County Judge and Commissioners' Court have departmental meetings with management to determine the departmental budget requests.
2. The County Judge and Commissioners must meet in several workshops to establish a proposed budget for the fiscal year commencing the following October. The operational budget includes proposed expenditures and the means of financing them. The proposed budget is filed with the County Clerk and made available for public inspection at least 15 days prior to public budget hearing.
3. Public hearings are conducted to obtain taxpayer comments.
4. After the public hearings, the Commissioners' Court reviews the budget and makes any adjustments they feel necessary.
5. The budget is then legally enacted by the Commissioners' Court on or before October 1, in the timeframe required by statute.

Only the governing body, composed of the Commissioners' Court, may amend the budget after its adoption so long as the amendment continues to meet the requirements of Section 111 of the Local Government Code. During the year, several supplementary amendments to the original budget were required. Individual amendments were not material in relation to the original appropriations, and all amendments were legally made. The final budget amounts shown in the financial statements represent the budget as amended at September 30, 2013. Under state statute, actual expenditures cannot exceed budgetary appropriations at any level for which the budget is formally approved. The County's legally adopted budget is at the department level in those funds with multiple departments and at the fund level in single department funds. Management can, with the exception of personnel items, make adjustments to their budget within the departmental level with Commissioners' Court approval. All budgets are fixed in nature. All governmental funds have legally adopted budgets. For internal management purposes, the budgets are detailed by line item and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget appropriations lapse at year-end. All encumbrances lapse at year-end.

**COMBINING STATEMENTS  
NONMAJOR GOVERNMENTAL FUNDS**

**TOM GREEN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
<b>ASSETS</b>				
Cash	\$ 25,617	\$ 21,303	\$ 3,384	\$ 389,978
Investments	163,308	667,654	21,465	166,291
Receivables (net of allowance for uncollectibles):				
Accounts	10,700	10,252	528	6,047
Property taxes	5	6	-	-
Due from other funds	-	-	35	-
Due from other governments	16,971	17,017	-	-
Total assets	\$ 216,601	\$ 716,232	\$ 25,412	\$ 562,316
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 41,081	\$ 174,795	\$ 7,022	\$ 4,157
Accrued liabilities	19,623	14,560	157	-
Due to other funds	-	-	-	100
Deferred revenue	-	-	-	-
Total liabilities	60,704	189,355	7,179	4,257
Fund balances:				
Restricted	155,897	526,877	18,233	558,059
Unassigned	-	-	-	-
Total fund balances	155,897	526,877	18,233	558,059
Total liabilities and fund balances	\$ 216,601	\$ 716,232	\$ 25,412	\$ 562,316

Special Revenue

<u>Beacon to the Future</u>	<u>County Clerk Preservation and Archive</u>	<u>Justice Court Technology</u>	<u>Records Management District Clerk</u>	<u>Courthouse and Justice Security</u>	<u>County Attorney Fee Account</u>
\$ 108,015	\$ 9,535	\$ 2,447	\$ 2,945	\$ 4,893	\$ 1,375
-	307,398	94,033	158,848	88,842	51,907
-	4,554	275	705	712	624
-	-	-	-	-	-
-	-	-	40	6	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 108,015</u>	<u>\$ 321,487</u>	<u>\$ 96,755</u>	<u>\$ 162,538</u>	<u>\$ 94,453</u>	<u>\$ 53,906</u>
\$ -	\$ 31,544	\$ 2,671	\$ 284	\$ 3,191	\$ 133
-	2,731	-	240	123	931
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>34,275</u>	<u>2,671</u>	<u>524</u>	<u>3,314</u>	<u>1,064</u>
108,015	287,212	94,084	162,014	91,139	52,842
-	-	-	-	-	-
<u>108,015</u>	<u>287,212</u>	<u>94,084</u>	<u>162,014</u>	<u>91,139</u>	<u>52,842</u>
<u>\$ 108,015</u>	<u>\$ 321,487</u>	<u>\$ 96,755</u>	<u>\$ 162,538</u>	<u>\$ 94,453</u>	<u>\$ 53,906</u>

**TOM GREEN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**SEPTEMBER 30, 2013**

	Special Revenue			
	District Attorney Fee Accounts	Records Management County Courts	Veterans' Services	Judicial Efficiency
<b>ASSETS</b>				
Cash	\$ 5,886	\$ 953	\$ 5,568	\$ 11,875
Investments	-	250,866	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	342	-	-
Property taxes	-	-	-	-
Due from other funds	-	-	-	1,294
Due from other governments	-	-	-	-
	\$ 5,886	\$ 252,161	\$ 5,568	\$ 13,169
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 414	\$ 117	\$ 2,209
Accrued liabilities	811	1,092	562	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	811	1,506	679	2,209
Fund balances:				
Restricted	5,075	250,655	4,889	10,960
Unassigned	-	-	-	-
Total fund balances	5,075	250,655	4,889	10,960
Total liabilities and fund balances	\$ 5,886	\$ 252,161	\$ 5,568	\$ 13,169

