

DeWITT COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended September 30, 2012

Issued By
County Auditor's Office

Carrie Rea
County Auditor

DeWITT COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2012

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
County Auditor's Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	v
Organizational Chart	vi
Directory of Principal Officials	vii
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet - Governmental Funds	12
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Statement of Fiduciary Net Assets - Agency Funds	16
Notes to Financial Statements	17
<u>Required Supplementary Information</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund	33
Notes to Required Supplementary Information	34
<u>Combining and Individual Fund Statements and Schedules</u>	
<i>Governmental Funds</i>	
Combining Statements	
Combining Balance Sheet - All Nonmajor Governmental Funds	35
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Nonmajor Governmental Funds	36
Nonmajor Special Revenue Funds	37
Combining Balance Sheet - All Special Revenue Funds	39
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Special Revenue Funds	40

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
FINANCIAL SECTION - (Continued)	
<u>Combining and Individual Fund Statements and Schedules - (Continued)</u>	
<i>Governmental Funds - (Continued)</i>	
Combining Statements - (Continued)	
Nonmajor Special Revenue Funds - (Continued)	
Combining Balance Sheet - Road and Bridge Funds.....	41
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Road and Bridge Funds.....	43
Combining Balance Sheet - Other Special Revenue Funds	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Other Special Revenue Funds	49
Individual Statements and Schedules	
General Fund.....	53
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual	54
Debt Service Fund - Major Fund	59
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	60
Nonmajor Special Revenue Funds	
Road and Bridge General	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	61
Road and Bridge Precinct No. 1	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	62
Road and Bridge Precinct No. 2	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	63
Road and Bridge Precinct No. 3	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	64
Road and Bridge Precinct No. 4	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	65
Special Road and Bridge	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	66
County Road and Flood	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	67
Indigent Health Care	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	68
<i>Fiduciary Funds</i>	
Agency Funds.....	69
Combining Statement of Changes in Assets and Liabilities.....	70

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
STATISTICAL SECTION (UNAUDITED)	
<u>Financial Trends</u>	
Net Assets by Component	73
Changes in Net Assets	74
Fund Balances, Governmental Funds	75
Changes in Fund Balances, Governmental Funds	76
Tax Revenues by Source, Governmental Funds	77
<u>Revenue Capacity</u>	
Assessed and Estimated Actual Value of Taxable Property	78
Direct and Overlapping Tax Rates	79
Principal Taxpayers (Unaudited)	80
Property Tax Levies and Collections	81
<u>Debt Capacity</u>	
Ratios of Outstanding Debt by Type	82
Ratios of Net General Bonded Debt Outstanding	83
Direct and Overlapping Governmental Activities Debt (Unaudited)	84
Legal Debt Margin Information	85
Pledged-Revenue Coverage	86
<u>Demographic and Economic Information</u>	
Demographic Statistics (Unaudited)	87
Principal Employers (Unaudited)	88
<u>Operating Information</u>	
Full-Time-Equivalent County Government Employees by Function/Program	89
Operating Indicators by Function/Program (Unaudited)	90
Capital Asset Statistics by Function/Program (Unaudited)	91
OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	92

INTRODUCTORY SECTION

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Carrie Rea

DEWITT COUNTY AUDITOR

December 27, 2012

Honorable District Judges
Honorable County Judge
Honorable County Commissioners
DeWitt County, Texas

The County Auditor's Office is pleased to present the Comprehensive Annual Financial Report (CAFR) of DeWitt County, Texas (the "County"), for the fiscal year ended September 30, 2012. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included. This report was prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants, and is in compliance with V.T.C.A., Local Government Code Section 114.025.

The County's financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information have been audited by Harrison, Waldrop and Uherek, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County, for the fiscal year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditors concluded that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the Independent Auditors' Report.

PROFILE OF DEWITT COUNTY

On March 24, 1846, the County of DeWitt was legally created from Gonzales, Goliad, and Victoria Counties and named for its colonizer, Green B. DeWitt. The County is centrally located on the low and rolling coastal plains of Texas and within 100 miles of San Antonio, Austin, and Corpus Christi. Most of DeWitt County is divided into farms and ranches and is drained by the Guadalupe River and its tributaries. The County is located in southeastern Texas on the Coastal plain about midway between the southern and eastern extremities of the Texas Gulf Coast.

The County is a public corporation and political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioner's Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioner's Court sets the tax rates, establishes policies for County operations, approves contracts for the County, and develops and adopts the County budget. The Commissioner's Court is also responsible for development of policies and orders, approving financial commitments, and appointment of various department heads. The management and leadership provided by members of the Commissioner's Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth.

The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and "examining, auditing, and approving" all disbursements from County funds prior to their submission to the Commissioner's Court for approval. In addition, the County's internal control structure is designed to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted government accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The County provides a full range of services. The County provides many services not ordinarily provided by any other entity or government and provides additional services in cooperation with other local governmental units. A primary service is the administration of justice, which includes the civil and criminal county and district courts, justices of the peace, constables, district attorney, clerks of the courts, sheriff, jail, security and emergency management, and court bailiffs. Other functions performed by the County include the construction and maintenance of roads and bridges, either independently or in cooperation with other entities, administration of public health services, assistance to indigents, and the provision of juvenile, health, education, and welfare services involving the care and correction of dependent or delinquent children as well as property tax collections for all taxing agencies within the County.

The annual budget serves as the foundation for the County's financial planning and control. The County Judge posts budget hearings annually, with the final budget approved by the Commissioner's Court following the hearings. The final budget includes contingency line items. Most appropriated budgets are prepared on a fund, department, and category basis. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the line-item level within an individual fund. Commissioner's Court may amend the original budget under conditions prescribed by Texas Local Government Code, Section 111.010. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted.

Various potential component units were evaluated to determine whether they should be included in the County's reporting entity because of the significance of their operational and financial relationship with the County. Based upon standards established by the Governmental Accounting Standards Board (see Note 1 to the financial statements), one component unit has been included in this year's report, the DeWitt County Drainage District No. 1. The DeWitt County Drainage District No. 1 is discretely presented (not considered part of the primary government of the County) for several reasons, but mainly because the entity does not have the same governing body as the County and does not provide services exclusively to the County. The District's officers are appointed by the DeWitt County Commissioner's Court.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment in which DeWitt County operates. The US economy is improving at a modest rate. The Dallas Fed reports economic conditions in Texas continue to improve and expand with employment growing at 3.5 percent annually. The unemployment rate in DeWitt County at year end stood at just 4.6 percent.

Local Economy - DeWitt County continues to benefit from unprecedented levels of drilling activity in the Eagle Ford Shale formation which is yielding remarkable quantities of oil and natural gas liquids. Although results vary considerably due to experimentation in fracking methods, proposed wells in the liquids-rich area of the Play are expected to ultimately yield up to 500,000 barrels of oil and up to 2 Trillion cubic feet of natural gas each. Pioneer Natural Resources has opened its local operating headquarters in a 90,000 square foot building at the industrial park north of the expanded city limits of Cuero. A 40-room expansion of the Best Western Hotel has been completed, a 48-room newly-built motel has opened, and news of an 80-room hotel to begin construction in 2013 indicates additional signs of a vibrant economy. As long as the macro-economics of the national economy and commodity pricing continues to reflect strong demand for the products, DeWitt County could continue to see drilling permits issued by the Railroad Commission in the range of 350-400 new wells per year. Out of 20 drilling rigs currently operating, BHP Billiton, is operating twelve. The company, working through its operating partner, GeoSouthern Energy, is the top taxpayer in the county. Perhaps the most significant news of all is the October 2012 workforce analysis released by the Center for Community and Business Research at the University of Texas at San Antonio. According to the study, in 2021, the Eagle Ford Shale is expected to support 11,261 jobs. This number projects to be a 40-50 percent increase over current employment statistics.

Long-Term Financial Planning - County leaders are pursuing a legislative agenda which could provide funding for the damaged roads which continue to be the biggest complaint and most visible negative side-effect of the oil boom. A study commissioned by the county was conducted by Naismith Engineering, Inc. of Corpus Christi in 2012 and it revealed the cost of a road system able to accommodate the needs of the county and the oil and gas industry could approach \$432 million. Up to 342 miles of the county road system is impacted by the activity and the annual maintenance costs alone could approximate \$25 million. Other costs include widening roads to accommodate the heavy volumes of traffic. The potential costs outweigh the ability of the county to fund these expenditures through its ad valorem taxes, so other sources of revenue are being advanced.

One of the proposed funding solutions would allocate part of the severance tax which is collected by the state when oil and gas is produced and sold. State law currently allocates the severance tax to the Permanent School Fund and the so-called Rainy Day Fund. County Judge Daryl Fowler, who was appointed to a task force established by the Texas Department of Transportation to explore road repair funding solutions caused by damages stemming from the energy industry, estimates that an allocation of 12.5 percent of the severance tax would have yielded \$8.9 million for DeWitt County in only six months of calendar year 2012. To place this figure into perspective, the property tax revenue budgeted for FY 2013 is \$11 million and \$5.4 million is appropriated for the current road and bridge repairs and maintenance throughout the precincts. The tax revenue in the FY 2013 budget represents a 53.92 percent revenue increase over the FY 2012 budget. The Commissioners Court voted to hold the county's maintenance and operating rate at the previous year's rate in order to raise enough revenue to fund the current road repair needs. The vote on the tax rate exceeded the rollback rate and provided a 90-day window of opportunity for local taxpayers to object and call for a rollback election. The protest period expired on December 24, 2012.

Judge Fowler is also advocating for a change in the Property Tax Code which would treat new oil and gas property (mineral values) similar to new improvements to real property when the effective tax rate is calculated. Current law does not define new minerals added to the tax base, but does recognize new improvements such as a new Wal-Mart or shopping mall. The absence of a definition is the principal

driver in the decline in the county's effective tax rate (from 65 cents per \$100 in 2010 to 32 cents per \$100 in 2012) and limits its ability to raise revenue for the damaged roads.

Expiration of the voluntary road use agreements with BHP Billiton and Pioneer Natural Resources at the end of 2012 has accentuated the need for a permanent legislative solution. In response to this, the county has executed a contract for the professional services of a lobbyist to work on the county's issues during the 83rd Legislative session and will coordinate the effort with Judge Fowler and the legislative staff of the County Judges and Commissioners Association of Texas and the Texas Association of Counties.

Accounting System and Internal Controls - In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Controls - The County maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budgets approved by the County Judge and Commissioners Court. The level of budgetary control includes expenditures that cannot legally exceed the appropriated amount and is established by department within an individual governmental fund.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DeWitt County, Texas, for its comprehensive annual financial report for the fiscal year ended September 30, 2011. This was the 30th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of the CAFR could not have been accomplished without the efficient and dedicated efforts of the staff of the County Auditor's Office. We express our appreciation to all the members of the office who assisted in and contributed to its preparation. We would also like to thank the accounting firm of Harrison, Waldrop & Uherek, L.L.P. for sharing their knowledge and extending their cooperation and support to the County Auditor's Office.

Respectfully submitted,



Carrie Rea
DeWitt County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

DeWitt County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

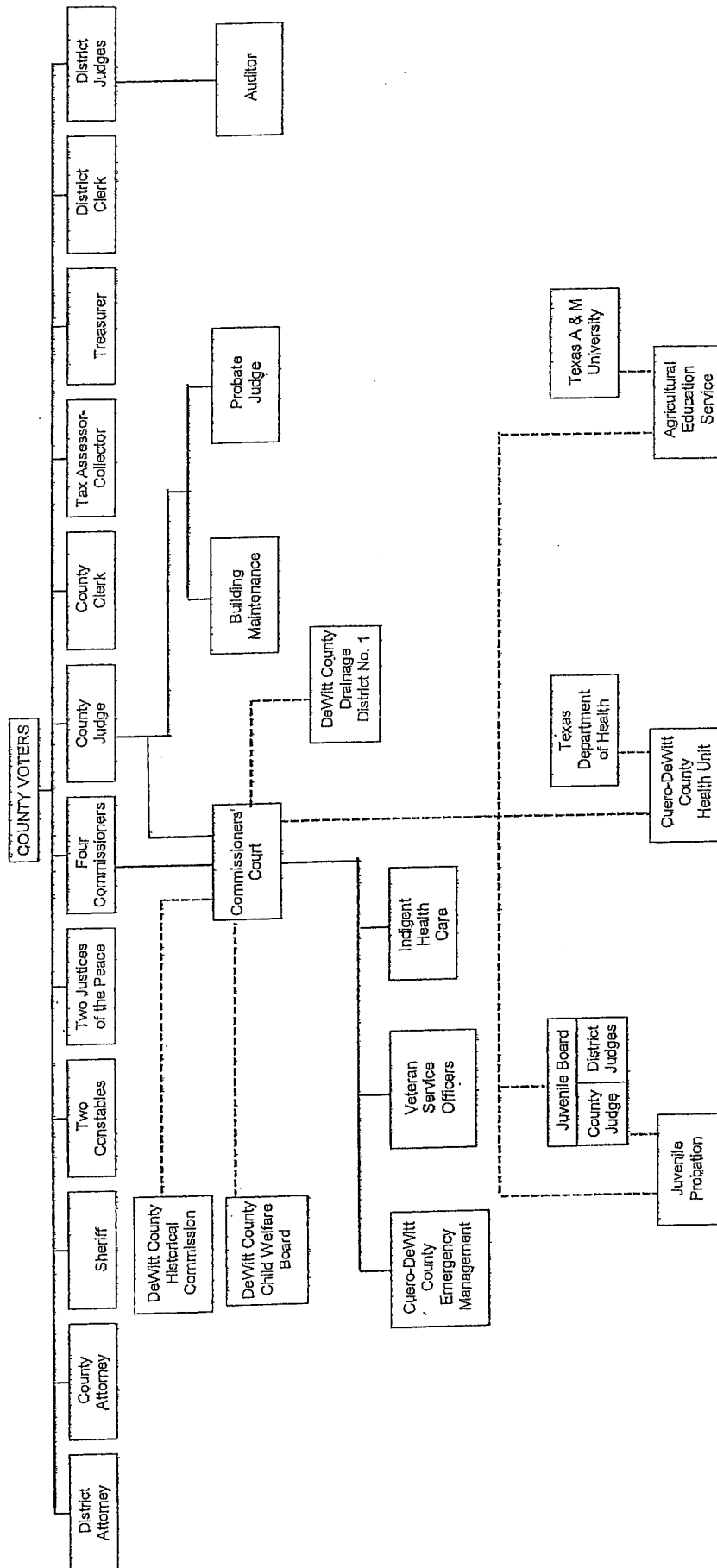
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Christopher P. Moynell
President

Jeffrey R. Enen
Executive Director

DeWITT COUNTY ORGANIZATION



DeWITT COUNTY, TEXAS**DIRECTORY OF PRINCIPAL OFFICIALS***September 30, 2012*

ELECTED

Daryl L. Fowler

County Judge

Curtis G. Afflerbach
James B. Pilchick, Sr.
John C. Oliver
Donald R. KueckerCommissioner, Precinct No. 1
Commissioner, Precinct No. 2
Commissioner, Precinct No. 3
Commissioner, Precinct No. 4Raymond H. Reese
Natalie Carson
Susan C. Dreyer
Peggy M. LedbetterCounty Attorney
County Clerk
County Tax Assessor-Collector
County TreasurerJode C. Zavesky
Peggy Mayer
George W. Robinson
Billy J. Beldin
Steven A. WehlmannSheriff
Justice of the Peace, Precinct No. 1
Justice of the Peace, Precinct No. 2
Constable, Precinct No. 1
Constable, Precinct No. 2Michael Sheppard
Tabeth M. GardnerDistrict Attorney
District ClerkJoseph P. Kelly
Kemper Stephen Williams
Skipper Koetter24th Judicial District Judge
135th Judicial District Judge
267th Judicial District Judge**APPOINTED**Carrie Rea
Ernest E. Sertuche
Kris Martin
David DodgeCounty Auditor
Chief Juvenile Probation Officer
IHC Coordinator / Veterans Service Officer
Emergency Management Coordinator

FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS
101 S. MAIN, SUITE 400
VICTORIA, TEXAS 77901-8142

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ERIC L. KUCERA, CPA
CLAYTON P. VAN PELT, CPA
ROBERT W. SCHAAR, CPA
MELISSA M. TERRY, CPA

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INDEPENDENT AUDITORS' REPORT

The Honorable County Judge and Members
of the Commissioners' Court
DeWitt County, Texas

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of DeWitt County, Texas (the "County") as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 33 through 34 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.

The Honorable County Judge and Members
of the Commissioners' Court

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual major and nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual major and nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Harrison, Waldrop & Uheuk, LLP

December 31, 2012

DeWITT COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

The discussion and analysis of the financial performance of DeWitt County, Texas (the "County"), provides an overview of the County's financial activities for the year ended September 30, 2012. The discussion and analysis should be read in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$22,076,959. Of this amount \$10,923,276 is available to meet the County's ongoing obligations to citizens and creditors.
- At year-end, the County's governmental funds reported combined ending fund balances of \$11,024,128.
- At year-end, the unassigned fund balance for the General Fund was \$3,918,939 or 62% of total General Fund expenditures and planned transfers.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial reporting model instituted by Governmental Accounting Standards Board Statement 34 (GASB 34) seeks to improve operational accountability by highlighting an overall picture that was lost in the detail of fund accounting. Instead of focusing on aggregations of similar individual funds GASB 34 introduced government-wide financial statements, which present the government as a single unified entity.

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to financial statements, and 4) the single audit section. This report also contains other required supplementary information in addition to the basic financial statements.

Organization and Flow of Financial Section Information

<p>Independent Auditors' Report <i>Provides the opinion of the Independent Auditors' on the fair presentation of the basic financial statements.</i></p>	
<p>Management's Discussion and Analysis <i>This supplementary information is required for state and local government financial statements and is intended to provide a narrative introduction and analysis.</i> Pages 3 to 9</p>	
<p>Government-wide Financial Statements <i>Provides information on governmental and business-type activities of the primary government.</i> Pages 10 to 11</p>	<p>Fund Financial Statements <i>Provides information on the financial position of specific funds of the primary governments.</i> Pages 12 to 16</p>
<p>Notes to Financial Statements <i>Provides a summary of significant accounting policies and related disclosures.</i> Pages 17 to 32</p>	

OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

Government-wide financial statements. The *government-wide financial statements*, which consist of the following two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported 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).

These financial statements present the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, judicial, public works (public safety, transportation, and buildings), and health and welfare.

The government-wide financial statements include not only the County itself (known as the *primary government*) but also the component unit of DeWitt County Drainage District No.1.

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. The 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 can be divided into two categories: governmental funds and fiduciary funds.

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

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

The County maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Debt Service Fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining and individual statements and schedules following the required supplementary information.