Special Revenue

Court-at-Law Excess State Supplement	LEOSE Training	Judicial Education County Judge	Lateral Road	TCDP Christoval Water Project	Graffiti Eradication
\$ 2,744	\$ 10,763	\$ 7,936	\$ 3,898	\$ -	\$ 575
-	-	-	-	-	-
75	-	10	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>2,040</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,819</u>	<u>\$ 10,763</u>	<u>\$ 9,986</u>	<u>\$ 3,898</u>	<u>\$ -</u>	<u>\$ 575</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,819	10,763	9,986	3,898	-	575
-	-	-	-	-	-
<u>2,819</u>	<u>10,763</u>	<u>9,986</u>	<u>3,898</u>	<u>-</u>	<u>575</u>
<u>\$ 2,819</u>	<u>\$ 10,763</u>	<u>\$ 9,986</u>	<u>\$ 3,898</u>	<u>\$ -</u>	<u>\$ 575</u>

**TOM GREEN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**SEPTEMBER 30, 2013**

	Special Revenue			
	Election Contract Service	Guardianship	Child Abuse Prevention	County Attorney Pretrial Diversion Program
<b>ASSETS</b>				
Cash	\$ 66,933	\$ 488	\$ 1,773	\$ 2,966
Investments	-	19,010	-	160,726
Receivables (net of allowance for uncollectibles):				
Accounts	-	40	-	1,000
Property taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	<u>48,758</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 115,691</u>	<u>\$ 19,538</u>	<u>\$ 1,773</u>	<u>\$ 164,692</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 32,615	\$ -	\$ -	\$ 361
Accrued liabilities	-	-	-	2,330
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>32,615</u>	<u>-</u>	<u>-</u>	<u>2,691</u>
Fund balances:				
Restricted	83,076	19,538	1,773	162,001
Unassigned	-	-	-	-
Total fund balances	<u>83,076</u>	<u>19,538</u>	<u>1,773</u>	<u>162,001</u>
Total liabilities and fund balances	<u>\$ 115,691</u>	<u>\$ 19,538</u>	<u>\$ 1,773</u>	<u>\$ 164,692</u>

District Attorney Pretrial Diversion Program	Special Revenue		Debt Service			Capital Projects	Total Governmental Funds
	District Clerk Technology	District/ County Court Technology	2007 TAN I&S	2008 Refunding I&S	2009 TAN I&S	2009 TAN	
\$ 2,068	\$ 832	\$ 8,529	\$ -	\$ 54,106	\$ -	\$ 1,182,624	\$ 1,940,009
25,755	8,207	-	-	-	-	-	2,184,310
-	70	91	-	-	-	-	36,025
-	-	-	-	53,590	60,481	-	114,082
-	10	-	16,487	-	-	-	17,872
-	-	-	-	-	-	-	84,786
<u>\$ 27,823</u>	<u>\$ 9,119</u>	<u>\$ 8,620</u>	<u>\$ 16,487</u>	<u>\$ 107,696</u>	<u>\$ 60,481</u>	<u>\$ 1,182,624</u>	<u>\$ 4,377,084</u>
\$ 28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,372	\$ 302,994
852	-	-	-	-	-	-	44,012
-	-	-	16,487	118	22,694	-	39,399
-	-	-	-	49,829	54,104	-	103,933
<u>880</u>	<u>-</u>	<u>-</u>	<u>16,487</u>	<u>49,947</u>	<u>76,798</u>	<u>2,372</u>	<u>490,338</u>
26,943	9,119	8,620	-	57,749	-	1,180,252	3,903,063
-	-	-	-	-	( 16,317)	-	( 16,317)
<u>26,943</u>	<u>9,119</u>	<u>8,620</u>	<u>-</u>	<u>57,749</u>	<u>( 16,317)</u>	<u>1,180,252</u>	<u>3,886,746</u>
<u>\$ 27,823</u>	<u>\$ 9,119</u>	<u>\$ 8,620</u>	<u>\$ 16,487</u>	<u>\$ 107,696</u>	<u>\$ 60,481</u>	<u>\$ 1,182,624</u>	<u>\$ 4,377,084</u>

**TOM GREEN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
<b>REVENUES</b>				
Taxes	\$ 80	\$ 80	\$ -	\$ -
Fees of office	539,430	539,430	70,716	55,327
Intergovernmental	-	-	-	2,000
Fines and forfeitures	43,638	36,200	-	-
Licenses and permits	271,894	271,894	-	-
Donations	-	-	-	9,462
Investment income	186	1,146	24	681
Miscellaneous	4,238	37,079	2,036	51,706
Total revenues	<u>859,466</u>	<u>885,829</u>	<u>72,776</u>	<u>119,176</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	71,147	-
Public safety	-	-	-	-
Highways and streets	1,183,950	1,118,595	-	-
Culture and recreation	-	-	-	134,942
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	195,800	296,138	-	4,000
Total expenditures	<u>1,379,750</u>	<u>1,414,733</u>	<u>71,147</u>	<u>138,942</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 520,284)	( 528,904)	1,629	( 19,766)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of capital assets	1,097	45,751	-	-
Transfers in	397,574	367,574	-	-
Transfers out	( 28,444)	( 21,364)	-	-
Total other financing sources (uses)	<u>370,227</u>	<u>391,961</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	( 150,057)	( 136,943)	1,629	( 19,766)
<b>FUND BALANCES, BEGINNING</b>	<u>305,954</u>	<u>663,820</u>	<u>16,604</u>	<u>577,825</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 155,897</u>	<u>\$ 526,877</u>	<u>\$ 18,233</u>	<u>\$ 558,059</u>

Special Revenue

Beacon to the Future	County Clerk Preservation and Archive	Justice Court Technology	Records Management District Clerk	Courthouse and Justice Security	County Attorney Fee Account
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	248,988	30,213	45,308	68,537	17,481
50,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
58,000	-	-	-	-	-
13	520	137	222	158	92
-	-	-	-	-	40
<u>108,013</u>	<u>249,508</u>	<u>30,350</u>	<u>45,530</u>	<u>68,695</u>	<u>17,613</u>
-	252,016	-	10,378	-	-
-	-	21,859	-	16,552	23,904
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	65,535	-	-	-	-
<u>-</u>	<u>317,551</u>	<u>21,859</u>	<u>10,378</u>	<u>16,552</u>	<u>23,904</u>
<u>108,013</u>	<u>( 68,043)</u>	<u>8,491</u>	<u>35,152</u>	<u>52,143</u>	<u>( 6,291)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	( 50,000)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 50,000)</u>	<u>-</u>
108,013	( 68,043)	8,491	35,152	2,143	( 6,291)
<u>2</u>	<u>355,255</u>	<u>85,593</u>	<u>126,862</u>	<u>88,996</u>	<u>59,133</u>
<u>\$ 108,015</u>	<u>\$ 287,212</u>	<u>\$ 94,084</u>	<u>\$ 162,014</u>	<u>\$ 91,139</u>	<u>\$ 52,842</u>

**TOM GREEN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue			
	District Attorney Fee Accounts	Records Management County Courts	Veterans' Services	Judicial Efficiency
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	34,448	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Donations	-	-	-	-
Investment income	8	398	9	24
Miscellaneous	6,652	-	1,720	5,716
Total revenues	<u>6,660</u>	<u>34,846</u>	<u>1,729</u>	<u>5,740</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	33,219	-	24,330
Public safety	11,121	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	12,596	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>11,121</u>	<u>33,219</u>	<u>12,596</u>	<u>24,330</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 4,461)</u>	<u>1,627</u>	<u>( 10,867)</u>	<u>( 18,590)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	-	-	2,740	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,740</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 4,461)</u>	<u>1,627</u>	<u>( 8,127)</u>	<u>( 18,590)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>9,536</u>	<u>249,028</u>	<u>13,016</u>	<u>29,550</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 5,075</u>	<u>\$ 250,655</u>	<u>\$ 4,889</u>	<u>\$ 10,960</u>

Special Revenue

Court-at-Law Excess State Supplement	LEOSE Training	Judicial Education County Judge	Lateral Road	TCDP Christoval Water Project	Graffiti Eradication
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	4,258	-	-	50
-	-	-	34,069	7,800	-
-	-	-	-	-	-
-	-	-	-	-	-
7	15	9	36	-	1
<u>7</u>	<u>15</u>	<u>4,267</u>	<u>34,105</u>	<u>7,800</u>	<u>51</u>
3,798	-	5,463	-	7,800	-
-	4,110	-	-	-	-
-	-	-	33,801	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,798</u>	<u>4,110</u>	<u>5,463</u>	<u>33,801</u>	<u>7,800</u>	<u>-</u>
( 3,791)	( 4,095)	( 1,196)	304	-	51
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
( 3,791)	( 4,095)	( 1,196)	304	-	51
<u>6,610</u>	<u>14,858</u>	<u>11,182</u>	<u>3,594</u>	<u>-</u>	<u>524</u>
<u>\$ 2,819</u>	<u>\$ 10,763</u>	<u>\$ 9,986</u>	<u>\$ 3,898</u>	<u>\$ -</u>	<u>\$ 575</u>