The County adopts an annual appropriated budget for its General Fund, the Road and Bridge Special Revenue Funds, the Indigent Health Care Fund, and the Debt Service Fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget and is located on page 33 of this report. Budget comparisons are presented for the Debt Service Fund, the Road and Bridge Special Revenue Funds, and the Indigent Health Care Special Revenue Fund and are located on pages 59 through 68 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

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 those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's General Fund's budgetary comparison schedule. Required supplementary information can be found on pages 33 and 34 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 35 through 71 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$22,076,959 at the close of the fiscal year.

DeWitt County, Texas			
Net Assets			
	Governmental Activities		
	2012	2011	Change
Current assets	\$12,631,895	\$12,132,777	4%
Capital assets (net)	21,262,366	21,008,028	1%
Other non-current assets	245,976	265,376	-7%
Total Assets	34,140,237	33,406,181	2%
Current liabilities	1,198,150	1,084,744	10%
Long-term liabilities	10,865,128	11,299,790	-4%
Total Liabilities	12,063,278	12,384,534	-3%
Net Assets:			
Investment in capital assets, net of related debt	10,219,684	10,497,054	-3%
Restricted	933,999	802,344	16%
Unrestricted	10,923,276	9,722,249	12%
Total Net Assets	\$22,076,959	\$21,021,647	5%

The County's unrestricted net assets (\$10,923,276) represent 49% of the County's net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

The County's investment in capital assets (e.g., land, buildings, improvements, machinery, and equipment), less any related debt used to acquire those assets represents the largest portion of net assets, 46%. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the 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. The County has restricted net assets of \$933,999 (debt service), which represent resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County is able to report a positive balance in net assets for the government as a whole. Its overall financial position has improved from the prior year.

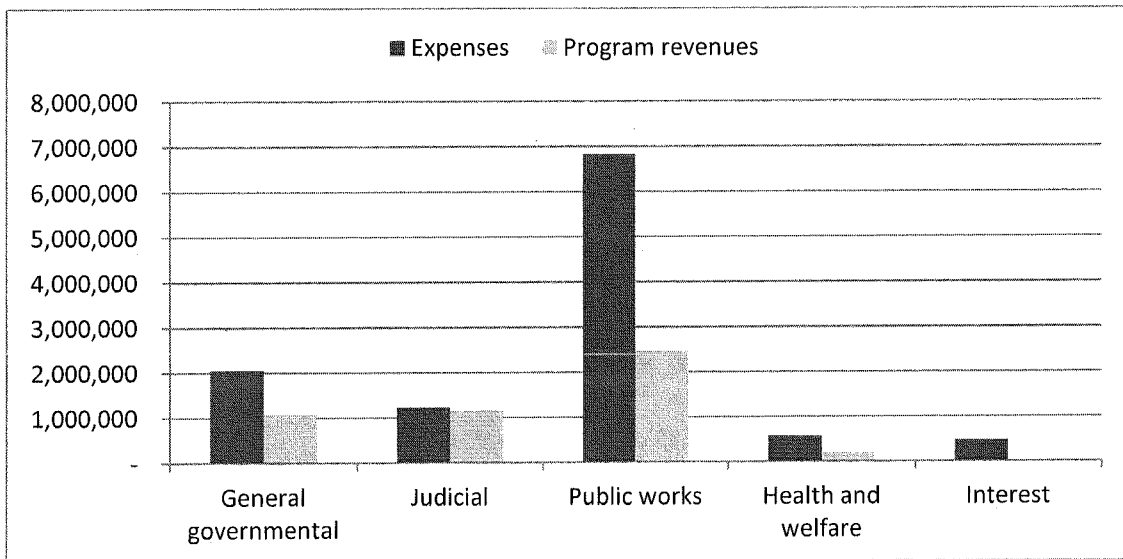
DeWitt County, Texas			
Changes in Net Assets			
	Governmental Activities		
	<u>2012</u>	<u>2011</u>	<u>Change</u>
REVENUES			
Program revenues:			
Charges for services	\$ 4,329,380	\$ 4,417,380	-2%
Operating grants and contributions	536,255	1,124,405	-52%
General revenues:			
Property taxes	7,148,900	6,770,107	6%
Other	204,000	146,179	40%
Total Revenues	<u>12,218,535</u>	<u>12,458,071</u>	-2%
EXPENSES			
General governmental	2,054,078	1,928,925	6%
Judicial	1,229,416	1,128,817	9%
Public works	6,830,006	6,244,867	9%
Health and welfare	575,526	635,485	-9%
Interest	474,197	497,848	-5%
Total Expenses	<u>11,163,223</u>	<u>10,435,942</u>	7%
Change in net assets	1,055,312	2,022,129	-48%
Net Assets - Beginning	<u>21,021,647</u>	<u>18,999,518</u>	11%
Net Assets - Ending	<u>\$22,076,959</u>	<u>\$21,021,647</u>	5%

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

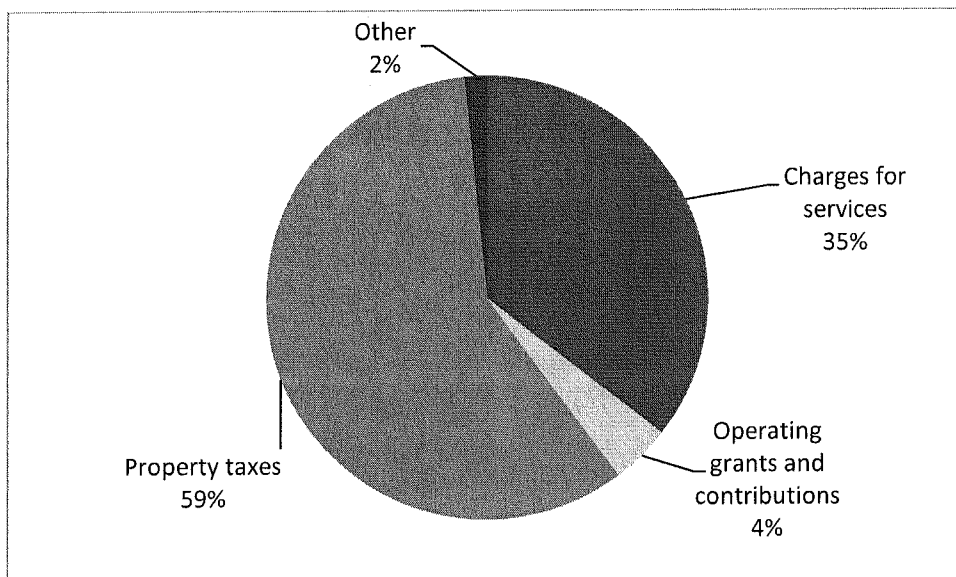
Governmental activities. Governmental activities increased the County's net assets by \$1,055,312, thereby accounting for 100% of the total growth in the net assets of the County. Key elements of this change are as follows:

- The current year change in net assets is -48% or \$966,817 lower than the prior year's change of \$2,022,129. A large portion of this decrease of income is attributable to a decrease in operating grants and contributions of approximately \$588,150.
- Property tax revenue increased by 6% from 2011. The County lowered its tax rate approximately 17% from the prior year, however, property tax valuations increased approximately 28%.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,024,128, an increase of \$428,717 from the prior year due mainly to increased property tax revenues reported in the road and bridge funds. Of the total fund balance, \$3,918,939 constitutes *unassigned fund balance* and is available for spending at the County's discretion. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed to pay debt service (\$915,772) or has been restricted for special purposes (\$6,189,417).

General Fund. The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the total fund balance of the general fund was \$4,226,124, of which \$3,918,939 was unassigned.

The fund balance in the County's General Fund shows a decrease of \$511,206 from the prior year. The decrease is due largely to a decrease in miscellaneous revenues; specifically the loss of a \$400,000 imaging contribution.

Capital Project Fund. The County has one capital project fund.

The Jailhouse Expansion Fund reported an ending fund balance of \$1,063,634. Construction on the jail's new buildings and a major portion of the old jail building remodeling was completed in 2010. The remaining funds will be used as necessary for improvements or repairs on the County buildings.

Debt Service Fund. The County decreased the interest and sinking tax rate due to the completion of the jail expansion. Tax revenues of \$1,217,044 in the current year are similar to those in the prior year. Principal and interest payments amounted to \$1,087,257 in the current year.

BUDGETARY HIGHLIGHTS

General Fund. There were several variances between the original budget and the final amended budget.

Significant variances between the final amended budget and actual results were:

- The General Fund's total actual revenue exceeded budgeted amount by \$592,513 due to a combination of increase in tax revenues, intergovernmental revenues, and County Clerk fees.
- Collectively, the General Fund's total actual expenditures exceeded budgeted expenditures by \$866,943 mostly due to increases in non-departmental expenditures, sheriff's department, and jail operations.
- The Road and Bridge Precincts had increased revenues mainly due to an increase in property taxes, which stems from an increase in property tax valuations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The County's investment in capital assets for its governmental activities as of September 30, 2012, amounts to \$21,262,366 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and vehicles. Total additions for the current fiscal year was \$1,198,161 with the majority in equipment for public works. Additional information can be found in Note 5 of this report.

Capital Assets (Net of Depreciation)			
	Governmental Activities		
	<u>2012</u>	<u>2011</u>	<u>Change</u>
Land	\$ 637,771	\$ 637,771	0%
Buildings and improvements	18,665,298	19,185,592	-3%
Equipment	1,467,729	944,539	55%
Vehicles	<u>491,568</u>	<u>240,126</u>	105%
Total	<u>\$ 21,262,366</u>	<u>\$ 21,008,028</u>	1%

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$10,945,000 and is backed by the full faith and credit of the government. Additional information can be found in Note 9 of this report.

Certificates of Obligation and Refunding Bonds			
	<u>2012</u>	<u>2011</u>	<u>Change</u>
Certificates of obligation, 2006 series	\$ 8,490,000	\$ 8,920,000	-5%
Certificates of obligation, 2010 series	<u>2,455,000</u>	<u>2,635,000</u>	-7%
Total	<u>\$10,945,000</u>	<u>\$11,555,000</u>	-5%

Debt payments in 2012 on bonds totaled \$610,000 in regularly scheduled payments.

Economic Factors and Next Year's Budgets and Rates

The annual budget is developed to provide efficient, effective, and controlled use of the County's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the Commissioners' Court set the direction of the County, allocate its resources, and establish its priorities.

The County has adopted a tax rate of \$0.50203 per \$100 assessed taxable valuation for the 2012-2013 fiscal year to cover expected expenditures in the upcoming year and debt service on the bonds. The 2012 tax rate is lower than the 2011 rate of \$0.53822, but in excess of the rollback rate of \$0.34679. Local taxpayers did not call for a rollback election understanding that road expenditures would require considerable resources in the upcoming years. Due to increased mineral valuations on the 2012 tax roll, tax revenue is expected to increase approximately 54% for the upcoming year to help deal with the expected increase in road expenditures.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 307 N. Gonzales St., Cuero, Texas 77954.

Basic Financial Statements

DeWITT COUNTY, TEXAS
STATEMENT OF NET ASSETS
September 30, 2012

	Primary Government Governmental Activities	Component Unit
ASSETS		
Current assets		
Cash and cash equivalents	\$ 11,361,005	\$ 798,279
Receivables (net)	1,263,524	16,701
Due from others	7,366	-
Total current assets	12,631,895	814,980
Noncurrent assets		
Capital assets		
Land and other assets not being depreciated	637,771	1,353
Buildings, equipment, and vehicles (net)	20,624,595	388,754
Bond issue costs (net)	245,976	-
Total noncurrent assets	21,508,342	390,107
Total assets	34,140,237	1,205,087
LIABILITIES		
Current liabilities		
Accounts payable	130,453	-
Accrued expenses	213,789	-
Accrued interest payable	58,095	-
Current portion of long-term obligations	795,813	-
Total current liabilities	1,198,150	-
Noncurrent liabilities		
Noncurrent portion of long-term obligations	10,865,128	-
Total noncurrent liabilities	10,865,128	-
Total liabilities	12,063,278	-
NET ASSETS		
Invested in capital assets, net of related debt	10,219,684	390,107
Restricted for:		
Debt service	933,999	-
Unrestricted net assets	10,923,276	814,980
Total net assets	\$ 22,076,959	\$ 1,205,087

The accompanying notes are an integral part of this statement.

DeWITT COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2012

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit
Primary Government						
Governmental activities						
General government	\$ 2,054,078	\$ 962,158	\$ 104,813	\$ -	\$ (987,107)	\$ -
Judicial	1,229,416	1,114,339	39,668	-	(75,409)	-
Public works	6,830,006	2,200,607	255,682	-	(4,373,717)	-
Health and welfare	575,526	52,276	136,092	-	(387,158)	-
Interest on long-term debt	474,197	-	-	-	(474,197)	-
Total governmental activities	11,163,223	4,329,380	536,255	-	(6,297,588)	-
Total primary government	<u>\$ 11,163,223</u>	<u>\$ 4,329,380</u>	<u>\$ 536,255</u>	<u>\$ -</u>	<u>(6,297,588)</u>	<u>-</u>
Component Unit						
	<u>\$ 101,635</u>	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(101,521)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes					5,941,498	129,931
Property taxes, levied for debt service					1,207,402	-
Gain on disposal of assets					108,601	-
Investment earnings					95,399	4,768
Total general revenues					7,352,900	134,699
Change in net assets					1,055,312	33,178
Net assets - beginning					21,021,647	1,171,909
Net assets - ending					\$22,076,959	\$1,205,087

The accompanying notes are an integral part of this statement.

DeWITT COUNTY, TEXAS**BALANCE SHEET****GOVERNMENTAL FUNDS**

September 30, 2012

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 4,442,332	\$ 915,772	\$ 6,002,901	\$ 11,361,005
Taxes receivable	309,343	76,322	78,670	464,335
Fines receivable (net)	799,189	-	-	799,189
Due from others	<u>3,002</u>	<u>-</u>	<u>4,364</u>	<u>7,366</u>
Total assets	<u>\$ 5,553,866</u>	<u>\$ 992,094</u>	<u>\$ 6,085,935</u>	<u>\$ 12,631,895</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 73,043	\$ -	\$ 57,410	\$ 130,453
Accrued expenditures	146,167	-	67,622	213,789
Deferred revenue	<u>1,108,532</u>	<u>76,322</u>	<u>78,670</u>	<u>1,263,524</u>
Total liabilities	<u>1,327,742</u>	<u>76,322</u>	<u>203,702</u>	<u>1,607,766</u>
Fund balances				
Restricted	-	915,772	5,882,233	6,798,005
Assigned - building maintenance	307,185	-	-	307,185
Unassigned	<u>3,918,939</u>	<u>-</u>	<u>-</u>	<u>3,918,939</u>
Total fund balances	<u>4,226,124</u>	<u>915,772</u>	<u>5,882,233</u>	<u>11,024,129</u>
Total liabilities and fund balances	<u>\$ 5,553,866</u>	<u>\$ 992,094</u>	<u>\$ 6,085,935</u>	<u>\$ 12,631,895</u>

The accompanying notes are an integral part of this statement.

DeWITT COUNTY, TEXAS**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS
OF GOVERNMENTAL ACTIVITIES**September 30, 2012

Total governmental fund balances**\$ 11,024,129**

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

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. Similarly, fines receivable are not currently available at year-end and are not reported as revenue in the governmental funds.

Taxes receivable	\$ 464,335	
Fines receivable	<u>799,189</u>	1,263,524

Capital assets used in governmental activities are reported as expenditures in governmental funds when purchased or constructed.

Cost of assets	27,413,491	
Accumulated depreciation	<u>(6,151,125)</u>	21,262,366

Other noncurrent assets (for example, bond issue costs) used in governmental activities are not financial resources and therefore are not reported in governmental funds.

Bond issue costs	362,963	
Accumulated amortization	<u>(116,987)</u>	245,976

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable	(10,945,000)	
Capital leases payable	(555,598)	
Accrued interest on the bonds	(58,095)	
Compensated absences	<u>(160,343)</u>	<u>(11,719,036)</u>

Net assets of governmental activities**\$ 22,076,959**

The accompanying notes are an integral part of this statement.

DeWITT COUNTY, TEXAS**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****GOVERNMENTAL FUNDS***For the year ended September 30, 2012*

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 3,488,255	\$ 1,217,044	\$ 2,509,092	\$ 7,214,391
Licenses and permits	7,671	-	633,125	640,796
Intergovernmental	540,130	-	431,442	971,572
Charges for services	965,542	-	1,574,412	2,539,954
Fines and forfeitures	456,740	-	-	456,740
Interest	43,024	8,450	43,925	95,399
Miscellaneous	50,046	-	118,516	168,562
Total revenues	<u>5,551,408</u>	<u>1,225,494</u>	<u>5,310,512</u>	<u>12,087,414</u>
EXPENDITURES				
Current				
General government	1,683,543	-	149,544	1,833,087
Judicial	924,673	-	157,416	1,082,089
Public works	3,265,806	-	4,295,827	7,561,633
Health and welfare	132,132	-	424,978	557,110
Debt service				
Principal retirement	-	610,000	-	610,000
Interest and fiscal charges	-	477,257	-	477,257
Total expenditures	<u>6,006,154</u>	<u>1,087,257</u>	<u>5,027,765</u>	<u>12,121,176</u>
Excess of revenues over expenditures	<u>(454,746)</u>	<u>138,237</u>	<u>282,747</u>	<u>(33,762)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	116,933	116,933
Lease proceeds	-	-	345,547	345,547
Transfers in	37,000	-	2,274,518	2,311,518
Transfers out	(366,229)	-	(1,945,289)	(2,311,518)
Total other financing sources (uses)	<u>(329,229)</u>	<u>-</u>	<u>791,709</u>	<u>462,480</u>
Net change in fund balances	(783,975)	138,237	1,074,456	428,718
Fund balances, beginning of year	<u>5,010,099</u>	<u>777,535</u>	<u>4,807,777</u>	<u>10,595,411</u>
Fund balances, end of year	<u>\$ 4,226,124</u>	<u>\$ 915,772</u>	<u>\$ 5,882,233</u>	<u>\$ 11,024,129</u>

The accompanying notes are an integral part of this statement.

DeWITT COUNTY, TEXAS**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
*For the year ended September 30, 2012***Total net change in fund balances - governmental funds****\$ 428,718**

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

Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements.

1,198,161

Depreciation is not recognized as an expense on the governmental funds since it does not require the use of current financial resources.

(935,490)

Capital lease proceeds provide current financial resources to governmental funds but increases long-term liabilities in the statement of net assets.

(345,547)

Current year payments on long-term debt are expenditures in the fund financial statements, but they serve to reduce long-term liabilities in the government-wide financial statements. In the current year, these amounts consist of:

Bond principal retirement

\$ 610,000

Capital lease principal retirement

86,926

696,926

Because some property taxes and fines will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Property taxes

(65,491)

Fines

88,012

22,521

Disposal of assets should be reported as gains or losses in the government-wide financial statements.