**TOM GREEN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue			
	Election Contract Service	Guardianship	Child Abuse Prevention	County Attorney Pretrial Diversion Program
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	8,853	3	63,000
Intergovernmental	58,152	-	-	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Donations	-	-	-	-
Investment income	97	32	2	261
Miscellaneous	47,407	-	-	-
Total revenues	<u>105,656</u>	<u>8,885</u>	<u>5</u>	<u>63,261</u>
<b>EXPENDITURES</b>				
Current:				
General government	110,800	-	-	-
Public safety	-	-	-	65,508
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	5,325	-	-	-
Total expenditures	<u>116,125</u>	<u>-</u>	<u>-</u>	<u>65,508</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 10,469)</u>	<u>8,885</u>	<u>5</u>	<u>( 2,247)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	( 8,500)	-	-
Total other financing sources (uses)	<u>-</u>	<u>( 8,500)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 10,469)</u>	<u>385</u>	<u>5</u>	<u>( 2,247)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>93,545</u>	<u>19,153</u>	<u>1,768</u>	<u>164,248</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 83,076</u>	<u>\$ 19,538</u>	<u>\$ 1,773</u>	<u>\$ 162,001</u>

Special Revenue			Debt Service			Capital Projects	Total Governmental Funds
District Attorney Pretrial Diversion Program	District Clerk Technology	District/ County Court Technology	2007 TAN I&S	2008 Refunding I&S	2009 TAN I&S	2009 TAN	
\$ -	\$ -	\$ -	\$ 1,618,394	\$ 254,447	\$ 708,704	\$ -	\$ 2,581,705
31,375	9,327	3,887	-	-	-	-	1,770,631
-	-	-	-	-	-	-	152,021
-	-	-	-	-	-	-	79,838
-	-	-	-	-	-	-	543,788
-	-	-	-	-	-	-	67,462
35	6	7	55	48	26	1,419	5,674
-	-	-	-	-	-	-	156,594
<u>31,410</u>	<u>9,333</u>	<u>3,894</u>	<u>1,618,449</u>	<u>254,495</u>	<u>708,730</u>	<u>1,419</u>	<u>5,357,713</u>
-	-	-	-	16,287	300	-	535,538
26,192	-	-	-	-	-	-	169,246
-	-	-	-	-	-	-	2,336,346
-	-	-	-	-	-	-	147,538
-	-	-	1,650,000	295,000	505,000	-	2,450,000
-	-	-	31,961	8,657	215,075	-	255,693
-	-	-	-	-	-	411,255	978,053
<u>26,192</u>	<u>-</u>	<u>-</u>	<u>1,681,961</u>	<u>319,944</u>	<u>720,375</u>	<u>411,255</u>	<u>6,872,414</u>
<u>5,218</u>	<u>9,333</u>	<u>3,894</u>	<u>( 63,512)</u>	<u>( 65,449)</u>	<u>( 11,645)</u>	<u>( 409,836)</u>	<u>( 1,514,701)</u>
-	-	-	-	-	-	-	46,848
-	-	-	13,234	-	-	-	781,122
-	-	-	-	-	( 13,234)	-	( 121,542)
-	-	-	13,234	-	( 13,234)	-	706,428
5,218	9,333	3,894	( 50,278)	( 65,449)	( 24,879)	( 409,836)	( 808,273)
<u>21,725</u>	<u>( 214)</u>	<u>4,726</u>	<u>50,278</u>	<u>123,198</u>	<u>8,562</u>	<u>1,590,088</u>	<u>4,695,019</u>
<u>\$ 26,943</u>	<u>\$ 9,119</u>	<u>\$ 8,620</u>	<u>\$ -</u>	<u>\$ 57,749</u>	<u>\$ ( 16,317)</u>	<u>\$ 1,180,252</u>	<u>\$ 3,886,746</u>

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# **AGENCY FUNDS**

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**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**SEPTEMBER 30, 2013**