Sale of capital assets

(116,933)

Gain on disposal of assets

108,600

(8,333)

Some items 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. These activities consist of:

Decrease in compensated absences

14,696

Decrease in accrued interest

3,060

Amortization of bond costs

(19,400)(1,644)**Change in net assets of governmental activities****\$ 1,055,312**

The accompanying notes are an integral part of this statement.

DeWITT COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2012

	<u>Agency Funds</u>
ASSETS	
Cash	\$ <u>862,305</u>
Total assets	\$ <u><u>862,305</u></u>
 LIABILITIES	
Due to others	\$ <u>862,305</u>
Total liabilities	\$ <u><u>862,305</u></u>

The accompanying notes are an integral part of this statement.

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DeWitt County, Texas (the "County") is a political subdivision of the State of Texas. The County was organized in 1846. The County is governed by the Commissioners' Court, which is composed of four (4) County Commissioners and the County Judge, all of whom are elected officials.

The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June of 1999, GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant reporting changes required under the provisions of Statement No. 34 are:

- The financial statements issued by the County will include:
 - A Management's Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the County's activities.
- A change in the fund financial statements to focus on the County's major funds.

The County has implemented the provisions of Statement No. 34. As such, these and other changes provided for by Statement No. 34 are reflected in the accompanying financial statements.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the County's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, and as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Under these guidelines, the reporting entity consists of the primary government (all funds of the County), organizations for which the primary government is financially accountable, organizations for which the primary government is not financially accountable, organizations that raise and hold economic resources for the direct benefit of the primary government, and any other organization for which the nature and significance of their relationship with the primary government is such that exclusion could cause the County's financial statements to be misleading or incomplete. Entities other than the primary government that are included in the primary government's financial statements are called component units. The component units discussed in this note are included in the County's financial statements because of the significance of their financial relationships with the County.

Discretely Presented Component Unit

DeWitt County Drainage District No. 1 (the "Drainage District") - The component unit column in the financial statements includes the financial data of the County's one discretely presented component unit. The Drainage District is reported in a separate column to emphasize that it is legally separate from the County. Each member of the Drainage District's board is appointed by the Commissioners' Court. Commissioners' Court receives the Drainage District's operating budget and any amendments thereto. Complete financial statements of the component unit can be obtained from the DeWitt County Auditor's office, 307 N. Gonzales St., Cuero, TX 77954.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all non-fiduciary activities of the County and its component unit. The primary government is reported separately from its legally separate component unit.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 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 revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, the discretely presented component unit, 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.

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

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. The agency funds have no measurement focus. Revenues are 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current 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.

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

The 2011 tax levy is dedicated to pay for expenditures of the 2012 budget.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Continued)

The County reports 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 for those required to be accounted for in another fund.

The Debt Service Fund accounts for financial resources that are restricted, committed, or assigned to expenditure for general government debt principal and interest.

Additionally, the County reports the following non-major governmental funds:

The Capital Project Fund accounts for the financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities. The County's capital project fund accounts for the proceeds of the 2006 Certificates of Obligation.

The Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

The County also reports Agency Funds to account for resources held for others in a custodial capacity. These resources include ad valorem taxes collected and to be distributed to other local governments, various fines and fees to be distributed to other governments, and trust funds held for minors, etc. The funds are excluded from the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the County. 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 revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The County Judge is, by statute, the budget officer of the County. After being furnished budget guidelines by the County Judge and Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures. Department officials appear before the Commissioners' Court and the County Auditor for departmental budget review. A proposed budget is prepared by the County Auditor, and then submitted to the Commissioners' Court. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Budgets and Budgetary Accounting - (Continued)

Budgets are adopted for the General Fund, the Special Revenue Funds that collect tax revenue, and the Debt Service Fund. All budgets adopted by the County are on the cash basis of accounting rather than in conformity with GAAP. Under the budgetary basis, revenues are recognized as collected and expenditures when paid. Budgeted special revenue funds include all Road and Bridge funds and the Indigent Health Care Fund.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring expenditures to keep them from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control (the level on which expenditures may not exceed appropriations) for each legally adopted annual operating budget is on a line-item basis. Any amendments above the line-item level must have the approval of the Commissioners' Court before implementation. The line-item level of control is defined by the basic categories of personnel services, supplies, other services and charges, capital outlay, and debt service.

Amendments made during the year netted no increase or decrease to either budgeted revenue or expenditure amounts.

Unused appropriations lapse at the end of each year, and because the County is on a cash budgetary basis, encumbrances are not reported for either accounting or financial reporting purposes.

E. Deposits

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Commissioners' Court has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995. The investments of the County are in compliance with the Commissioners' Court's investment policies. The County may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas. Investments authorized under this act include, but are not limited to, the following: Obligations of the United States; other obligations which are unconditionally guaranteed or backed by the full faith and credit of the State of Texas or the United States; certificates of deposit which are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC); and certain repurchase agreements.

F. Receivables and Payables

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

All trade, property tax, and fine receivables are shown net of an allowance for uncollectibles.

G. Inventory

Inventories of supplies on hand have not been recorded because such supplies are of an expendable nature and are expensed when purchased.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**H. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the government-wide statement of net assets. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 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 asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements other than buildings	10-50
Machinery and equipment	5-15
Office equipment and fixtures	5-10

I. Compensated Absences

Vacation benefits are accrued by County employees according to guidelines set in the County's personnel policy. This policy states that after completion of one year of service, each employee will thereafter accrue vacation according to the number of years of continuous service. Upon termination, employees are paid for any unused granted vacation. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Full-time employees are credited with four hours of sick leave per pay period. Sick days may be accumulated up to a maximum of 30 working days (240 hours). County personnel policies state that unused sick leave benefits will not be paid to employees upon termination; therefore, no sick leave benefits are accrued.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Fund Equity

Fund balances of Governmental Funds classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws and regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Commissioners' Court through a resolution or by other formal action. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the County Auditor based on Commissioners' Court direction.

For the classification of Governmental Fund balances, the County considers expenditures to be made from the most restrictive first when more than one classification is available.

It is the desire of the County to maintain adequate fund balances to provide sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Board has adopted a financial standard to maintain an "unassigned" General Fund fund balance of 25% of the total operating expenditures.

L. Use of Estimates

The preparation of the government-wide and fund financial statements in conformity with generally accepted accounting principles requires the County to make estimates and assessments that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Equity

There were no deficit fund balances in the current year.

B. Budgetary Compliance

Budgetary compliance is monitored at the line-item level in all budgeted governmental funds. For the year ended September 30, 2012, the County did not budget for other financing sources (uses) related to the equipment purchases with lease proceeds in the Road and Bridge Precinct special revenue funds.

NOTE 3: DEPOSITS AND INVESTMENTS

The County's cash deposits include amounts in demand deposits, money market accounts, and certificates of deposit and are held by several financial institutions.

Demand deposits	\$ 10,086,699
Plus: Money market funds	863,500
Certificates of deposit	400,000
Cash on hand	<u>10,806</u>
Total cash and cash equivalents	<u>\$ 11,361,005</u>

The County has no investments at year-end other than the money market funds and certificates of deposits that are considered cash equivalents.

NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)

A. Interest Rate Risk

In accordance with the County's investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio for investments to less than five years from the time of purchase. Specifically, investments of operating funds must have stated final maturities of three years or less and investments in capital project funds must have stated final maturities that do not exceed the expected completion date of the project for which the bonds were sold. The money market funds are redeemable in full immediately and therefore do not have a stated weighted average maturity.

B. Credit Risk

It is the County's policy to limit its investments to those with ratings of not less than A or its equivalent. The County has no investments at year-end other than the money market funds and certificates of deposit noted above. The portfolios of the money market funds are invested exclusively in U.S. Treasury bills, notes, bonds and other obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, and repurchase agreements backed by these securities. The funds have a credit rating of AAA.

C. Concentration of Credit Risk

The County's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the County was not exposed to concentration of credit risk.

D. Custodial Credit Risk - Deposits

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. The County's investment policy requires that deposits at financial institutions be insured by the FDIC and/or collateralized by securities pledged to the County by the depository in an amount equal to at least 110% of the carrying value of deposits held. At year-end, the coverage ratio was 177% and none of the County's deposits were exposed to custodial credit risk by being uninsured and uncollateralized. Coverage consisted of:

Amount insured by the FDIC or collateralized with securities held by the County or its agent in the County's name.	\$ 500,000
Amount collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.	<u>20,462,147</u>
Total coverage	<u>\$ 20,962,147</u>

NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)**E. Custodial Credit Risk - Investments**

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy requires that securities be held in the name of the County or held on behalf of the County and that all securities are purchased using the delivery versus payment method. At year-end, and for the year then ended, the County was not exposed to any custodial credit risk.

Please see Note 13 for discussions relative to the investments of the County's component unit.

NOTE 4: RECEIVABLES

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

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
Gross receivables				
Ad valorem taxes	\$ 309,343	\$ 76,322	\$ 78,671	\$ 464,336
Fines	<u>3,196,756</u>	<u>-</u>	<u>-</u>	<u>3,196,756</u>
Total gross receivables	3,506,099	76,322	78,671	3,661,092
Less: allowances	<u>2,397,567</u>	<u>-</u>	<u>-</u>	<u>2,397,567</u>
Total net receivables	<u>\$ 1,108,532</u>	<u>\$ 76,322</u>	<u>\$ 78,671</u>	<u>\$ 1,263,525</u>

The County's governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At year-end, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Major Funds			
Taxes receivable	\$ 385,665	\$ -	\$ 385,665
Fines receivable	<u>799,189</u>	<u>-</u>	<u>799,189</u>
	<u>1,184,854</u>	<u>-</u>	<u>1,184,854</u>
Nonmajor Funds			
Taxes receivable	78,671	-	78,671
Grant receivable	<u>-</u>	<u>-</u>	<u>-</u>
	<u>78,671</u>	<u>-</u>	<u>78,671</u>
Total deferred revenue	<u>\$ 1,263,525</u>	<u>\$ -</u>	<u>\$ 1,263,525</u>

Property taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on October 1st and payable by the following January 31st. The DeWitt County Tax Assessor-Collector bills and collects its own property taxes.

NOTE 4: RECEIVABLES - (Continued)

The Texas Constitution (Art. VIII, Sec. 9) imposes a limit of \$0.80 per \$100 assessed valuation for Operating Fund purposes (Jury, General, Permanent Improvement, and Road and Bridge Funds), including debt service for Permanent Improvement Bonds and Certificates of Indebtedness issued against such DeWitt County Funds. In addition, a \$0.30 Farm-to-Market Road Tax as authorized by Art. 7048A, VACS, and a Special Road and Bridge tax of \$0.15 has been voted and levied by the County for many years; hence, a total tax rate of \$1.25 is authorized for the County. Of the total tax rate of \$1.25 authorized for the County, only \$0.53822 was levied for the 2011 tax roll. This tax rate resulted in a current year tax levy of \$7,204,945.

The DeWitt County Drainage District No. 1, a component unit of the County, levies property taxes separate and apart from the County. Please see Note 13 for discussions relative to property taxes of the County's component unit.

NOTE 5: CAPITAL ASSETS

The County's capital asset activity was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 637,771	\$ -	\$ -	\$ 637,771
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>637,771</u>	<u>-</u>	<u>-</u>	<u>637,771</u>
Capital assets, being depreciated				
Buildings and improvements	21,950,034	6,200	-	21,956,234
Machinery and equipment	3,267,876	805,791	252,077	3,821,590
Vehicles	636,926	386,170	25,200	997,896
Total capital assets being depreciated	<u>25,854,836</u>	<u>1,198,161</u>	<u>277,277</u>	<u>26,775,720</u>
Less accumulated depreciation for				
Buildings and improvements	2,764,442	526,494	-	3,290,936
Machinery and equipment	2,323,337	274,268	243,744	2,353,861
Vehicles	396,800	134,728	25,200	506,328
Total accumulated depreciation	<u>5,484,579</u>	<u>935,490</u>	<u>268,944</u>	<u>6,151,125</u>
Total capital assets being depreciated, net	<u>20,370,257</u>	<u>262,671</u>	<u>8,333</u>	<u>20,624,595</u>
Governmental activities capital assets, net	<u>\$ 21,008,028</u>	<u>\$ 262,671</u>	<u>\$ 8,333</u>	<u>\$ 21,262,366</u>

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

Governmental activities

General government	\$ 243,227
Judicial	149,678
Public works	514,520
Health and welfare	28,065
Total depreciation expense - governmental activities	<u>\$ 935,490</u>

NOTE 6: EMPLOYEES' RETIREMENT PLAN

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 602 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 governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 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 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

A. Funding Policy

The employer has elected the annually determined contribution 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. It was 7.40% for calendar year 2012 and 7.40% for calendar year 2011. The deposit rate payable by the employee members is the rate of 7.00% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

B. Annual Pension Cost

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2011, the basis for determining the contribution rate for calendar year 2012.

NOTE 6: EMPLOYEES' RETIREMENT PLAN - (Continued)

C. Actuarial Valuation and Trend Information

Actuarial Valuation Information

	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage	level percentage	level percentage
	of payroll, closed	of payroll, closed	of payroll, closed
Amortization period in years	11.8	11.8	13.2
Asset valuation method	10 year	10 year	10 year
	smoothed	smoothed	smoothed
	value	value	value
Assumptions:			
Investment return ⁽¹⁾	8.00%	8.00%	8.00%
Projected salary increases ⁽¹⁾	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

⁽¹⁾ Includes inflation at the stated rate

**Trend Information for the Retirement Plan for the
Employees of DeWitt County, Texas**

<u>Fiscal Year Ending September 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2011	\$ 288,531	100%	\$ -
2010	286,695	100%	-
2009	258,384	100%	-

**Schedule of Funding Progress for the Retirement Plan
for the Employees of DeWitt County, Texas**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll ⁽¹⁾ (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/11	\$ 7,052,381	\$ 7,960,336	\$ 907,955	88.59%	\$ 3,899,073	23.29%
12/31/10	6,930,983	7,799,897	868,914	88.86%	3,874,263	22.43%
12/31/09	6,930,910	7,799,573	868,663	88.86%	3,491,681	24.88%

⁽¹⁾ The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

NOTE 7: DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Except in specified circumstances, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In 1998, the County transferred plan assets to an independent trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 8: 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 purchased commercial insurance to cover risks associated with potential claims. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NOTE 9: LONG-TERM DEBT**A. Changes In Long-Term Liabilities**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds and certificates payable					
2006 CO's	8,920,000	-	430,000	8,490,000	450,000
2010 Refunding	<u>2,635,000</u>	<u>-</u>	<u>180,000</u>	<u>2,455,000</u>	<u>185,000</u>
Total bonds payable	<u>11,555,000</u>	<u>-</u>	<u>610,000</u>	<u>10,945,000</u>	<u>635,000</u>
Capital leases payable	296,977	345,547	86,926	555,598	130,813
Compensated absences	<u>175,039</u>	<u>30,000</u>	<u>44,696</u>	<u>160,343</u>	<u>30,000</u>
Total other	<u>472,016</u>	<u>375,547</u>	<u>131,622</u>	<u>715,941</u>	<u>160,813</u>
Total governmental activity long-term liabilities	<u>\$ 12,027,016</u>	<u>\$ 375,547</u>	<u>\$ 741,622</u>	<u>\$ 11,660,941</u>	<u>\$ 795,813</u>

Compensated absences are generally liquidated by the General Fund.

B. General Obligation Certificates and Bonds

Long-term bonds and obligations at year-end are comprised of the following issues:

\$10,800,000 2006 Certificates of Obligation dated August 1, 2006, for jail expansion. Due in annual installments ranging from \$330,000 to \$800,000 through 2026. Interest varying between 4.125% and 4.750%.	\$ 8,490,000
\$2,810,000 Series 2010 Refunding Bonds dated July 15, 2010. Due in annual installments ranging from \$175,000 to \$265,000 through 2023. Interest fixed at 3.59%.	<u>2,455,000</u>
Total long-term debt obligations	<u>\$ 10,945,000</u>

NOTE 9: LONG-TERM DEBT - (Continued)**B. General Obligation Certificates and Bonds - (Continued)**

Five-year maturities are as follows:

Year Ending September 30	2006 CO's		2010 Refunding		Total
	Principal	Interest	Principal	Interest	
2013	450,000	366,891	185,000	84,814	1,086,705
2014	470,000	347,341	195,000	77,993	1,090,334
2015	490,000	326,941	200,000	70,902	1,087,843
2016	510,000	305,691	205,000	63,633	1,084,324
2017	530,000	283,724	215,000	56,094	1,084,818
2018-2022	3,050,000	1,030,938	1,190,000	157,601	5,428,539
2023-2026	2,990,000	276,541	265,000	4,756	3,536,297
	<u>\$ 8,490,000</u>	<u>\$ 2,938,067</u>	<u>\$ 2,455,000</u>	<u>\$ 515,793</u>	<u>\$ 14,398,860</u>

C. Capital Leases

Lease agreement on loader/backhoe for Precinct 4 purchased in 2011 and due in 3 payments of \$18,345 at an interest rate of 3.29% with a final payment on April 4, 2014. \$ 34,948

Lease agreement on JD Motorgrader for Precinct 4 purchased in 2012 and due in 5 payments of \$33,083 at an interest rate of 3.06% with a final payment on February 21, 2017. 151,200

Lease agreement on wheel loader for Precinct 3 purchased in 2011 and due in five payments of \$24,693 at an interest rate of 3.37% with a final payment on April 6, 2016. 90,164

Lease agreement on Volvo Motorgrader for Precinct 2 purchased in 2012 and due in 5 payments of \$42,487 at an interest rate of 3.00% with a final payment on May 20, 2017. 194,346

Lease agreement on a motorgrader for Precinct 1 purchased in 2010 and due in five payments of \$30,405 at an interest rate of 3.59% with a final payment on July 15, 2015. 84,940

Total capital leases \$ 555,598

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2013	\$ 130,813	\$ 18,200	\$ 149,013
2014	135,174	13,839	149,013
2015	121,323	9,345	130,668
2016	94,960	5,305	100,265
2017	73,328	2,241	75,569
	<u>\$ 555,598</u>	<u>\$ 48,930</u>	<u>\$ 604,528</u>

NOTE 10: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**A. Interfund Receivables and Payables**

At times during the fiscal year the various funds of the County were involved in transactions that created interfund receivable and payable balances. Balances at year-end were zero.

B. Interfund Transfers

Each year various funds of the County transfer funds to other funds. The most significant of these are the planned transfers from the County's General Fund to the Health Department and the Juvenile Probation Department, both special revenue funds.

<u>Transfers Out</u>	<u>Transfers In - Governmental Funds</u>		
	<u>Major</u>	<u>Nonmajor</u>	<u>Total</u>
General fund	\$ -	\$ 366,229	\$ 366,229
Nonmajor funds	-	1,945,289	1,945,289
	<u>\$ -</u>	<u>\$ 2,311,518</u>	<u>\$ 2,311,518</u>

NOTE 11: CONTINGENCIES

The County is exposed to the risk of contingent liabilities in the ordinary course of its operations. Specifically, such risks arise as a result of the County's participation in various state and federal grant programs and as a result of threatened and pending litigation. Disallowed costs could result if County expenditures made under its grants programs are found to be improper in that they violate state or federal regulations. Such disallowed costs would have to be paid back to the granting agency from the General Fund of the County. The County is not aware of any costs that have been disallowed in the current year and does not anticipate that any will be.