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
<b><u>COUNTY SHERIFF</u></b>				
ASSETS				
Cash	\$ 3,412	\$ 72,003	\$ 75,415	\$ -
TOTAL ASSETS	\$ <u>3,412</u>	\$ <u>72,003</u>	\$ <u>75,415</u>	\$ <u>-</u>
LIABILITIES				
Accounts payable	\$ 3,412	\$ 72,003	\$ 75,415	\$ -
TOTAL LIABILITIES	\$ <u>3,412</u>	\$ <u>72,003</u>	\$ <u>75,415</u>	\$ <u>-</u>
<b><u>COUNTY CLERK</u></b>				
ASSETS				
Cash	\$ 152,868	\$ 697,700	\$ 721,172	\$ 129,396
Investments	425,678	735	32,071	394,342
TOTAL ASSETS	\$ <u>578,546</u>	\$ <u>698,435</u>	\$ <u>753,243</u>	\$ <u>523,738</u>
LIABILITIES				
Accounts payable	\$ 578,546	\$ 698,435	\$ 753,243	\$ 523,738
TOTAL LIABILITIES	\$ <u>578,546</u>	\$ <u>698,435</u>	\$ <u>753,243</u>	\$ <u>523,738</u>
<b><u>DISTRICT CLERK</u></b>				
ASSETS				
Cash	\$ 233,691	\$ 793,245	\$ 811,263	\$ 215,673
Investments	772,699	143,894	246,856	669,737
TOTAL ASSETS	\$ <u>1,006,390</u>	\$ <u>937,139</u>	\$ <u>1,058,119</u>	\$ <u>885,410</u>
LIABILITIES				
Accounts payable	\$ 1,006,390	\$ 937,139	\$ 1,058,119	\$ 885,410
TOTAL LIABILITIES	\$ <u>1,006,390</u>	\$ <u>937,139</u>	\$ <u>1,058,119</u>	\$ <u>885,410</u>

# TOM GREEN COUNTY, TEXAS

## AGENCY FUNDS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2013

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
<b><u>TAX ASSESSOR-COLLECTOR</u></b>				
ASSETS				
Cash	\$ 1,102,632	\$ 49,479,103	\$ 49,184,440	\$ 1,397,295
Accounts receivable	<u>29,323</u>	<u>1,997,736</u>	<u>1,958,228</u>	<u>68,831</u>
TOTAL ASSETS	<u>\$ 1,131,955</u>	<u>\$ 51,476,839</u>	<u>\$ 51,142,668</u>	<u>\$ 1,466,126</u>
LIABILITIES				
Accounts payable	\$ 570	\$ 19,542	\$ 19,529	\$ 583
Due to other governments	<u>1,131,385</u>	<u>51,457,297</u>	<u>51,123,139</u>	<u>1,465,543</u>
TOTAL LIABILITIES	<u>\$ 1,131,955</u>	<u>\$ 51,476,839</u>	<u>\$ 51,142,668</u>	<u>\$ 1,466,126</u>
<b><u>WATER WASTE TREATMENT FEES</u></b>				
ASSETS				
Cash	\$ 370	\$ 2,310	\$ 1,950	\$ 730
Investments	1,820	-	-	1,820
Accounts receivable	<u>20</u>	<u>70</u>	<u>20</u>	<u>70</u>
TOTAL ASSETS	<u>\$ 2,210</u>	<u>\$ 2,380</u>	<u>\$ 1,970</u>	<u>\$ 2,620</u>
LIABILITIES				
Accounts payable	<u>\$ 2,210</u>	<u>\$ 2,360</u>	<u>\$ 1,950</u>	<u>\$ 2,620</u>
TOTAL LIABILITIES	<u>\$ 2,210</u>	<u>\$ 2,360</u>	<u>\$ 1,950</u>	<u>\$ 2,620</u>
<b><u>JUROR DONATIONS</u></b>				
ASSETS				
Cash	\$ -	\$ 640	\$ 640	\$ -
Accounts receivable	<u>226</u>	<u>250</u>	<u>226</u>	<u>250</u>
TOTAL ASSETS	<u>\$ 226</u>	<u>\$ 890</u>	<u>\$ 866</u>	<u>\$ 250</u>
LIABILITIES				
Accounts payable	<u>\$ 226</u>	<u>\$ 664</u>	<u>\$ 640</u>	<u>\$ 250</u>
TOTAL LIABILITIES	<u>\$ 226</u>	<u>\$ 664</u>	<u>\$ 640</u>	<u>\$ 250</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**(Continued)**