Based on the above information, the accompanying financial statements do not reflect any accrual for contingent liabilities.

NOTE 12: SUBSEQUENT EVENT

There were no events, which occurred subsequent to fiscal year-end and prior to the issuance of this report, which would have a material effect on the County's financial position as of September 30, 2012.

NOTE 13: COMPONENT UNIT

As described in Note 1, the Dewitt County Drainage District No. 1 (the "Drainage District") is a component unit of the County. It is reported in a separate column to emphasize that it is legally separate for accounting purposes from the County. Following are note disclosures for this component unit.

A. Organization

The Drainage District operates under a Board of Directors form of government and provides drainage services to the residents of the Drainage District. The Drainage District was created with a Commissioners' Court order passed on May 6, 1914.

NOTE 13: COMPONENT UNIT - (Continued)

B. Summary of Significant Accounting Policies

The accounting and reporting policies of the Drainage District conform to GAAP, as applicable to governmental units. For inclusion in this report, the Drainage District's operations are reported in a single governmental fund type.

C. Deposits and Investments

Deposits

The Drainage District's deposits are held at the County's depository bank and are completely covered by FDIC insurance or by pledged collateral held by the bank's agent in the County's name. At year-end, the carrying amount of the District's cash deposits was \$387,403, and the bank balance was \$393,801.

Investments

The Drainage District is authorized by statute to invest in obligations issued or guaranteed by the United States government; direct obligations of the State of Texas or its agencies; other obligations, the principal of and interest on which are guaranteed by the State of Texas or the United States; obligations of State agencies, counties, cities and other political subdivisions of any state which is of investment quality and which has received a rating of not less than A or its equivalent; fully secured certificates of deposit; eligible investment pools as per the Public Funds Investment Act; and no-load Securities and Exchange Commission (SEC) registered mutual funds that are invested in allowed securities.

The Drainage District had \$10,876 invested in registered money market mutual funds at year-end and \$400,000 invested in certificates of deposit. These investments are stated at fair value, which approximates cost, and are considered cash equivalents for financial reporting purposes.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1st. Taxes are levied October 1st and payable by the following January 31st. The County bills and collects the taxes for the Drainage District. Property taxes levied for the 2011 tax roll were \$127,365 with a tax rate set at \$0.063020 per \$100 of assessed valuation.

E. Capital Assets

Capital assets, which include machinery and equipment, office equipment, and buildings, are reported in the applicable governmental activities column in the government-wide statement of net assets. The Drainage District defines capital assets as all assets with 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 13: COMPONENT UNIT - (Continued)**E. Capital Assets - (Continued)**

The Drainage District's capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Machinery and equipment	3-7
Buildings	10
Office equipment	3-7
Infrastructure	40

Capital asset activity for the current year was as follows:

	<u>Beginning</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,353	\$ -	\$ -	\$ 1,353
Total capital assets, not being depreciated	<u>1,353</u>	<u>-</u>	<u>-</u>	<u>1,353</u>
Capital assets, being depreciated				
Buildings	912	-	-	912
Machinery and equipment	53,206	12,568	-	65,774
Office equipment	1,363	-	-	1,363
Infrastructure	<u>454,456</u>	<u>-</u>	<u>-</u>	<u>454,456</u>
Total capital assets, being depreciated	<u>509,937</u>	<u>12,568</u>	<u>-</u>	<u>522,505</u>
Less accumulated depreciation for				
Buildings	912	-	-	912
Machinery and equipment	50,314	4,650	-	54,964
Office equipment	1,363	-	-	1,363
Infrastructure	<u>65,151</u>	<u>11,361</u>	<u>-</u>	<u>76,512</u>
Total accumulated depreciation	<u>117,740</u>	<u>16,011</u>	<u>-</u>	<u>133,751</u>
Governmental activities capital assets, net	<u>\$ 393,550</u>	<u>\$ (3,443)</u>	<u>\$ -</u>	<u>\$ 390,107</u>

Depreciation expense of \$16,011 was charged to the general government function/program.

Required Supplementary Information

DeWITT COUNTY, TEXAS**MAJOR GOVERNMENTAL FUND - GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL***For the year ended September 30, 2012*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Budget to GAAP Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES					
Taxes	\$ 3,357,433	\$ 3,357,433	\$ 3,494,899	\$ 6,644	\$ 3,488,255
Licenses and permits	4,000	4,000	7,671	-	7,671
Intergovernmental	371,910	379,118	557,846	17,716	540,130
Charges for services	776,512	776,512	963,096	(2,446)	965,542
Fines and forfeitures	402,300	402,300	460,212	3,472	456,740
Interest	35,500	35,500	41,001	(2,023)	43,024
Miscellaneous	31,000	31,000	53,651	3,605	50,046
Total revenues	<u>4,978,655</u>	<u>4,985,863</u>	<u>5,578,376</u>	<u>26,968</u>	<u>5,551,408</u>
EXPENDITURES					
Current					
General government	2,113,036	2,064,689	1,674,624	(8,919)	1,683,543
Judicial	945,333	960,511	910,277	(14,396)	924,673
Public works	3,621,218	3,661,595	3,242,983	(22,823)	3,265,806
Health and welfare	140,786	140,786	132,754	622	132,132
Total expenditures	<u>6,820,373</u>	<u>6,827,581</u>	<u>5,960,638</u>	<u>(45,516)</u>	<u>6,006,154</u>
Excess of revenues over expenditures	<u>(1,841,718)</u>	<u>(1,841,718)</u>	<u>(382,262)</u>	<u>72,484</u>	<u>(454,746)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	(37,000)	37,000
Transfers out	(366,229)	(366,229)	(366,229)	-	(366,229)
Total other financing sources (uses)	<u>(366,229)</u>	<u>(366,229)</u>	<u>(366,229)</u>	<u>(37,000)</u>	<u>(329,229)</u>
Net change in fund balance	(2,207,947)	(2,207,947)	(748,491)	35,484	(783,975)
Fund balance, beginning of year	<u>4,840,050</u>	<u>4,840,050</u>	<u>4,840,050</u>	<u>(170,049)</u>	<u>5,010,099</u>
Fund balance, end of year	<u>\$ 2,632,103</u>	<u>\$ 2,632,103</u>	<u>\$ 4,091,559</u>	<u>\$ (134,565)</u>	<u>\$ 4,226,124</u>

DeWITT COUNTY, TEXAS**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION***September 30, 2012*

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The County annually adopts budgets that are prepared using the cash basis of accounting, which is not consistent with generally accepted accounting principles (GAAP). A reconciliation to GAAP basis is provided in the preceding statement.

NOTE 2: BUDGETARY LEGAL COMPLIANCE

Budgetary compliance is monitored at the line-item level in all budgeted governmental funds. For the current year, the County was within appropriations for all line-item expenditures.

Combining and Individual Fund Statements and Schedules

DeWITT COUNTY, TEXAS**ALL NONMAJOR GOVERNMENTAL FUNDS****COMBINING BALANCE SHEET**

September 30, 2012

	Total Nonmajor Special Revenue	Capital Project Fund	Total Nonmajor Governmental Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 4,938,810	\$ 1,064,091	\$ 6,002,901
Taxes receivable	78,670	-	78,670
Due from others	4,364	-	4,364
Total assets	<u>\$ 5,021,844</u>	<u>\$ 1,064,091</u>	<u>\$ 6,085,935</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 56,953	\$ 457	\$ 57,410
Accrued expenditures	67,622	-	67,622
Deferred revenue	78,670	-	78,670
Total liabilities	<u>203,245</u>	<u>457</u>	<u>203,702</u>
Fund balances			
Restricted			
Courts	347,637	-	347,637
Health and welfare	111,446	-	111,446
Public safety	140,981	-	140,981
Public works	4,218,535	-	4,218,535
Various capital projects	-	1,063,634	1,063,634
Total fund balances	<u>4,818,599</u>	<u>1,063,634</u>	<u>5,882,233</u>
Total liabilities and fund balances	<u>\$ 5,021,844</u>	<u>\$ 1,064,091</u>	<u>\$ 6,085,935</u>

DeWITT COUNTY, TEXAS**ALL NONMAJOR GOVERNMENTAL FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES***For the year ended September 30, 2012*

	Total Nonmajor Special Revenue	Capital Project Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 2,509,092	\$ -	\$ 2,509,092
Licenses and permits	633,125	-	633,125
Intergovernmental	431,442	-	431,442
Charges for services	1,574,412	-	1,574,412
Interest	37,135	6,790	43,925
Miscellaneous	118,516	-	118,516
Total revenues	<u>5,303,722</u>	<u>6,790</u>	<u>5,310,512</u>
EXPENDITURES			
Current			
General government	149,544	-	149,544
Judicial	157,416	-	157,416
Public works	4,277,043	18,784	4,295,827
Health and welfare	424,978	-	424,978
Total expenditures	<u>5,008,981</u>	<u>18,784</u>	<u>5,027,765</u>
Excess (deficiency) of revenues over expenditures	<u>294,741</u>	<u>(11,994)</u>	<u>282,747</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	116,933	-	116,933
Lease proceeds	345,547	-	345,547
Transfers in	2,274,518	-	2,274,518
Transfers out	(1,945,289)	-	(1,945,289)
Total other financing sources (uses)	<u>791,709</u>	<u>-</u>	<u>791,709</u>
Net change in fund balances	1,086,450	(11,994)	1,074,456
Fund balances, beginning of year	<u>3,732,149</u>	<u>1,075,628</u>	<u>4,807,777</u>
Fund balances, end of year	<u>\$ 4,818,599</u>	<u>\$ 1,063,634</u>	<u>\$ 5,882,233</u>

NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds for the County are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Road and Bridge Funds

The Road and Bridge Funds are constitutional funds established to account for current funds used for the purpose of constructing and maintaining roads and bridges. The principal sources of revenues for these funds are ad valorem taxes, vehicle registrations, and intergovernmental revenues.

The County is divided into four precincts, each of which is administered by one of the four County Commissioners. Each precinct has a separate budget for the construction and maintenance of roads and bridges in the precinct.

The Road and Bridge Funds consist of the following seven funds:

- The Road and Bridge General Fund is used to account for revenues received from ad valorem taxes, for the four County Commissioners' salaries and payroll expenses, continuing education, and travel.
- The four Road and Bridge Precinct Funds (No.'s 1, 2, 3, and 4) are used to account for costs associated with the construction and maintenance of roads and bridges in the four Commissioners' precincts. Revenues are derived primarily from vehicle registration licenses, State Lateral Road Distribution Grants, and interest earnings. Transfers are received from the Road and Bridge Special Fund, the Road and Bridge General Fund, and the County Road and Flood Control Fund.
- The Road and Bridge Special Fund is used to account for revenues derived from ad valorem taxes resulting from a special tax levy for special road and bridge maintenance and construction purposes and the subsequent transfer of such funds to the four precincts. The fund also pays for special road and bridge projects sponsored by the Texas Department of Transportation.
- The County Road and Flood Control Fund is used to account for revenues from ad valorem taxes resulting from a special tax levy for that purpose and for the subsequent transfer of such funds to the four precincts.

Other Special Revenue Funds

The Other Special Revenue Funds consist of grant and special fee funds that account for revenues that are expended for particular functions and activities.

The Other Special Revenue Funds consist of the following twenty-five funds:

- The Jail Commissary Fund is used to account for fees collected from commissary sales that are used for the benefit of the inmates and to help defray the cost of operating the commissary.
- The Appellate Judicial System Fund is used to account for fees collected by the County and District Courts to help defray the cost of operating and maintaining the appeals court system in Texas.
- The Voting Equipment Fund was established to account for funds received and expended for electronic voting equipment as required by the Help Americans Vote Act.
- The Election Contract Services Fund is used to account for fees collected by the Elections Administrator from entities within the County who wish to contract out their election process.
- The Justice Court Security Fund is used to account for fees collected by the Justice of the Peace Courts to help defray the cost of maintaining security for their offices not located in the Courthouse building.

Other Special Revenue Funds - (Continued)

- The Capital Credits Fund represents allocated unclaimed money received by the Comptroller of Texas from an electric cooperative. The funds are to be used only for carrying out economic development programs.
- The Law Library Fund provides for the establishment and maintenance of a library for the use of members of the Texas Bar Association. It is stocked with several thousand books. Revenues are derived from fees that are assessed in each civil case filed in the County and District Courts.
- The Records Management and County Clerk Records Management Funds are used to account for the record management fees collected on various transactions and the subsequent expenditure of these monies for preservation and records management.
- The Courthouse Security Fund accounts for fees received from the County and District Clerks and used for courthouse security.
- The Justice Court Technology Fund accounts for collection of Justice of the Peace (J.P.) fees used for technology upgrades to computers and software in the J.P. offices.
- The Health Department Fund accounts for a state health grant and other local government revenues used to provide health care for the needy.
- The Family Protection Fund accounts for fees collected by the District Clerk on suits from the dissolution of marriage that are used to establish a program, or aid non-profit organizations that provides family protection services.
- The District Clerk Records Management Fund accounts for fee collections by the District Clerk and used for records preservation and management expenditures within that department.
- The County and District Court Technology Fund accounts for the collection of the County and District Clerks fees used for technology upgrades to computers and software in those offices.
- The LEOSE Funds for the two Constables and the Sheriff accounts for funds received from the State Comptroller to provide extra training for law enforcement officials and employees.
- The District Attorney Fund accounts for contributions from the three counties within the 24th Judicial District used for miscellaneous expenditures within the District Attorney's Department.
- The Juvenile Probation Fund and the Juvenile Probation Title IV-E Fund account for revenues from the County and the Texas Juvenile Probation Commission that are used for costs incurred by the County's Juvenile Probation Department.
- The Sheriff's Forfeiture Fund is used to account for revenues and expenditures that result from the sale of forfeited property.
- The Indigent Health Care Fund accounts for revenues received from ad valorem taxes and state assistance used to provide health care to County indigents.
- The Check Collecting and Processing Fund accounts for the fees generated by the County Attorney in collecting bad checks. The funds are used for normal operating costs within the department.
- The Voter Registration Fund accounts for State funds used to assist in the registration of voters.

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - ALL SPECIAL REVENUE FUNDS****COMBINING BALANCE SHEET**

September 30, 2012

	<u>Road and Bridge</u>	<u>Other Special Revenue</u>	<u>Total</u>
ASSETS			
Current assets			
Cash	\$ 4,218,316	\$ 720,494	\$ 4,938,810
Taxes receivable	75,581	3,089	78,670
Due from others	<u>1,428</u>	<u>2,936</u>	<u>4,364</u>
Total assets	<u>\$ 4,295,325</u>	<u>\$ 726,519</u>	<u>\$ 5,021,844</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 34,434	\$ 22,519	\$ 56,953
Accrued expenditures	48,483	19,139	67,622
Deferred revenue	<u>75,581</u>	<u>3,089</u>	<u>78,670</u>
Total liabilities	<u>158,498</u>	<u>44,747</u>	<u>203,245</u>
Fund balances			
Restricted			
Courts	-	347,637	347,637
Health and welfare	-	111,446	111,446
Public safety	-	140,981	140,981
Public works	<u>4,136,827</u>	<u>81,708</u>	<u>4,218,535</u>
Total fund balances	<u>4,136,827</u>	<u>681,772</u>	<u>4,818,599</u>
Total liabilities and fund balances	<u>\$ 4,295,325</u>	<u>\$ 726,519</u>	<u>\$ 5,021,844</u>

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - ALL SPECIAL REVENUE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

For the year ended September 30, 2012

	Road and Bridge	Other Special Revenue	Total
REVENUES			
Taxes	\$ 2,308,688	\$ 200,404	\$ 2,509,092
Licenses and permits	633,125	-	633,125
Intergovernmental	26,950	404,492	431,442
Charges for services	1,373,319	201,093	1,574,412
Interest	31,632	5,503	37,135
Miscellaneous	36,579	81,937	118,516
Total revenues	<u>4,410,293</u>	<u>893,429</u>	<u>5,303,722</u>
EXPENDITURES			
Current			
General government	-	149,544	149,544
Judicial	-	157,416	157,416
Public works	3,909,984	367,059	4,277,043
Health and welfare	-	424,978	424,978
Total expenditures	<u>3,909,984</u>	<u>1,098,997</u>	<u>5,008,981</u>
Excess (deficiency) of revenues over expenditures	<u>500,309</u>	<u>(205,568)</u>	<u>294,741</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	115,933	1,000	116,933
Lease proceeds	345,547	-	345,547
Transfers in	1,945,289	329,229	2,274,518
Transfers out	(1,945,289)	-	(1,945,289)
Total other financing sources (uses)	<u>461,480</u>	<u>330,229</u>	<u>791,709</u>
Net change in fund balance	961,789	124,661	1,086,450
Fund balances, beginning of year	<u>3,175,038</u>	<u>557,111</u>	<u>3,732,149</u>
Fund balances, end of year	<u>\$ 4,136,827</u>	<u>\$ 681,772</u>	<u>\$ 4,818,599</u>

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****ROAD AND BRIDGE FUNDS****COMBINING BALANCE SHEET**

September 30, 2012

	<u>Road and Bridge General</u>	<u>Precinct No. 1</u>	<u>Precinct No. 2</u>	<u>Precinct No. 3</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 98,362	\$ 947,714	\$ 762,168	\$ 1,693,308
Taxes receivable	35,018	-	-	-
Due from others	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,428</u>
Total assets	<u>\$ 133,380</u>	<u>\$ 947,714</u>	<u>\$ 762,168</u>	<u>\$ 1,694,736</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ -	\$ 6,863	\$ 2,519	\$ 22,130
Accrued expenditures	9,808	10,094	9,254	11,565
Deferred revenue	<u>35,020</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	44,828	16,957	11,773	33,695
Fund balance				
Restricted - public works	<u>88,554</u>	<u>930,757</u>	<u>750,395</u>	<u>1,661,041</u>
Total liabilities and fund balance	<u>\$ 133,382</u>	<u>\$ 947,714</u>	<u>\$ 762,168</u>	<u>\$ 1,694,736</u>

<u>Precinct No. 4</u>	<u>Special Road and Bridge</u>	<u>County Road and Flood</u>	<u>Totals</u>
\$ 532,526	\$ 146,021	\$ 38,217	\$ 4,218,316
-	7,347	33,216	75,581
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,428</u>
<u>\$ 532,526</u>	<u>\$ 153,368</u>	<u>\$ 71,433</u>	<u>\$ 4,295,325</u>
\$ 2,922	\$ -	\$ -	\$ 34,434
7,762	-	-	48,483
<u>-</u>	<u>7,347</u>	<u>33,216</u>	<u>75,583</u>
10,684	7,347	33,216	158,500
<u>521,842</u>	<u>146,021</u>	<u>38,217</u>	<u>4,136,827</u>
<u>\$ 532,526</u>	<u>\$ 153,368</u>	<u>\$ 71,433</u>	<u>\$ 4,295,327</u>

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****ROAD AND BRIDGE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES***For the year ended September 30, 2012*

	Road and Bridge General	Precinct No. 1	Precinct No. 2	Precinct No. 3
REVENUES				
Taxes	\$ 1,147,910	\$ -	\$ -	\$ -
Licenses and permits	-	184,400	132,608	227,053
Intergovernmental	-	5,552	6,198	10,780
Interest	3,802	6,201	4,392	9,530
Road use agreements	-	392,000	160,000	576,000
Pipeline crossings	-	72,660	46,062	122,963
Miscellaneous	833	20,360	14,841	404
Total revenues	<u>1,152,545</u>	<u>681,173</u>	<u>364,101</u>	<u>946,730</u>
EXPENDITURES				
Current				
Public works	<u>265,864</u>	<u>1,007,985</u>	<u>901,611</u>	<u>1,017,596</u>
Total expenditures	<u>265,864</u>	<u>1,007,985</u>	<u>901,611</u>	<u>1,017,596</u>
Excess (deficiency) of revenues over expenditures	<u>886,681</u>	<u>(326,812)</u>	<u>(537,510)</u>	<u>(70,866)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	10,450	26,535	56,677
Lease proceeds	-	-	194,346	-
Transfers in	-	470,705	486,929	572,099
Transfers out	<u>(861,180)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(861,180)</u>	<u>481,155</u>	<u>707,810</u>	<u>628,776</u>
Net change in fund balances	25,501	154,343	170,300	557,910
Fund balances, beginning of year	<u>63,053</u>	<u>776,414</u>	<u>580,095</u>	<u>1,103,131</u>
Fund balances, end of year	<u>\$ 88,554</u>	<u>\$ 930,757</u>	<u>\$ 750,395</u>	<u>\$ 1,661,041</u>

Precinct No. 4	Special Road and Bridge	County Road and Flood	Totals
\$ -	\$ 564,797	\$ 595,981	\$ 2,308,688
89,064	-	-	633,125
4,420	-	-	26,950
3,106	2,511	2,090	31,632
-	-	-	1,128,000
3,634	-	-	245,319
141	-	-	36,579
<u>100,365</u>	<u>567,308</u>	<u>598,071</u>	<u>4,410,293</u>
 660,553	 56,375	 -	 3,909,984
<u>660,553</u>	<u>56,375</u>	<u>-</u>	<u>3,909,984</u>
 (560,188)	 510,933	 598,071	 500,309
 22,271	 -	 -	 115,933
151,201	-	-	345,547
415,556	-	-	1,945,289
-	(487,273)	(596,836)	(1,945,289)
<u>589,028</u>	<u>(487,273)</u>	<u>(596,836)</u>	<u>461,480</u>
 28,840	 23,660	 1,235	 961,789
<u>493,002</u>	<u>122,361</u>	<u>36,982</u>	<u>3,175,038</u>
<u>\$ 521,842</u>	<u>\$ 146,021</u>	<u>\$ 38,217</u>	<u>\$ 4,136,827</u>

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****OTHER SPECIAL REVENUE FUNDS****COMBINING BALANCE SHEET**

September 30, 2012

	<u>Jail Commissary</u>	<u>Appellate Judicial System</u>	<u>Voting Equipment</u>	<u>Election Contract Services</u>	<u>Justice Court Security</u>	<u>Capital Credits</u>
ASSETS						
Current assets						
Cash and cash equivalents	\$ 27,898	\$ 1,090	\$ 16,750	\$ 1,763	\$ 13,019	\$ -
Taxes receivable	-	-	-	-	-	-
Due from others	-	-	-	-	-	-
Total assets	<u>\$ 27,898</u>	<u>\$ 1,090</u>	<u>\$ 16,750</u>	<u>\$ 1,763</u>	<u>\$ 13,019</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenditures	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Restricted:						
Courts	-	1,090	16,750	1,763	13,019	-
Health and welfare	-	-	-	-	-	-
Public safety	27,298	-	-	-	-	-
Public works	-	-	-	-	-	-
Total fund balances	<u>27,298</u>	<u>1,090</u>	<u>16,750</u>	<u>1,763</u>	<u>13,019</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 27,898</u>	<u>\$ 1,090</u>	<u>\$ 16,750</u>	<u>\$ 1,763</u>	<u>\$ 13,019</u>	<u>\$ -</u>

<u>Law Library</u>	<u>Records Mgmt.</u>	<u>Co. Clerk Records Mgmt.</u>	<u>Courthouse Security</u>	<u>Justice Court Technology</u>	<u>Health Department</u>	<u>Family Protection</u>	<u>District Clerk Records Mgmt.</u>
\$ 39,888	\$ 33,947	\$ 199,656	\$ 48,176	\$ 5,135	\$ 38,928	\$ 15	\$ 12,893
-	-	-	-	-	-	-	-
-	-	-	-	-	2,936	-	-
<u>\$ 39,888</u>	<u>\$ 33,947</u>	<u>\$ 199,656</u>	<u>\$ 48,176</u>	<u>\$ 5,135</u>	<u>\$ 41,864</u>	<u>\$ 15</u>	<u>\$ 12,893</u>
\$ 995	\$ -	\$ -	\$ -	\$ 150	\$ 4,030	\$ -	\$ -
-	-	723	135	-	5,831	-	-
-	-	-	-	-	-	-	-
<u>995</u>	<u>-</u>	<u>723</u>	<u>135</u>	<u>150</u>	<u>9,861</u>	<u>-</u>	<u>-</u>
38,893	33,947	198,933	-	4,985	-	-	12,893
-	-	-	-	-	32,003	15	-
-	-	-	-	-	-	-	-
-	-	-	48,041	-	-	-	-
<u>38,893</u>	<u>33,947</u>	<u>198,933</u>	<u>48,041</u>	<u>4,985</u>	<u>32,003</u>	<u>15</u>	<u>12,893</u>
<u>\$ 39,888</u>	<u>\$ 33,947</u>	<u>\$ 199,656</u>	<u>\$ 48,176</u>	<u>\$ 5,135</u>	<u>\$ 41,864</u>	<u>\$ 15</u>	<u>\$ 12,893</u>

(Continued)

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****OTHER SPECIAL REVENUE FUNDS****COMBINING BALANCE SHEET**

September 30, 2012

	<u>Court Technology</u>	<u>Constable 1 LEOSE</u>	<u>Constable 2 LEOSE</u>	<u>Sheriff LEOSE</u>	<u>District Attorney</u>	<u>Juvenile Probation</u>
ASSETS						
Current assets						
Cash and cash equivalents	\$ 1,173	\$ 309	\$ 3,608	\$ 4,439	\$ 22,116	\$ 118,038
Taxes receivable	-	-	-	-	-	-
Due from others	-	-	-	-	-	-
Total assets	<u>\$ 1,173</u>	<u>\$ 309</u>	<u>\$ 3,608</u>	<u>\$ 4,439</u>	<u>\$ 22,116</u>	<u>\$ 118,038</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 469	\$ 6,172
Accrued expenditures	-	-	-	-	2,228	7,289
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,697</u>	<u>13,461</u>
Fund balances						
Restricted:						
Courts	1,173	-	-	-	19,419	-
Health and welfare	-	-	-	-	-	-
Public safety	-	309	3,608	4,439	-	104,577
Public works	-	-	-	-	-	-
Total fund balances	<u>1,173</u>	<u>309</u>	<u>3,608</u>	<u>4,439</u>	<u>19,419</u>	<u>104,577</u>
Total liabilities and fund balances	<u>\$ 1,173</u>	<u>\$ 309</u>	<u>\$ 3,608</u>	<u>\$ 4,439</u>	<u>\$ 22,116</u>	<u>\$ 118,038</u>

<u>Juvenile Probation Title IV-E</u>	<u>Sheriff's Forfeiture</u>	<u>Indigent Health Care</u>	<u>Check Collection & Processing</u>	<u>Voter Registration</u>	<u>Totals</u>
\$ 750	\$ 7,520	\$ 91,101	\$ 27,510	\$ 4,772	\$ 720,494
-	-	3,089	-	-	3,089
-	-	-	-	-	2,936
<u>\$ 750</u>	<u>\$ 7,520</u>	<u>\$ 94,190</u>	<u>\$ 27,510</u>	<u>\$ 4,772</u>	<u>\$ 726,519</u>
\$ -	\$ -	\$ 10,103	\$ -	\$ -	\$ 22,519
-	-	1,570	1,363	-	19,139
-	-	3,089	-	-	3,089
-	-	14,762	1,363	-	44,747
-	-	-	-	4,772	347,637
-	-	79,428	-	-	111,446
750	-	-	-	-	140,981
-	7,520	-	26,147	-	81,708
<u>750</u>	<u>7,520</u>	<u>79,428</u>	<u>26,147</u>	<u>4,772</u>	<u>681,772</u>
<u>\$ 750</u>	<u>\$ 7,520</u>	<u>\$ 94,190</u>	<u>\$ 27,510</u>	<u>\$ 4,772</u>	<u>\$ 726,519</u>

(Concluded)

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****OTHER SPECIAL REVENUE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES***For the year ended September 30, 2012*

	<u>Jail Commissary</u>	<u>Appellate Judicial System</u>	<u>Voting Equipment</u>	<u>Election Contract Services</u>	<u>Justice Court Security</u>	<u>Capital Credits</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	13,768	1,090	2,400	14,597	2,279	-
Interest	-	-	147	-	88	-
Miscellaneous	<u>41,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>55,315</u>	<u>1,090</u>	<u>2,547</u>	<u>14,597</u>	<u>2,367</u>	<u>-</u>
EXPENDITURES						
Current						
General government	43,879	1,360	9,026	12,834	-	6,166
Judicial	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>43,879</u>	<u>1,360</u>	<u>9,026</u>	<u>12,834</u>	<u>-</u>	<u>6,166</u>
Excess (deficiency) of revenues over expenditures	11,436	(270)	(6,479)	1,763	2,367	(6,166)
OTHER FINANCING SOURCES						
Sale of capital assets	-	-	-	-	-	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	11,436	(270)	(6,479)	1,763	2,367	(6,166)
Fund balances, beginning of year	<u>15,862</u>	<u>1,360</u>	<u>23,229</u>	<u>-</u>	<u>10,652</u>	<u>6,166</u>
Fund balances, end of year	<u>\$ 27,298</u>	<u>\$ 1,090</u>	<u>\$ 16,750</u>	<u>\$ 1,763</u>	<u>\$ 13,019</u>	<u>\$ -</u>

<u>Law Library</u>	<u>Records Mgmt.</u>	<u>Co. Clerk Records Mgmt.</u>	<u>Courthouse Security</u>	<u>Justice Court Technology</u>	<u>Health Department</u>	<u>Family Protection</u>	<u>District Clerk Records Mgmt.</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	136,092	-	-
12,215	6,639	62,565	21,847	9,388	28,939	1,326	4,293
314	225	1,062	312	61	632	-	77
-	-	-	-	-	2	-	-
<u>12,529</u>	<u>6,864</u>	<u>63,627</u>	<u>22,159</u>	<u>9,449</u>	<u>165,665</u>	<u>1,326</u>	<u>4,370</u>
-	-	69,960	-	-	-	-	-
14,648	-	-	8,578	11,513	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	248,743	1,371	-
<u>14,648</u>	<u>-</u>	<u>69,960</u>	<u>8,578</u>	<u>11,513</u>	<u>248,743</u>	<u>1,371</u>	<u>-</u>
(2,119)	6,864	(6,333)	13,581	(2,064)	(83,078)	(45)	4,370
-	-	-	-	-	-	-	-
-	-	-	-	-	86,368	-	-
(2,119)	6,864	(6,333)	13,581	(2,064)	3,290	(45)	4,370
<u>41,012</u>	<u>27,083</u>	<u>205,266</u>	<u>34,460</u>	<u>7,049</u>	<u>28,713</u>	<u>60</u>	<u>8,523</u>
<u>\$ 38,893</u>	<u>\$ 33,947</u>	<u>\$198,933</u>	<u>\$ 48,041</u>	<u>\$ 4,985</u>	<u>\$ 32,003</u>	<u>\$ 15</u>	<u>\$ 12,893</u>

(Continued)

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****OTHER SPECIAL REVENUE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

For the year ended September 30, 2012

	<u>Court Technology</u>	<u>Constable 1 LEOSE</u>	<u>Constable 2 LEOSE</u>	<u>Sheriff LEOSE</u>	<u>District Attorney</u>	<u>Juvenile Probation</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	39,668	228,732
Charges for services	616	-	-	-	-	1,537
Interest	6	2	29	35	442	1,167
Miscellaneous	-	-	-	-	-	643
Total revenues	<u>622</u>	<u>2</u>	<u>29</u>	<u>35</u>	<u>40,110</u>	<u>232,079</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	91,750	-
Public works	-	-	350	328	-	364,528
Health and welfare	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>350</u>	<u>328</u>	<u>91,750</u>	<u>364,528</u>
Excess (deficiency) of revenues over expenditures	622	2	(321)	(293)	(51,640)	(132,449)
OTHER FINANCING SOURCES						
Sale of capital assets	-	-	-	-	-	1,000
Transfers in	-	-	-	-	32,861	210,000
Net change in fund balances	622	2	(321)	(293)	(18,779)	78,551
Fund balances, beginning of year	<u>551</u>	<u>307</u>	<u>3,929</u>	<u>4,732</u>	<u>38,198</u>	<u>26,026</u>
Fund balances, end of year	<u>\$ 1,173</u>	<u>\$ 309</u>	<u>\$ 3,608</u>	<u>\$ 4,439</u>	<u>\$ 19,419</u>	<u>\$ 104,577</u>

Juvenile Probation Title IV-E	Sheriff's Forfeiture	Indigent Health Care	Check Collection & Processing	Voter Registration	Totals
\$ -	\$ -	\$ 200,404	\$ -	\$ -	\$ 200,404
-	-	-	-	-	404,492
-	-	-	17,594	-	201,093
13	51	840	-	-	5,503
-	11,637	23,335	-	4,773	81,937
13	11,688	224,579	17,594	4,773	893,429
-	4,168	-	-	2,151	149,544
-	-	-	30,927	-	157,416
1,853	-	-	-	-	367,059
-	-	174,864	-	-	424,978
1,853	4,168	174,864	30,927	2,151	1,098,997
(1,840)	7,520	49,715	(13,333)	2,622	(205,568)
-	-	-	-	-	1,000
-	-	-	-	-	329,229
(1,840)	7,520	49,715	(13,333)	2,622	124,661
2,590	-	29,713	39,480	2,150	557,111
\$ 750	\$ 7,520	\$ 79,428	\$ 26,147	\$ 4,772	\$ 681,772

(Concluded)

GENERAL FUND

The General Fund is a constitutional fund and is utilized to account for all County revenues and expenditures except those which are required by law to be classed in other constitutional funds and such other funds that are presented separately to facilitate proper accountability.

DeWITT COUNTY, TEXAS**MAJOR GOVERNMENTAL FUND - GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

For the year ended September 30, 2012

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES				
Taxes				
Current ad valorem	\$ 3,257,433	\$ 3,257,433	\$ 3,365,008	\$ 107,575
Delinquent ad valorem	100,000	100,000	129,891	29,891
Total taxes	3,357,433	3,357,433	3,494,899	137,466
Licenses and permits				
Beer and wine permits	4,000	4,000	7,671	3,671
Intergovernmental				
Grants and salary supplements	137,033	144,241	222,896	78,655
Other funds				
Dispatching service	89,877	89,877	88,316	(1,561)
Tax collection service	55,000	55,000	60,105	5,105
Miscellaneous	90,000	90,000	186,529	96,529
Total intergovernmental	371,910	379,118	557,846	178,728
Charges for services				
Fees of office				
Sheriff	50,000	50,000	56,766	6,766
County clerk	350,000	350,000	446,458	96,458
Tax assessor-collector	250,000	250,000	303,807	53,807
District clerk	47,000	47,000	55,002	8,002
Justices of the peace	21,000	21,000	17,801	(3,199)
Miscellaneous fees	15,300	15,300	17,276	1,976
Other fees				
Arrest fees	10,000	10,000	12,273	2,273
Consolidated court costs	11,000	11,000	10,705	(295)
Miscellaneous fees	22,212	22,212	43,008	20,796
Total charges for services	776,512	776,512	963,096	186,584
Fines and forfeitures				
County clerk fines	160,000	160,000	139,462	(20,538)
District clerk fines	50,000	50,000	63,714	13,714
Justice of the peace fines	180,000	180,000	240,564	60,564
Restitution and recovery	12,300	12,300	16,472	4,172
Total fines and forfeitures	402,300	402,300	460,212	57,912
Interest				
Regular	35,500	35,500	41,001	5,501
Miscellaneous				
Inmate telephone commissions	12,000	12,000	18,624	6,624
Septic tank permits	3,000	3,000	5,400	2,400
Sheriff sale	2,000	2,000	5,258	3,258
Other miscellaneous	14,000	14,000	24,369	10,369
Total miscellaneous	31,000	31,000	53,651	22,651
Total revenues	4,978,655	4,985,863	5,578,376	592,513

(Continued)

DeWITT COUNTY, TEXAS**MAJOR GOVERNMENTAL FUND - GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

For the year ended September 30, 2012

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES				
General government				
County judge				
Personnel services	\$ 130,581	\$ 132,433	\$ 132,320	\$ 113
Supplies	1,000	1,100	1,058	42
Other services and charges	5,750	5,960	5,955	5
Capital outlay	500	443	355	88
Total county judge	137,831	139,936	139,688	248
County clerk				
Personnel services	247,522	247,522	227,378	20,144
Supplies	11,000	11,000	9,374	1,626
Other services and charges	254,811	254,531	194,984	59,547
Capital outlay	3,000	3,280	3,279	1
Total county clerk	516,333	516,333	435,015	81,318
Veteran's service officers				
Personnel services	16,445	16,445	16,405	40
Supplies	75	75	-	75
Other services and charges	1,500	1,500	-	1,500
Total veteran's service officers	18,020	18,020	16,405	1,615
Non-departmental				
Personnel services	400	400	-	400
Supplies	10,500	10,500	7,035	3,465
Other services and charges	286,769	252,822	213,811	39,011
Capital outlay	203,600	187,095	4,378	182,717
Total non-departmental	501,269	450,817	225,224	225,593
Elections				
Personnel services	36,130	36,130	31,318	4,812
Supplies	3,200	5,200	4,955	245
Other services and charges	22,100	20,100	16,797	3,303
Capital outlay	3,500	3,500	3,420	80
Total elections	64,930	64,930	56,490	8,440
County auditor				
Personnel services	156,503	155,503	145,732	9,771
Supplies	3,000	3,000	1,898	1,102
Other services and charges	11,100	11,055	7,599	3,456
Capital outlay	1,000	2,045	2,006	39
Total county auditor	171,603	171,603	157,235	14,368
County treasurer				
Personnel services	110,038	110,038	108,306	1,732
Supplies	2,800	3,450	2,918	532
Other services and charges	6,450	7,300	5,164	2,136
Capital outlay	2,500	1,000	478	522
Total county treasurer	121,788	121,788	116,866	4,922