**SEPTEMBER 30, 2013**

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>CAFETERIA PLAN TRUST</u></b>				
<b>ASSETS</b>				
Cash	\$ 22,219	\$ 85,341	\$ 83,332	\$ 24,228
TOTAL ASSETS	<u>\$ 22,219</u>	<u>\$ 85,341</u>	<u>\$ 83,332</u>	<u>\$ 24,228</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 22,219	\$ 99,666	\$ 97,657	\$ 24,228
TOTAL LIABILITIES	<u>\$ 22,219</u>	<u>\$ 99,666</u>	<u>\$ 97,657</u>	<u>\$ 24,228</u>
<b><u>119TH DISTRICT ATTORNEY</u></b>				
<b><u>DPS FORFEITURE</u></b>				
<b>ASSETS</b>				
Cash	\$ 98	\$ -	\$ -	\$ 98
TOTAL ASSETS	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 98	\$ -	\$ -	\$ 98
TOTAL LIABILITIES	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98</u>
<b><u>51ST DISTRICT ATTORNEY SPECIAL</u></b>				
<b><u>FORFEITURE</u></b>				
<b>ASSETS</b>				
Cash	\$ 57,305	\$ 9,255	\$ 24,247	\$ 42,313
Accounts receivable	3,159	1,315	3,159	1,315
TOTAL ASSETS	<u>\$ 60,464</u>	<u>\$ 10,570</u>	<u>\$ 27,406</u>	<u>\$ 43,628</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 60,464	\$ 16,858	\$ 33,694	\$ 43,628
TOTAL LIABILITIES	<u>\$ 60,464</u>	<u>\$ 16,858</u>	<u>\$ 33,694</u>	<u>\$ 43,628</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

(Continued)

**SEPTEMBER 30, 2013**

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>119TH DISTRICT ATTORNEY</u></b>				
<b><u>SPECIAL FORFEITURE</u></b>				
<b>ASSETS</b>				
Cash	\$ 37,090	\$ 28,780	\$ 24,345	\$ 41,525
Accounts receivable	<u>434</u>	<u>532</u>	<u>434</u>	<u>532</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 37,524</u></b>	<b><u>\$ 29,312</u></b>	<b><u>\$ 24,779</u></b>	<b><u>\$ 42,057</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ <u>37,524</u>	\$ <u>21,638</u>	\$ <u>17,105</u>	\$ <u>42,057</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 37,524</u></b>	<b><u>\$ 21,638</u></b>	<b><u>\$ 17,105</u></b>	<b><u>\$ 42,057</u></b>
<b><u>PASS-THROUGH GRANTS</u></b>				
<b>ASSETS</b>				
Cash	\$ <u>169</u>	\$ -	\$ -	\$ <u>169</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 169</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 169</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ <u>169</u>	\$ -	\$ -	\$ <u>169</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 169</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 169</u></b>
<b><u>STATE MUNICIPAL FEES</u></b>				
<b>ASSETS</b>				
Cash	\$ 27,478	\$ 204,179	\$ 214,386	\$ 17,271
Accounts receivable	<u>141</u>	<u>284</u>	<u>141</u>	<u>284</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 27,619</u></b>	<b><u>\$ 204,463</u></b>	<b><u>\$ 214,527</u></b>	<b><u>\$ 17,555</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ <u>27,619</u>	\$ <u>260,576</u>	\$ <u>270,640</u>	\$ <u>17,555</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 27,619</u></b>	<b><u>\$ 260,576</u></b>	<b><u>\$ 270,640</u></b>	<b><u>\$ 17,555</u></b>