(Continued)

DeWITT COUNTY, TEXAS**MAJOR GOVERNMENTAL FUND - GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

For the year ended September 30, 2012

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES - (Continued)				
General government - (Continued)				
Tax assessor-collector				
Personnel services	\$ 272,582	\$ 272,582	\$ 259,135	\$ 13,447
Supplies	9,200	12,200	11,649	551
Other services and charges	295,480	294,280	254,874	39,406
Capital outlay	4,000	2,200	2,043	157
Total tax assessor-collector	581,262	581,262	527,701	53,561
Total general government	2,113,036	2,064,689	1,674,624	390,065
Judicial				
County courts				
Personnel services	1,010	259	4	255
Other services and charges	17,850	30,601	28,554	2,047
Total county courts	18,860	30,860	28,558	2,302
District court				
Personnel services	18,150	17,172	12,080	5,092
Supplies	1,000	978	148	830
Other services and charges	172,647	176,825	169,913	6,912
Capital outlay	-	-	-	-
Total district court	191,797	194,975	182,141	12,834
District clerk				
Personnel services	269,315	270,955	263,298	7,657
Supplies	7,500	9,124	9,124	-
Other services and charges	18,500	14,359	12,973	1,386
Capital outlay	3,950	4,827	4,826	1
Total district clerk	299,265	299,265	290,221	9,044
Justices of the peace				
Personnel services	219,912	233,645	226,667	6,978
Supplies	8,500	8,450	7,171	1,279
Other services and charges	65,650	50,509	35,675	14,834
Capital outlay	3,500	4,958	4,565	393
Total justices of the peace	297,562	297,562	274,078	23,484
County attorney				
Personnel services	132,449	132,449	131,942	507
Supplies	3,300	2,890	1,951	939
Other services and charges	2,100	2,100	976	1,124
Capital outlay	-	410	410	-
Total county attorney	137,849	137,849	135,279	2,570
Total judicial	945,333	960,511	910,277	50,234

(Continued)

DeWITT COUNTY, TEXAS**MAJOR GOVERNMENTAL FUND - GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

For the year ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES - (Continued)				
Public works				
Courthouse building				
Personnel services	\$ 99,665	\$ 100,665	\$ 96,996	\$ 3,669
Supplies	16,600	15,600	7,125	8,475
Other services and charges	165,200	165,200	125,105	40,095
Capital outlay	6,000	6,000	171	5,829
Total courthouse building	<u>287,465</u>	<u>287,465</u>	<u>229,397</u>	<u>58,068</u>
Annex building				
Supplies	3,200	3,200	1,595	1,605
Other services and charges	37,600	37,600	24,729	12,871
Total annex building	<u>40,800</u>	<u>40,800</u>	<u>26,324</u>	<u>14,476</u>
Jail building				
Supplies	19,500	19,500	14,415	5,085
Other services and charges	198,500	198,500	179,702	18,798
Capital outlay	5,000	5,000	-	5,000
Total jail building	<u>223,000</u>	<u>223,000</u>	<u>194,117</u>	<u>28,883</u>
Lawn and yard maintenance				
Supplies	800	800	460	340
Other services and charges	8,500	8,500	3,170	5,330
Total lawn and yard maintenance	<u>9,300</u>	<u>9,300</u>	<u>3,630</u>	<u>5,670</u>
Constables				
Personnel services	71,551	71,551	67,741	3,810
Supplies	500	500	172	328
Other services and charges	2,200	2,900	1,265	1,635
Capital outlay	1,800	1,100	-	1,100
Total constables	<u>76,051</u>	<u>76,051</u>	<u>69,178</u>	<u>6,873</u>
Sheriff				
Personnel services	940,689	971,629	934,918	36,711
Supplies	107,500	111,500	104,535	6,965
Other services and charges	83,700	83,700	64,628	19,072
Capital outlay	203,883	189,883	147,688	42,195
Total sheriff	<u>1,335,772</u>	<u>1,356,712</u>	<u>1,251,769</u>	<u>104,943</u>
Jail operations				
Personnel services	1,228,314	1,240,543	1,109,022	131,521
Supplies	168,000	168,000	166,539	1,461
Other services and charges	146,100	146,100	91,652	54,448
Capital outlay	10,000	10,000	7,389	2,611
Total jail operations	<u>1,552,414</u>	<u>1,564,643</u>	<u>1,374,602</u>	<u>190,041</u>

(Continued)

DeWITT COUNTY, TEXAS**MAJOR GOVERNMENTAL FUND - GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

For the year ended September 30, 2012

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES - (Continued)				
Public works - (Continued)				
Corrections				
Personnel services	\$ 1,592	\$ 1,592	\$ 1,547	\$ 45
Supplies	150	150	-	150
Other services and charges	250	250	-	250
Capital outlay	1,000	1,000	-	1,000
Total corrections	2,992	2,992	1,547	1,445
Other protection				
Personnel services	23,524	23,524	23,393	131
Supplies	800	800	288	512
Other services and charges	59,900	59,900	54,179	5,721
Capital outlay	9,200	16,408	14,559	1,849
Total other protection	93,424	100,632	92,419	8,213
Total public works	3,621,218	3,661,595	3,242,983	418,612
Health and welfare				
Health				
Other services and charges	39,600	39,600	38,200	1,400
Total health	39,600	39,600	38,200	1,400
Agriculture extension services				
Personnel services	89,636	89,686	87,466	2,220
Supplies	1,400	1,975	1,339	636
Other services and charges	8,950	8,325	5,749	2,576
Capital outlay	1,200	1,200	-	1,200
Total agriculture extension services	101,186	101,186	94,554	6,632
Total health and welfare	140,786	140,786	132,754	8,032
Total expenditures	6,820,373	6,827,581	5,960,638	866,943
Excess of revenues over expenditures	(1,841,718)	(1,841,718)	(382,262)	1,459,456
OTHER FINANCING SOURCES (USES)				
Transfers out	(366,229)	(366,229)	(366,229)	-
Total other financing sources (uses)	(366,229)	(366,229)	(366,229)	-
Net change in fund balance	(2,207,947)	(2,207,947)	(748,491)	1,459,456
Fund balance, beginning of year	4,840,050	4,840,050	4,840,050	-
Fund balance, end of year	\$ 2,632,103	\$ 2,632,103	\$ 4,091,559	\$ 1,459,456

(Concluded)

DEBT SERVICE FUND - MAJOR FUND

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

DeWITT COUNTY, TEXAS**MAJOR GOVERNMENTAL FUND - DEBT SERVICE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL***For the year ended September 30, 2012*

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Budget to GAAP Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES				
Taxes				
Current ad valorem	\$ 1,115,389	\$ 1,180,279	\$ 1,584	\$ 1,178,695
Delinquent ad valorem	<u>25,000</u>	<u>38,870</u>	<u>521</u>	<u>38,349</u>
Total taxes	1,140,389	1,219,149	2,105	1,217,044
Interest	<u>5,000</u>	<u>8,450</u>	<u>-</u>	<u>8,450</u>
Total revenues	<u>1,145,389</u>	<u>1,227,599</u>	<u>2,105</u>	<u>1,225,494</u>
EXPENDITURES				
Debt service				
Principal retirement	610,000	610,000	-	610,000
Interest and fiscal charges	<u>477,757</u>	<u>477,257</u>	<u>-</u>	<u>477,257</u>
Total expenditures	<u>1,087,757</u>	<u>1,087,257</u>	<u>-</u>	<u>1,087,257</u>
Net change in fund balance	57,632	140,342	2,105	138,237
Fund balance, beginning of year	<u>698,107</u>	<u>775,431</u>	<u>(2,104)</u>	<u>777,535</u>
Fund balance, end of year	<u>\$ 755,739</u>	<u>\$ 915,773</u>	<u>\$ 1</u>	<u>\$ 915,772</u>

Explanation of differences:

The County budgets on the cash basis of accounting. As such, revenues are recognized as they are collected and expenditures when paid.

Nonmajor Special Revenue Funds

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****ROAD AND BRIDGE GENERAL****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL***For the year ended September 30, 2012*

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Budget to GAAP Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES				
Taxes				
Current ad valorem	\$ 1,093,716	\$ 1,128,822	\$ 755	\$ 1,128,067
Delinquent ad valorem	<u>10,000</u>	<u>20,140</u>	<u>297</u>	<u>19,843</u>
Total taxes	1,103,716	1,148,962	1,052	1,147,910
Interest	1,000	3,802	-	3,802
Miscellaneous	<u>-</u>	<u>832</u>	<u>(1)</u>	<u>833</u>
Total revenues	<u>1,104,716</u>	<u>1,153,596</u>	<u>1,051</u>	<u>1,152,545</u>
EXPENDITURES				
Current				
Public works				
Personnel services	256,800	254,633	(356)	254,989
Other services and charges	<u>21,000</u>	<u>11,100</u>	<u>225</u>	<u>10,875</u>
Total expenditures	<u>277,800</u>	<u>265,733</u>	<u>(131)</u>	<u>265,864</u>
Excess (deficiency) of revenues over expenditures	<u>826,916</u>	<u>887,863</u>	<u>1,182</u>	<u>886,681</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(868,581)</u>	<u>(861,180)</u>	<u>-</u>	<u>(861,180)</u>
Net change in fund balance	(41,665)	26,683	1,182	25,501
Fund balance, beginning of year	<u>17,843</u>	<u>71,678</u>	<u>8,625</u>	<u>63,053</u>
Fund balance, end of year	<u>\$ (23,822)</u>	<u>\$ 98,361</u>	<u>\$ 9,807</u>	<u>\$ 88,554</u>

Explanation of differences:

The County budgets on the cash basis of accounting. As such, revenues are recognized as they are collected and expenditures when paid.

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****ROAD AND BRIDGE PRECINCT NO. 1****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL***For the year ended September 30, 2012*

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Budget to GAAP Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES				
Licenses and permits - auto registration	\$ 157,000	\$ 195,116	\$ 10,716	\$ 184,400
Intergovernmental - grants	5,500	5,552	-	5,552
Interest	2,500	6,201	-	6,201
Road use agreements	700,000	392,000	-	392,000
Pipeline crossings	35,000	72,660	-	72,660
Miscellaneous	3,500	20,360	-	20,360
Total revenues	<u>903,500</u>	<u>691,889</u>	<u>10,716</u>	<u>681,173</u>
EXPENDITURES				
Current				
Public works				
Personnel services	327,191	301,218	513	300,705
Supplies	115,221	112,171	(3,331)	115,502
Other services and charges	53,097	52,211	-	52,211
Capital outlay	628,182	523,617	14,455	509,162
Debt service	5,500	5,500	(24,905)	30,405
Total expenditures	<u>1,129,191</u>	<u>994,717</u>	<u>(13,268)</u>	<u>1,007,985</u>
Excess (deficiency) of revenues over expenditures	<u>(225,691)</u>	<u>(302,828)</u>	<u>23,984</u>	<u>(326,812)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	(10,450)	10,450
Transfers in	170,705	470,705	-	470,705
Total other financing sources (uses)	<u>170,705</u>	<u>470,705</u>	<u>(10,450)</u>	<u>481,155</u>
Net change in fund balance	(54,986)	167,877	13,534	154,343
Fund balance, beginning of year	<u>430,476</u>	<u>779,839</u>	<u>3,425</u>	<u>776,414</u>
Fund balance, end of year	<u>\$ 375,490</u>	<u>\$ 947,716</u>	<u>\$ 16,959</u>	<u>\$ 930,757</u>

Explanation of differences:

The County budgets on the cash basis of accounting. As such, revenues are recognized as they are collected and expenditures when paid.

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****ROAD AND BRIDGE PRECINCT NO. 2****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL***For the year ended September 30, 2012*

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Budget to GAAP Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES				
Licenses and permits - auto registration	\$ 137,000	\$ 139,102	\$ 6,494	\$ 132,608
Intergovernmental - grants	6,200	6,198	-	6,198
Interest	2,000	4,392	-	4,392
Road use agreements	328,000	160,000	-	160,000
Pipeline crossings	30,000	46,062	-	46,062
Miscellaneous	9,500	14,841	-	14,841
Total revenues	<u>512,700</u>	<u>370,595</u>	<u>6,494</u>	<u>364,101</u>
EXPENDITURES				
Current				
Public works				
Personnel services	253,140	237,009	(1,108)	238,117
Supplies	92,114	88,181	(1,520)	89,701
Other services and charges	34,976	30,033	-	30,033
Capital outlay	314,200	252,997	(266,350)	519,347
Debt service	77,020	76,916	52,503	24,413
Total expenditures	<u>771,450</u>	<u>685,136</u>	<u>(216,475)</u>	<u>901,611</u>
Excess (deficiency) of revenues over expenditures	<u>(258,750)</u>	<u>(314,541)</u>	<u>222,969</u>	<u>(537,510)</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	7,035	(19,500)	26,535
Lease proceeds	-	-	(194,346)	194,346
Transfers in	376,929	486,929	-	486,929
Total other financing sources (uses)	<u>376,929</u>	<u>493,964</u>	<u>(213,846)</u>	<u>707,810</u>
Net change in fund balance	118,179	179,423	9,123	170,300
Fund balance, beginning of year	<u>443,018</u>	<u>578,201</u>	<u>(1,894)</u>	<u>580,095</u>
Fund balance, end of year	<u>\$ 561,197</u>	<u>\$ 757,624</u>	<u>\$ 7,229</u>	<u>\$ 750,395</u>

Explanation of differences:

The County budgets on the cash basis of accounting. As such, revenues are recognized as they are collected and expenditures when paid.

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****ROAD AND BRIDGE PRECINCT NO. 3****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the year ended September 30, 2012

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Budget to GAAP Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES				
Licenses and permits - auto registration	\$ 172,000	\$ 238,257	\$ 11,204	\$ 227,053
Intergovernmental - grants	10,796	10,780	-	10,780
Interest	2,500	9,530	-	9,530
Road use agreements	700,000	576,000	-	576,000
Pipeline crossings	50,000	122,963	-	122,963
Miscellaneous	18,500	404	-	404
Total revenues	<u>953,796</u>	<u>957,934</u>	<u>11,204</u>	<u>946,730</u>
EXPENDITURES				
Current				
Public works				
Personnel services	323,262	296,068	(1,738)	297,806
Supplies	120,920	115,538	(21,524)	137,062
Other services and charges	23,025	11,878	1	11,877
Capital outlay	570,187	504,033	(42,125)	546,158
Debt service	39,518	39,518	14,825	24,693
Total expenditures	<u>1,076,912</u>	<u>967,035</u>	<u>(50,561)</u>	<u>1,017,596</u>
Excess (deficiency) of revenues over expenditures	<u>(123,116)</u>	<u>(9,101)</u>	<u>61,765</u>	<u>(70,866)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	29,377	(27,300)	56,677
Lease proceeds	-	-	-	-
Transfers in/out	272,099	572,099	-	572,099
Total other financing sources (uses)	<u>272,099</u>	<u>601,476</u>	<u>(27,300)</u>	<u>628,776</u>
Net change in fund balance	148,983	592,375	34,465	557,910
Fund balance, beginning of year	<u>699,465</u>	<u>1,100,932</u>	<u>(2,199)</u>	<u>1,103,131</u>
Fund balance, end of year	<u>\$ 848,448</u>	<u>\$ 1,693,307</u>	<u>\$ 32,266</u>	<u>\$ 1,661,041</u>

Explanation of differences:

The County budgets on the cash basis of accounting. As such, revenues are recognized as they are collected and expenditures when paid.

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****ROAD AND BRIDGE PRECINCT NO. 4****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the year ended September 30, 2012

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Budget to GAAP Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES				
Licenses and permits - auto registration	\$ 111,000	\$ 93,285	\$ 4,221	\$ 89,064
Intergovernmental - grants	4,400	4,420	-	4,420
Interest	2,000	3,106	-	3,106
Pipeline crossings	-	3,634	-	3,634
Miscellaneous	3,500	141	-	141
Total revenues	<u>120,900</u>	<u>104,586</u>	<u>4,221</u>	<u>100,365</u>
EXPENDITURES				
Current				
Public works				
Personnel services	226,432	203,885	(1,150)	205,035
Supplies	93,900	61,697	(2,662)	64,359
Other services and charges	22,971	7,226	-	7,226
Capital outlay	230,630	211,490	(154,098)	365,588
Debt service	11,243	11,243	(7,102)	18,345
Total expenditures	<u>585,176</u>	<u>495,541</u>	<u>(165,012)</u>	<u>660,553</u>
Excess (deficiency) of revenues over expenditures	<u>(464,276)</u>	<u>(390,955)</u>	<u>169,233</u>	<u>(560,188)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	3,616	(18,655)	22,271
Lease proceeds	-	-	(151,201)	151,201
Transfers in	415,556	415,556	-	415,556
Total other financing sources (uses)	<u>415,556</u>	<u>419,172</u>	<u>(169,856)</u>	<u>589,028</u>
Net change in fund balance	(48,720)	28,217	(623)	28,840
Fund balance, beginning of year	<u>438,505</u>	<u>495,652</u>	<u>2,650</u>	<u>493,002</u>
Fund balance, end of year	<u>\$ 389,785</u>	<u>\$ 523,869</u>	<u>\$ 2,027</u>	<u>\$ 521,842</u>

Explanation of differences:

The County budgets on the cash basis of accounting. As such, revenues are recognized as they are collected and expenditures when paid.

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****SPECIAL ROAD AND BRIDGE****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL***For the year ended September 30, 2012*

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Budget to GAAP Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES				
Taxes				
Current ad valorem	\$ 530,704	\$ 547,691	\$ 682	\$ 547,009
Delinquent ad valorem	<u>12,000</u>	<u>18,058</u>	<u>270</u>	<u>17,788</u>
Total taxes	542,704	565,749	952	564,797
Interest	<u>2,000</u>	<u>2,511</u>	<u>-</u>	<u>2,511</u>
Total revenues	<u>544,704</u>	<u>568,260</u>	<u>952</u>	<u>567,308</u>
EXPENDITURES				
Current				
Public works				
Other services and charges	<u>147,509</u>	<u>56,375</u>	<u>-</u>	<u>56,375</u>
Total expenditures	<u>147,509</u>	<u>56,375</u>	<u>-</u>	<u>56,375</u>
Excess (deficiency) of revenues over expenditures	397,195	511,885	952	510,933
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(487,273)</u>	<u>(487,273)</u>	<u>-</u>	<u>(487,273)</u>
Net change in fund balance	(90,078)	24,612	952	23,660
Fund balance, beginning of year	<u>25,208</u>	<u>121,411</u>	<u>(950)</u>	<u>122,361</u>
Fund balance, end of year	<u>\$ (64,870)</u>	<u>\$ 146,023</u>	<u>\$ 2</u>	<u>\$ 146,021</u>

Explanation of differences:

The County budgets on the cash basis of accounting. As such, revenues are recognized as they are collected and expenditures when paid.