# TOM GREEN COUNTY, TEXAS

## AGENCY FUNDS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2013

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>STATE FEES - CRIMINAL</u></b>				
ASSETS				
Cash	\$ 18,859	\$ 1,700,324	\$ 1,695,741	\$ 23,442
Investments	175,266	807,945	816,545	166,666
Accounts receivable	<u>8,679</u>	<u>10,654</u>	<u>8,679</u>	<u>10,654</u>
TOTAL ASSETS	<u>\$ 202,804</u>	<u>\$ 2,518,923</u>	<u>\$ 2,520,965</u>	<u>\$ 200,762</u>
LIABILITIES				
Accounts payable	<u>\$ 202,804</u>	<u>\$ 768,902</u>	<u>\$ 770,944</u>	<u>\$ 200,762</u>
TOTAL LIABILITIES	<u>\$ 202,804</u>	<u>\$ 768,902</u>	<u>\$ 770,944</u>	<u>\$ 200,762</u>
 <b><u>STATE FEES - CIVIL</u></b>				
ASSETS				
Cash	\$ 2,328	\$ 723,418	\$ 714,089	\$ 11,657
Investments	101,770	315,279	327,209	89,840
Accounts receivable	<u>3,857</u>	<u>5,455</u>	<u>3,857</u>	<u>5,455</u>
TOTAL ASSETS	<u>\$ 107,955</u>	<u>\$ 1,044,152</u>	<u>\$ 1,045,155</u>	<u>\$ 106,952</u>
LIABILITIES				
Accounts payable	<u>\$ 107,955</u>	<u>\$ 397,166</u>	<u>\$ 398,169</u>	<u>\$ 106,952</u>
TOTAL LIABILITIES	<u>\$ 107,955</u>	<u>\$ 397,166</u>	<u>\$ 398,169</u>	<u>\$ 106,952</u>
 <b><u>CHILD SAFETY FEE</u></b>				
ASSETS				
Cash	\$ 26,759	\$ 22,432	\$ 21,960	\$ 27,231
Accounts receivable	<u>385</u>	<u>416</u>	<u>385</u>	<u>416</u>
TOTAL ASSETS	<u>\$ 27,144</u>	<u>\$ 22,848</u>	<u>\$ 22,345</u>	<u>\$ 27,647</u>
LIABILITIES				
Accounts payable	<u>\$ 27,144</u>	<u>\$ 22,463</u>	<u>\$ 21,960</u>	<u>\$ 27,647</u>
TOTAL LIABILITIES	<u>\$ 27,144</u>	<u>\$ 22,463</u>	<u>\$ 21,960</u>	<u>\$ 27,647</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
(Continued)  
SEPTEMBER 30, 2013**

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>DISTRICT ATTORNEY</u></b>				
ASSETS				
Cash	\$ 160,414	\$ 540,925	\$ 461,933	\$ 239,406
TOTAL ASSETS	<u>\$ 160,414</u>	<u>\$ 540,925</u>	<u>\$ 461,933</u>	<u>\$ 239,406</u>
LIABILITIES				
Accounts payable	\$ 160,414	\$ 540,925	\$ 461,933	\$ 239,406
TOTAL LIABILITIES	<u>\$ 160,414</u>	<u>\$ 540,925</u>	<u>\$ 461,933</u>	<u>\$ 239,406</u>
<b><u>COUNTY ATTORNEY</u></b>				
ASSETS				
Cash	\$ 20,878	\$ 115,707	\$ 115,443	\$ 21,142
TOTAL ASSETS	<u>\$ 20,878</u>	<u>\$ 115,707</u>	<u>\$ 115,443</u>	<u>\$ 21,142</u>
LIABILITIES				
Accounts payable	\$ 20,878	\$ 115,707	\$ 115,443	\$ 21,142
TOTAL LIABILITIES	<u>\$ 20,878</u>	<u>\$ 115,707</u>	<u>\$ 115,443</u>	<u>\$ 21,142</u>
<b><u>CHILD RESTRAINT STATE FEE</u></b>				
ASSETS				
Cash	\$ 2,146	\$ 1,864	\$ 2,146	\$ 1,864
Accounts receivable	<u>-</u>	<u>23</u>	<u>-</u>	<u>23</u>
TOTAL ASSETS	<u>\$ 2,146</u>	<u>\$ 1,887</u>	<u>\$ 2,146</u>	<u>\$ 1,887</u>
LIABILITIES				
Accounts payable	\$ 2,146	\$ 1,887	\$ 2,146	\$ 1,887
TOTAL LIABILITIES	<u>\$ 2,146</u>	<u>\$ 1,887</u>	<u>\$ 2,146</u>	<u>\$ 1,887</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
(Continued)  
SEPTEMBER 30, 2013**

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>SHERIFF FORFEITURE</u></b>				
ASSETS				
Cash	\$ 17,767	\$ 140,639	\$ 92,660	\$ 65,746
Accounts receivable	<u>590</u>	<u>-</u>	<u>590</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 18,357</u>	<u>\$ 140,639</u>	<u>\$ 93,250</u>	<u>\$ 65,746</u>
LIABILITIES				
Accounts payable	<u>\$ 18,357</u>	<u>\$ 52,137</u>	<u>\$ 4,748</u>	<u>\$ 65,746</u>
TOTAL LIABILITIES	<u>\$ 18,357</u>	<u>\$ 52,137</u>	<u>\$ 4,748</u>	<u>\$ 65,746</u>
<b><u>THIRD COURT OF APPEALS</u></b>				
ASSETS				
Cash	\$ 689	\$ 10,148	\$ 10,033	\$ 804
Accounts receivable	<u>75</u>	<u>75</u>	<u>75</u>	<u>75</u>
TOTAL ASSETS	<u>\$ 764</u>	<u>\$ 10,223</u>	<u>\$ 10,108</u>	<u>\$ 879</u>
LIABILITIES				
Accounts payable	<u>\$ 764</u>	<u>\$ 10,219</u>	<u>\$ 10,104</u>	<u>\$ 879</u>
TOTAL LIABILITIES	<u>\$ 764</u>	<u>\$ 10,219</u>	<u>\$ 10,104</u>	<u>\$ 879</u>
<b><u>CAFETERIA/ZP</u></b>				
ASSETS				
Cash	<u>\$ -</u>	<u>\$ 77,602</u>	<u>\$ 77,602</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 77,602</u>	<u>\$ 77,602</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	<u>\$ -</u>	<u>\$ 77,602</u>	<u>\$ 77,602</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 77,602</u>	<u>\$ 77,602</u>	<u>\$ -</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
(Continued)  
SEPTEMBER 30, 2013**

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>UNCLAIMED PROPERTY</u></b>				
ASSETS				
Cash	\$ 538	\$ 21,167	\$ 20,298	\$ 1,407
Investments	<u>9,643</u>	<u>10,736</u>	<u>7,701</u>	<u>12,678</u>
TOTAL ASSETS	<u>\$ 10,181</u>	<u>\$ 31,903</u>	<u>\$ 27,999</u>	<u>\$ 14,085</u>
LIABILITIES				
Accounts payable	<u>\$ 10,181</u>	<u>\$ 17,572</u>	<u>\$ 13,668</u>	<u>\$ 14,085</u>
TOTAL LIABILITIES	<u>\$ 10,181</u>	<u>\$ 17,572</u>	<u>\$ 13,668</u>	<u>\$ 14,085</u>
<b><u>BAILBONDSMEN COLLATERAL</u></b>				
ASSETS				
Cash	<u>\$ 630,000</u>	<u>\$ 22,200</u>	<u>\$ 50,000</u>	<u>\$ 602,200</u>
TOTAL ASSETS	<u>\$ 630,000</u>	<u>\$ 22,200</u>	<u>\$ 50,000</u>	<u>\$ 602,200</u>
LIABILITIES				
Accounts payable	<u>\$ 630,000</u>	<u>\$ 42,200</u>	<u>\$ 70,000</u>	<u>\$ 602,200</u>
TOTAL LIABILITIES	<u>\$ 630,000</u>	<u>\$ 42,200</u>	<u>\$ 70,000</u>	<u>\$ 602,200</u>
<b><u>JUVENILE PROBATION</u></b>				
ASSETS				
Cash	<u>\$ 9,509</u>	<u>\$ 8,003</u>	<u>\$ 6,691</u>	<u>\$ 10,821</u>
TOTAL ASSETS	<u>\$ 9,509</u>	<u>\$ 8,003</u>	<u>\$ 6,691</u>	<u>\$ 10,821</u>
LIABILITIES				
Accounts payable	<u>\$ 9,509</u>	<u>\$ 8,003</u>	<u>\$ 6,691</u>	<u>\$ 10,821</u>
TOTAL LIABILITIES	<u>\$ 9,509</u>	<u>\$ 8,003</u>	<u>\$ 6,691</u>	<u>\$ 10,821</u>

**TOM GREEN COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
(Continued)  
SEPTEMBER 30, 2013**

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash	\$ 2,527,219	\$ 54,756,985	\$ 54,409,786	\$ 2,874,418
Investments	1,486,876	1,278,589	1,430,382	1,335,083
Accounts receivable	<u>46,889</u>	<u>2,016,810</u>	<u>1,975,794</u>	<u>87,905</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,060,984</u></b>	<b><u>\$ 58,052,384</u></b>	<b><u>\$ 57,815,962</u></b>	<b><u>\$ 4,297,406</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,929,599	\$ 4,183,664	\$ 4,281,400	\$ 2,831,863
Due to other governments	<u>1,131,385</u>	<u>51,457,297</u>	<u>51,123,139</u>	<u>1,465,543</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 4,060,984</u></b>	<b><u>\$ 55,640,961</u></b>	<b><u>\$ 55,404,539</u></b>	<b><u>\$ 4,297,406</u></b>

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**INTERNAL CONTROL  
AND COMPLIANCE**

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**INDEPENDENT AUDITORS' 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**

Honorable County Judge and Members of the  
Commissioners' Court of Tom Green County  
San Angelo, Texas

We have audited, in accordance with the 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 Tom Green County, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Tom Green County, Texas' basic financial statements, and have issued our report thereon dated March 21, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Tom Green County, Texas' 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 Tom Green County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Tom Green County, Texas' 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 entity'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 Tom Green County, Texas' 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 *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
March 21, 2014