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****COUNTY ROAD AND FLOOD****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL***For the year ended September 30, 2012*

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Budget to GAAP Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES				
Taxes				
Current ad valorem	\$ 548,690	\$ 579,708	\$ 715	\$ 578,993
Delinquent ad valorem	<u>12,000</u>	<u>17,216</u>	<u>228</u>	<u>16,988</u>
Total taxes	560,690	596,924	943	595,981
Interest	<u>2,000</u>	<u>2,090</u>	<u>-</u>	<u>2,090</u>
Total revenues	<u>562,690</u>	<u>599,014</u>	<u>943</u>	<u>598,071</u>
EXPENDITURES				
Current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	562,690	599,014	943	598,071
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(596,836)</u>	<u>(596,836)</u>	<u>-</u>	<u>(596,836)</u>
Net change in fund balance	(34,146)	2,178	943	1,235
Fund balance, beginning of year	<u>3,269</u>	<u>36,038</u>	<u>(944)</u>	<u>36,982</u>
Fund balance, end of year	<u>\$ (30,877)</u>	<u>\$ 38,216</u>	<u>\$ (1)</u>	<u>\$ 38,217</u>

Explanation of differences:

The County budgets on the cash basis of accounting. As such, revenues are recognized as they are collected and expenditures when paid.

DeWITT COUNTY, TEXAS**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS****INDIGENT HEALTH CARE****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL**

For the year ended September 30, 2012

	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Budget to GAAP Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES				
Taxes				
Current ad valorem	\$ 187,936	\$ 194,790	\$ 213	\$ 194,577
Delinquent ad valorem	<u>3,000</u>	<u>5,881</u>	<u>53</u>	<u>5,828</u>
Total taxes	190,936	200,671	266	200,405
Intergovernmental	3,000	-	-	-
Interest	400	840	-	840
Miscellaneous	<u>18,000</u>	<u>28,059</u>	<u>4,725</u>	<u>23,334</u>
Total revenues	<u>212,336</u>	<u>229,570</u>	<u>4,991</u>	<u>224,579</u>
EXPENDITURES				
Current				
Health and welfare				
Personnel services	41,402	41,303	(220)	41,523
Supplies	2,706	2,324	-	2,324
Other services and charges	6,750	5,103	-	5,103
Capital outlays	350	349	-	349
Medical expenses	<u>143,000</u>	<u>136,419</u>	<u>10,854</u>	<u>125,565</u>
Total expenditures	<u>194,208</u>	<u>185,498</u>	<u>10,634</u>	<u>174,864</u>
Net change in fund balance	18,128	44,072	(5,643)	49,715
Fund balance, beginning of year	<u>2,136</u>	<u>47,028</u>	<u>17,315</u>	<u>29,713</u>
Fund balance, end of year	<u>\$ 20,264</u>	<u>\$ 91,100</u>	<u>\$ 11,672</u>	<u>\$ 79,428</u>

Explanation of differences:

The County budgets on the cash basis of accounting. As such, revenues are recognized as they are collected and expenditures when paid.

AGENCY FUNDS

The Agency Funds are used to account for the monies received and disbursed by the County in the capacity of trustee, custodian, or agent for individuals or other entities.

The Agency Funds consist of the following:

- The Escrow Fund was established to account for statutory court cost fees, restitution, fines collected from other government entities, juror donations, overpayments, contractual and permit fees, and sales tax collections which are transmitted to the State, the General Fund, outside entities, and/or other individuals on a periodic basis.
- The Tax Assessor-Collector Property Tax and Motor Vehicle Department Funds are used to account for property taxes and vehicle registration fees collected.
- The Tax-Assessor Collector Escrow Fund is used to hold escrow amounts collected on mobile homes.
- The Health Insurance Fund was established to account for the collection of insurance premiums from the County and employees and subsequent payment to the insurance carrier.
- The Unclaimed Funds account holds funds returned to the County that are not required to be escheated to the State. Those funds are under the care of the County Treasurer.
- The Child Welfare Board Fund holds funds of the Child Welfare Board. These funds are held in the County's depository. All of the Board's transactions are processed through this account.
- The Historical Commission Funds hold funds of the DeWitt Historical Commission. All of the Commission's transactions are processed through this account.
- The North Cuero Watershed Fund holds funds that belong to the North Cuero Watershed Water District. These funds are held in the County's depository. All of the Watershed's transactions are processed through this account.
- The County Clerk Trust Funds account holds assets for the benefit of specified minors until they reach the age of majority.
- The District Clerk Trust Fund accounts for monies received that are put in trust funds and held for other individuals or entities.
- The Inmate Trust Fund accounts hold funds that belong to the inmates. The funds are under the care and control of the County Sheriff.

DeWITT COUNTY, TEXAS**AGENCY FUNDS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES***For the year ended September 30, 2012*

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
ESCROW FUND				
Assets				
Cash in bank	<u>\$ 129,406</u>	<u>\$ 630,827</u>	<u>\$ 614,450</u>	<u>\$ 145,783</u>
Liabilities				
Due to others	<u>\$ 129,406</u>	<u>\$ 630,827</u>	<u>\$ 614,450</u>	<u>\$ 145,783</u>
TAX ASSESSOR - PROPERTY TAX FUND				
Assets				
Cash in bank	<u>\$ 29,611</u>	<u>\$23,509,253</u>	<u>\$23,498,133</u>	<u>\$ 40,731</u>
Liabilities				
Due to others	<u>\$ 29,611</u>	<u>\$23,509,253</u>	<u>\$23,498,133</u>	<u>\$ 40,731</u>
TAX ASSESSOR - MOTOR VEHICLE				
Assets				
Cash in bank	<u>\$ 516</u>	<u>\$ 4,250,106</u>	<u>\$ 4,249,969</u>	<u>\$ 653</u>
Liabilities				
Due to others	<u>\$ 516</u>	<u>\$ 4,250,106</u>	<u>\$ 4,249,969</u>	<u>\$ 653</u>
TAX ASSESSOR - ESCROW ACCOUNT				
Assets				
Cash in bank	<u>\$ 44,782</u>	<u>\$ 71,053</u>	<u>\$ 63,064</u>	<u>\$ 52,771</u>
Liabilities				
Due to others	<u>\$ 44,782</u>	<u>\$ 71,053</u>	<u>\$ 63,064</u>	<u>\$ 52,771</u>
HEALTH INSURANCE FUND				
Assets				
Cash in bank	<u>\$ 112,970</u>	<u>\$ 873,216</u>	<u>\$ 827,692</u>	<u>\$ 158,494</u>
Liabilities				
Due to others	<u>\$ 112,970</u>	<u>\$ 873,216</u>	<u>\$ 827,692</u>	<u>\$ 158,494</u>
UNCLAIMED FUNDS				
Assets				
Cash in bank	<u>\$ 5,908</u>	<u>\$ 588</u>	<u>\$ 253</u>	<u>\$ 6,243</u>
Liabilities				
Due to others	<u>\$ 5,908</u>	<u>\$ 588</u>	<u>\$ 253</u>	<u>\$ 6,243</u>
CHILD WELFARE BOARD				
Assets				
Cash in bank	<u>\$ 2,790</u>	<u>\$ 5,894</u>	<u>\$ 7,392</u>	<u>\$ 1,292</u>
Liabilities				
Due to others	<u>\$ 2,790</u>	<u>\$ 5,894</u>	<u>\$ 7,392</u>	<u>\$ 1,292</u>

DeWITT COUNTY, TEXAS**AGENCY FUNDS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES***For the year ended September 30, 2012*

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
HISTORICAL COMMISSION				
Assets				
Cash in bank	<u>\$ 21,767</u>	<u>\$ 57,350</u>	<u>\$ 15,829</u>	<u>\$ 63,288</u>
Liabilities				
Due to others	<u>\$ 21,767</u>	<u>\$ 57,350</u>	<u>\$ 15,829</u>	<u>\$ 63,288</u>
NORTH CUERO WATERSHED				
Assets				
Cash in bank	<u>\$ 45,320</u>	<u>\$ 33,275</u>	<u>\$ 14,662</u>	<u>\$ 63,933</u>
Liabilities				
Due to others	<u>\$ 45,320</u>	<u>\$ 33,275</u>	<u>\$ 14,662</u>	<u>\$ 63,933</u>
COUNTY CLERK TRUST FUNDS				
Assets				
Cash in bank	<u>\$ 10,449</u>	<u>\$ 67,279</u>	<u>\$ 30,463</u>	<u>\$ 47,265</u>
Liabilities				
Due to others	<u>\$ 10,449</u>	<u>\$ 67,279</u>	<u>\$ 30,463</u>	<u>\$ 47,265</u>
DISTRICT CLERK TRUST FUNDS				
Assets				
Cash in bank	<u>\$ 148,823</u>	<u>\$ 558,202</u>	<u>\$ 448,737</u>	<u>\$ 258,288</u>
Liabilities				
Due to others	<u>\$ 148,823</u>	<u>\$ 558,202</u>	<u>\$ 448,737</u>	<u>\$ 258,288</u>
INMATE TRUST FUNDS				
Assets				
Cash in bank	<u>\$ 17,771</u>	<u>\$ 151,783</u>	<u>\$ 145,990</u>	<u>\$ 23,564</u>
Liabilities				
Due to others	<u>\$ 17,771</u>	<u>\$ 151,783</u>	<u>\$ 145,990</u>	<u>\$ 23,564</u>
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash in bank	<u>\$ 570,113</u>	<u>\$30,208,826</u>	<u>\$29,916,634</u>	<u>\$ 862,305</u>
Liabilities				
Due to others	<u>\$ 570,113</u>	<u>\$30,208,826</u>	<u>\$29,916,634</u>	<u>\$ 862,305</u>

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.....	73
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property tax revenue	77
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future	82
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.....	87
Operating Information	
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs	89

DeWITT COUNTY, TEXAS
NET ASSETS BY COMPONENT (1)
Last eight fiscal years

	Fiscal Year							
	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities								
Invested in capital assets,								
net of related debt	\$ 10,219,684	\$ 10,497,054	\$ 10,228,078	\$ 9,992,392	\$ 9,592,160	\$ 8,412,943	\$ 5,742,747	\$ 3,645,601
Restricted	933,999	802,344	658,010	503,031	360,908	295,718	188,145	185,806
Unrestricted	10,923,276	9,722,249	8,113,430	7,215,567	6,300,071	5,266,088	3,996,919	3,077,067
Total net assets	\$ 22,076,959	\$ 21,021,647	\$ 18,999,518	\$ 17,710,990	\$ 16,253,139	\$ 13,974,749	\$ 9,927,811	\$ 6,908,474
		4818599						

(1) Accrual basis of accounting

NOTE: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2004.

DeWITT COUNTY, TEXAS
CHANGES IN NET ASSETS (1)
Last eight fiscal years

	Fiscal Year							
	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities								
Expenses								
General government								
Judicial	\$2,054,078	\$1,928,925	\$1,611,328	\$1,545,319	\$1,507,206	\$1,312,019	\$1,448,311	\$1,185,021
Public works	1,229,416	1,128,817	1,044,290	980,507	947,789	872,819	890,671	800,940
Health and welfare	6,830,006	6,244,867	5,449,821	4,916,041	4,216,841	3,939,791	3,724,006	3,839,987
Interest on long-term debt	575,526	635,485	631,618	521,212	507,603	535,461	476,733	507,183
	474,197	497,848	564,367	576,301	596,752	614,127	201,900	141,033
Total expenses	11,163,223	10,435,942	9,301,424	8,539,380	7,776,191	7,274,217	6,741,621	6,474,164
Program revenues								
Charges for services								
General government	962,158	1,853,355	1,261,225	963,859	972,440	1,032,073	900,445	798,850
Judicial	1,114,339	575,233	358,439	579,494	406,520	377,306	572,854	582,835
Public works	2,200,607	1,924,286	903,891	728,838	698,924	651,184	717,796	644,906
Health and welfare	52,276	64,506	50,879	67,710	69,194	59,932	160,424	175,430
Operating grants and contributions	536,255	1,124,405	664,011	561,922	476,432	527,469	615,144	334,776
Capital grants and contributions	-	-	-	20,167	610,387	1,799,134	1,716,251	1,221,831
Total program revenues	4,865,635	5,541,785	3,238,445	2,921,990	3,233,897	4,447,098	4,682,914	3,758,628
Total net program expenses	(6,297,588)	(4,894,157)	(6,062,979)	(5,617,390)	(4,542,294)	(2,827,119)	(2,058,707)	(2,715,536)
General revenues and other changes								
Property taxes	7,148,900	6,770,107	7,221,080	6,948,310	6,358,774	6,008,049	4,736,701	4,355,540
Unrestricted investment earnings	95,399	132,249	129,003	105,105	466,065	865,745	319,994	165,454
Miscellaneous	108,601	13,930	1,424	21,826	(4,155)	263	9,398	20,575
Total general revenues and other changes in net assets	7,352,900	6,916,286	7,351,507	7,075,241	6,820,684	6,874,057	5,066,093	4,541,569
Total changes in net assets	\$1,055,312	\$2,022,129	\$1,288,528	\$1,457,851	\$2,278,390	\$4,046,938	\$3,007,386	\$1,826,033

(1) Accrual basis of accounting

NOTE: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2004. This schedule maintains the same number of years for comparative purposes.

DeWITT COUNTY, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last eight fiscal years

	Fiscal Year							
	2012	2011	2010	2009	2008	2007	2006	2005
General fund								
Unassigned	\$ 3,918,939	\$ 4,737,330	\$ 4,227,253	\$ 4,231,563	\$ 3,632,469	\$ 2,829,040	\$ 1,865,568	\$ 1,282,678
Restricted	307,185	-	-	-	-	-	-	-
Total general fund	\$ 4,226,124	\$ 4,737,330	\$ 4,227,253	\$ 4,231,563	\$ 3,632,469	\$ 2,829,040	\$ 1,865,568	\$ 1,282,678
All other governmental funds								
Restricted								
Debt service	\$ 915,772	\$ 777,535	\$ 640,675	\$ 494,609	\$ 368,289	\$ 317,190	\$ 244,770	\$ 177,848
Special revenue funds	4,818,599	4,004,918	2,978,679	1,956,822	1,765,101	1,666,295	1,428,001	1,183,127
Capital project funds	1,063,634	1,075,628	1,096,969	1,467,623	3,623,372	9,640,558	10,618,815	785,338
Total all other governmental funds	\$ 6,798,005	\$ 5,858,081	\$ 4,716,323	\$ 3,919,054	\$ 5,756,762	\$ 11,624,043	\$ 12,291,586	\$ 2,146,313

(1) Modified accrual basis of accounting

NOTE: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2004. This schedule maintains the same number of years for comparative purposes.

DeWITT COUNTY, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)
 Last eight fiscal years

	Fiscal Year							
	2012	2011	2010	2009	2008	2007	2006	2005
Revenues								
Taxes	\$ 7,214,391	\$ 6,753,736	\$ 7,211,788	\$ 6,900,422	\$ 6,358,843	\$ 5,962,308	\$ 4,742,831	\$ 4,367,083
Licenses and permits	640,796	631,322	604,628	614,672	639,296	631,856	606,265	586,241
Intergovernmental	971,572	1,124,405	858,213	728,706	1,210,152	2,419,757	2,594,215	1,859,089
Charges for services	2,539,954	2,354,100	993,873	819,695	902,735	890,153	836,352	707,856
Fines and forfeitures	456,740	480,783	437,287	441,933	351,604	285,408	333,401	382,431
Investment income	95,399	132,249	129,003	105,105	466,065	865,745	319,994	165,454
Miscellaneous	168,562	901,526	461,648	221,395	115,526	181,102	144,106	91,076
Total revenues	12,087,414	12,378,121	10,696,440	9,831,928	10,044,221	11,236,329	9,577,164	8,159,230
Expenditures								
Current								
General government	1,833,087	1,737,293	1,481,461	1,393,445	1,409,750	1,228,376	1,359,464	1,108,487
Judicial	1,082,089	1,001,062	960,939	897,641	878,266	809,161	832,460	752,468
Public works	6,363,472	5,809,840	5,183,983	4,951,027	4,866,669	4,005,032	4,041,085	3,801,161
Health and welfare	557,110	619,515	616,069	505,674	496,626	525,410	467,542	499,530
Capital outlay	1,198,161	677,256	709,441	2,246,467	6,358,963	3,303,571	2,568,337	2,957,940
Debt service								
Principal retirement	610,000	585,000	555,000	535,000	515,000	475,000	140,000	165,000
Interest and fiscal charges	477,257	500,638	553,699	563,114	583,520	621,012	138,360	141,438
Bond issue costs	-	-	47,902	-	-	-	229,939	-
Total expenditures	12,121,176	10,930,604	10,108,494	11,092,368	15,108,794	10,967,562	9,777,187	9,426,024
Excess (deficiency) of revenues over expenditures	(33,762)	1,447,517	587,946	(1,260,440)	(5,064,573)	268,767	(200,023)	(1,266,794)
Other financing sources (uses)								
Bonds issued	-	-	2,810,000	-	-	-	10,800,000	-
Bond retirements	-	-	(2,750,000)	-	-	-	-	-
Sale of capital assets	116,933	18,324	8,614	21,826	-	12,382	10,223	20,575
Capital lease proceeds	345,547	185,994	136,399	-	-	-	106,012	-
Note proceeds	-	-	-	-	-	15,500	-	-
Transfers in	2,311,518	1,784,116	1,882,625	1,444,718	1,267,963	986,454	1,032,438	945,819
Transfers out	(2,311,518)	(1,784,116)	(1,882,625)	(1,444,718)	(1,267,963)	(986,454)	(1,032,438)	(945,819)
Total other financing sources (uses)	462,480	204,318	205,013	21,826	-	27,882	10,916,235	20,575
Changes in fund balances	\$ 428,718	\$ 1,651,835	\$ 792,959	\$ (1,238,614)	\$ (5,064,573)	\$ 296,649	\$ 10,716,212	\$ (1,246,219)
Debt service as a percentage of noncapital expenditures	9.95%	10.59%	11.80%	12.78%	13.78%	14.71%	4.07%	4.79%

(1) Modified accrual basis of accounting

NOTE: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2004. This schedule maintains the same number of years for comparative purposes.

DeWITT COUNTY, TEXAS**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (1)***Last ten fiscal years*

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>		<u>Penalty and Interest</u>	<u>Total</u>
	<u>Current</u>	<u>Delinquent</u>		
2003	\$ 3,335,777	\$ 96,475	\$ 71,293	\$ 3,503,545
2004	3,761,151	102,499	79,313	3,942,963
2005	4,159,430	118,626	89,363	4,367,419
2006	4,529,680	126,758	86,393	4,742,831
2007	5,744,805	128,469	89,034	5,962,308
2008	6,170,558	103,384	84,901	6,358,843
2009	6,702,755	106,407	91,260	6,900,422
2010	6,989,491	127,019	95,278	7,211,788
2011	6,514,197	132,989	106,550	6,753,736
2012	6,945,991	161,563	106,837	7,214,391
Change 2003 to 2012	108.23%	67.47%	49.86%	105.92%

(1) Modified accrual basis of accounting

NOTE: Property tax rates have remained stable through 2006 because of growth in property valuations. Tax rates increased on the 2006 roll for debt service on 2006 series bonds.

DeWITT COUNTY, TEXAS
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
Last ten fiscal years

Fiscal Year	Tax Roll	Real Property			Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value (1) as Percentage of Actual Value
		Residential Property	Non-Residential Property							
2003	2002	\$ 376,479,025	\$ 653,165,510	\$ 54,785,078	\$ 491,850,180	\$ 592,579,433	\$ 0.60722	\$ 592,579,433	100.00%	
2004	2003	389,481,740	684,677,790	53,074,090	533,015,070	594,218,550	0.68230	594,218,550	100.00%	
2005	2004	386,073,400	725,649,040	4,818,599	524,399,280	592,141,759	0.69295	592,141,759	100.00%	
2006	2005	398,473,360	859,434,300	57,148,160	547,850,387	767,205,433	0.63169	767,205,433	100.00%	
2007	2006	401,986,960	933,736,350	60,201,480	537,992,596	857,932,194	0.72236	857,932,194	100.00%	
2008	2007	399,169,670	1,082,471,590	51,204,420	628,406,758	904,438,922	0.74175	904,438,922	100.00%	
2009	2008	345,491,210	1,237,233,760	162,266,130	728,677,520	1,016,313,580	0.68107	1,016,313,580	100.00%	
2010	2009	350,915,680	1,328,168,180	199,270,670	776,472,001	1,101,882,529	0.65192	1,101,882,529	100.00%	
2011	2010	357,160,310	1,679,282,800	162,562,580	1,150,665,021	1,048,340,669	0.65192	1,048,340,669	100.00%	
2012	2011	368,607,870	1,912,614,970	249,442,120	1,190,701,309	1,339,963,651	0.53822	1,339,963,651	100.00%	

(1) Values on property for maintenance and operation and interest and sinking taxes. Property exemptions differ for those allowed on road and flood taxes.

NOTE: Property in the County is reassessed annually. The County assesses property at 100% of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

SOURCE: DeWitt County Tax Assessor/Collector

DeWITT COUNTY, TEXAS
DIRECT AND OVERLAPPING TAX RATES
Last ten fiscal years

Tax Roll Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
DeWitt County										
General fund	\$ 0.56915	\$ 0.57981	\$ 0.59280	\$ 0.54594	\$ 0.53821	\$ 0.56067	\$ 0.50545	\$ 0.48543	\$ 0.48359	\$ 0.40466
Debt service	0.02544	0.04964	0.04614	0.03615	0.13621	0.13108	0.11806	0.10897	0.11475	0.08903
Road & bridge	0.01263	0.05285	0.05401	0.04960	0.04794	0.05000	0.05756	0.05752	0.05358	0.04453
	0.60722	0.68230	0.69295	0.63169	0.72236	0.74175	0.68107	0.65192	0.65192	0.53822
Cities										
Cuero	0.21557	0.23557	0.25863	0.28834	0.28710	0.31835	0.31835	0.31318	0.30168	0.30168
Yoakum	0.09638	0.09469	0.09794	0.09354	0.09354	0.09264	0.08589	0.08591	0.08909	0.09278
Yorktown	0.53000	0.53200	0.53200	0.55909	0.54803	0.64931	0.64931	0.64931	0.70444	0.66846
Nordheim	0.36801	0.40020	0.42379	0.46000	0.46000	0.48632	0.48632	0.48632	0.47211	0.47211
Schools										
Cuero	1.58400	1.64600	1.66378	1.46570	1.47000	1.28877	1.29189	1.29673	1.32327	1.28736
Yoakum	1.54000	1.64000	1.67000	1.53000	1.53000	1.21000	1.32000	1.25000	1.35000	1.27000
Yorktown	1.49000	1.50000	1.50000	1.38000	1.28360	1.04000	1.04000	1.04000	1.04000	0.96000
Nordheim	1.72999	1.72561	1.69198	1.44133	1.70093	1.19547	1.24158	1.24343	1.23972	1.28891
Meyersville	1.50000	1.50000	1.50000	1.50000	1.37005	1.04000	1.04000	1.04000	1.04000	1.04000
Westhoff	1.44960	1.44960	1.47960	1.47960	1.38968	0.95134	1.04000	1.04000	1.04000	0.96000
Hospitals										
DeWitt Medical	0.13363	0.14222	0.15023	0.11899	0.10226	0.15919	0.14590	0.13905	0.15251	0.13221
Yoakum	0.22070	0.13860	0.13440	0.22000	0.21690	0.20710	0.18100	0.19220	0.21300	0.21770
Water Districts										
Ecletto Watershed	0.01040	0.01040	0.00990	0.00960	0.00920	0.00910	0.00740	0.00660	0.00660	0.08000
DeWitt Drainage #1	0.05962	0.06130	0.06197	0.06135	0.06131	0.05865	0.05865	0.06040	0.06294	0.06302
Pecan Valley	0.01500	0.01500	0.01500	0.01500	0.01500	0.01500	0.01500	0.01500	0.01500	0.01301

SOURCE: DeWitt County Tax Assessor/Collector

DeWITT COUNTY, TEXAS**PRINCIPAL TAXPAYERS***Current year and six years ago*

<u>2012</u>	<u>Type of Property</u>	<u>Assessed Valuation</u>	<u>Percent of Total Valuation</u>
Geothermal Energy Corporation	Mineral	\$ 288,197,270	26.15%
Burlington Resources Oil & Gas	Mineral	152,611,690	13.85%
Pioneer Resources USA Inc.	Mineral	108,736,810	9.87%
Helmerick & Payne Inc	Mineral	104,000,000	9.44%
Eagle Hawk Field Services	Mineral	56,130,330	5.09%
Precision Drilling Oilfield	Mineral	34,000,000	3.09%
Eagle Hawk Field Services	Mineral	27,492,840	2.50%
Enterprise Texas Pipeline	Mineral	25,086,590	2.28%
Nabors Drilling USA	Mineral	25,060,000	2.27%
Enterprise Hydrocarbons	Mineral	24,320,750	2.21%
Assessed value		<u>\$ 845,636,280</u>	76.74%
<u>2006</u>	<u>Type of Property</u>	<u>Assessed Valuation</u>	<u>Percent of Total Valuation</u>
Chesapeake Operating Inc.	Mineral	\$ 57,263,960	8.93%
Mount Vernon Mills, Inc.	Real & Personal	24,451,430	3.81%
Southwestern Bell Telephone LP	Mineral	11,994,380	1.87%
Dominion Oklahoma, Inc.	Mineral	10,147,530	1.58%
Santos USA Corp.	Mineral	9,527,890	1.49%
Gruy Petroleum Management Co.	Mineral	9,074,370	1.41%
Enterprise Hydrocarbons LP	Mineral	7,867,560	1.23%
Abraxas Petroleum Corp.	Mineral	7,622,070	1.19%
Flint Hills Resources LP	Mineral	6,294,060	0.98%
Guadalupe Valley Electric Cooperative	Mineral	6,033,440	0.94%
Assessed value		<u>\$ 150,276,690</u>	23.43%

SOURCE: DeWitt County Appraisal District. Information prior to 2006 was not readily available.

DeWITT COUNTY, TEXAS**PROPERTY TAX LEVIES AND COLLECTIONS***Last ten fiscal years*

Fiscal Year	Taxes Levied for the Fiscal Year (Adjusted Levy)		Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$	3,596,487	\$ 3,403,416	94.63%	\$ 180,821	\$ 3,584,237	99.66%
2004		4,046,484	3,834,079	94.75%	197,798	4,031,877	99.64%
2005		4,437,643	4,240,171	95.55%	179,102	4,419,273	99.59%
2006		4,846,651	4,699,521	96.96%	130,550	4,830,071	99.66%
2007		6,178,020	5,948,718	96.29%	200,052	6,148,770	99.53%
2008		6,510,366	6,379,151	97.98%	102,417	6,481,568	99.56%
2009		7,091,859	6,883,347	97.06%	169,635	7,052,982	99.45%
2010		7,408,366	7,253,663	97.91%	104,377	7,358,040	99.32%
2011		6,839,507	6,737,312	98.51%	27,986	6,765,298	98.91%
2012		7,367,416	7,206,312	97.81%	-	7,206,312	97.81%

SOURCE: DeWitt County

DeWITT COUNTY, TEXAS**RATIOS OF OUTSTANDING DEBT BY TYPE***Last ten fiscal years*

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Obligation	G.O. Bonds & Notes	Capital Leases			
2003	\$ 3,500,000	325,000	\$ 137,319	\$ 3,962,319	0.8%	\$ 198
2004	3,500,000	165,000	17,389	3,682,389	0.6%	184
2005	3,500,000	-	130,730	3,630,730	0.6%	181
2006	14,160,000	-	190,064	14,350,064	2.4%	717
2007	13,685,000	15,500	146,761	13,847,261	2.8%	687
2008	13,170,000	10,500	89,745	13,270,245	2.6%	673
2009	12,635,000	5,500	42,911	12,683,411	2.4%	647
2010	12,140,000	-	158,468	12,298,468	2.2%	624
2011	11,555,000	-	296,977	11,851,977	2.0%	590
2012	10,945,000	-	555,598	11,500,598	1.9%	572

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

SOURCE: DeWitt County

DeWITT COUNTY, TEXAS**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING***Last ten fiscal years*

Fiscal Year	<u>General Bonded Debt Outstanding</u>			Debt Service Monies Available	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
	Certificates of Obligation	General Obligation Bonds	Total				
2003	\$ 3,500,000	325,000	3,825,000	\$ 180,016	\$ 3,644,984	0.62%	\$ 181
2004	3,500,000	165,000	3,665,000	180,868	3,484,132	0.59%	172
2005	3,500,000	-	3,500,000	177,848	3,322,152	0.56%	163
2006	14,160,000	-	14,160,000	244,770	13,915,230	1.81%	687
2007	13,685,000	-	13,685,000	317,910	13,367,090	1.56%	663
2008	13,170,000	-	13,170,000	368,289	12,801,711	1.42%	649
2009	12,635,000	-	12,635,000	494,609	12,140,391	1.19%	620
2010	12,140,000	-	12,140,000	640,675	11,499,325	1.04%	583
2011	10,945,000	-	10,945,000	777,534	10,167,466	0.97%	506
2012	10,945,000	-	10,945,000	915,772	10,029,228	0.75%	495

SOURCE: DeWitt County

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

DeWITT COUNTY, TEXAS**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Unaudited)**

September 30, 2012

	(1)		(2)	
	Gross Debt Outstanding		Applicable to DeWitt County	
	Date	Amount	Percent	Amount
Direct debt:				
DeWitt County	09/30/12	\$ 11,500,599	100.00%	\$ 11,500,599
Overlapping debt:				
Cities				
Cuero	09/30/12	5,735,000	100.00%	5,735,000
Yoakum	09/30/12	7,989,435	33.33%	2,662,879
Yorktown	08/31/12	885,000	100.00%	885,000
School Districts				
Cuero ISD	08/31/12	9,210,000	94.26%	8,681,346
Yoakum ISD	08/31/12	10,855,000	54.79%	5,947,455
Nordheim ISD	08/31/12	768,719	96.85%	744,504
Meyersville ISD	08/31/12	-	78.39%	-
Westhoff ISD	08/31/12	-	100.00%	-
Yorktown ISD	08/31/12	5,800,000	100.00%	5,800,000
Hospitals				
Yoakum Hospital District	09/30/12	- (3)	37.37%	-
DeWitt Medical District	09/30/12	-	100.00%	-
Total overlapping debt		<u>41,243,154</u>		<u>30,456,184</u>
Total direct and overlapping debt		<u>\$ 52,743,753</u>		<u>\$ 41,956,783</u>

(1) Includes general obligation debt, certificates of obligation, and notes payable.

(2) Determined by the number of acres of the respective taxing district that fall within DeWitt County boundaries.

(3) Information was not available.

SOURCES: DeWitt County and business offices of individual governmental entities

DeWITT COUNTY, TEXAS**LEGAL DEBT MARGIN INFORMATION***Last ten fiscal years*

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable To Limit as a Percentage of Debt Limit</u>
2003	\$ 134,448,589	\$ 3,644,984	\$ 130,803,605	2.71%
2004	135,286,115	3,484,132	131,801,983	2.58%
2005	146,830,790	3,322,152	143,508,638	2.26%
2006	177,514,318	13,995,735	163,518,583	7.88%
2007	199,432,679	13,367,090	186,065,589	6.70%
2008	213,308,626	12,801,711	200,506,915	6.00%
2009	244,471,222	12,140,391	232,330,831	4.97%
2010	225,652,965	11,499,325	214,153,640	5.10%
2011	221,444,522	10,777,466	210,667,056	4.87%
2012	272,630,383	10,029,228	262,601,155	3.68%

Legal debt margin calculation for current fiscal year:

Assessed value of real property		\$ 1,090,521,531
(1) Debt limit percentage		<u>25.00%</u>
Debt limit		272,630,383
Debt applicable to debt limit		
Certificates of obligation	\$ 10,945,000	
Debt service funds available	<u>(915,772)</u>	<u>10,029,228</u>
Legal debt margin		<u>\$ 262,601,155</u>

(1) Established by Article 3, Section 52 of the Constitution of the State of Texas.

SOURCE: DeWitt County

DeWITT COUNTY, TEXAS**PLEDGED-REVENUE COVERAGE***Last ten fiscal years*

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Direct Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Average Debt Service Requirements</u>	<u>Times Debt Coverage</u>
2003	\$ 6,217,963	\$ 5,678,923	\$ 539,040	\$ 294,080	1.83
2004	6,684,121	6,866,468	(182,347)	311,023	(0.59)
2005	8,159,230	6,161,646	1,997,584	306,438	6.52
2006	9,577,164	6,930,490	2,646,674	278,360	9.51
2007	11,236,329	6,352,597	4,883,732	1,096,012	4.46
2008	10,044,221	6,875,541	3,168,680	1,098,520	2.88
2009	9,831,928	7,496,996	2,334,932	1,098,114	2.13
2010	10,696,440	8,242,452	2,453,988	1,156,601	2.12
2011	12,378,121	9,167,710	3,210,411	1,085,638	2.96
2012	12,087,413	9,835,758	2,251,655	1,087,257	2.07

SOURCE: DeWitt County

NOTE: Gross revenue refers to all operating revenue including interest income and miscellaneous revenue.
Direct operating expenses is defined as total expenditures less debt service and capital outlay.

DeWITT COUNTY, TEXAS**DEMOGRAPHIC STATISTICS (Unaudited)***Last ten years*

<u>Calendar Year</u>	<u>Median Family Income</u>	<u>Estimated Population</u>	<u>Personal Income</u>	<u>Personal Income per Capita</u>	<u>Labor Force</u>	<u>Unemployment Rate</u>	<u>Median Age</u>
2003	\$ 28,714	20,116	\$ 476,962,224	\$ 23,711	8,499	5.80%	41
2004	28,852	20,265	479,254,513	23,649	8,687	5.70%	42
2005	29,105	20,376	483,457,043	23,727	9,301	5.60%	42
2006	29,310	20,245	492,506,189	24,327	9,482	4.60%	41
2007	30,190	20,167	494,756,000	24,533	9,617	4.40%	40
2008	31,711	19,730	502,705,000	25,479	9,028	4.10%	40
2009	34,806	19,596	527,930,000	26,941	9,021	4.20%	40
2010	36,273	19,713	569,485,000	28,889	9,241	7.70%	42
2011	36,611	20,097	598,572,000	30,364	9,368	6.40%	43
2012	36,611	20,255	598,572,000	30,364	9,958	6.70%	43

SOURCES: DeWitt County Profile - Texas Association of Counties

NOTE: Demographic data is normally not available until after the calendar year-end.
Ten year data is presented as of the beginning date of the County's current fiscal year.

DeWITT COUNTY, TEXAS*PRINCIPAL EMPLOYERS (Unaudited)**Current year and 6 years ago*

<u>Employer</u>	<u>Business Type</u>	<u>Employees</u>	<u>Percentage of Total Area Employment</u>
<u>2012</u>			
Cuero Independent School District	School District	400	4.27%
Cuero Community Hospital	Health Care	398	4.25%
Texas Dept. of Criminal Justice	Correctional Facility	322	3.44%
Mount Vernon Mills, Brentex Division	Textile Manufacturing	240	2.56%
Cuero Nursing & Rehabilitation Center	Health Care	130	1.39%
Wal-Mart	Retail	117	1.25%
County of DeWitt	Government	110	1.17%
City of Cuero	Government	92	0.98%
H.E.B.	Retail	73	0.78%
Whispering Oaks Manor	Health Care	56	0.60%
		<u>1,938</u>	<u>20.69%</u>
<u>2007</u>			
Cuero Community Hospital	Health Care	410	4.26%
Cuero Independent School District	School District	375	3.90%
Texas Dept. of Criminal Justice	Correctional Facility	332	3.45%
Mount Vernon Mills, Brentex Division	Textile Manufacturing	259	2.69%
Wal-Mart	Retail	100	1.04%
County of DeWitt	Government	96	1.00%
City of Cuero	Government	90	0.94%
Cuero Nursing & Rehabilitation Center	Health Care	85	0.88%
Whispering Oaks Manor	Health Care	65	0.68%
H.E.B.	Retail	58	0.60%
		<u>1,870</u>	<u>19.44%</u>

Source: Cuero Development Corporation

Information prior to 2007 was not readily available.

DeWITT COUNTY, TEXAS**FULL-TIME-EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM***Last nine fiscal years*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Function/Program									
General government									
Comissioners' court	4	4	4	4	4	4	4	4	4
County clerk	5	5	5	5	6	6	5	5	5
Veterans' service officer	1	1	1	1	1	1	1	1	1
County auditor	3	3	3	3	3	3	3	3	3
County treasurer	2	2	2	2	2	2	2	2	2
Tax assessor-collector	6	6	6	6	6	6	5	6	6
Judicial									
County court	2	2	5	2	2	2	2	2	2
District clerk	6	6	2	5	5	5	4	5	5
County attorney	2	2	3	2	2	2	2	3	2
Justice of the Peace #1	3	3	1	3	3	3	3	3	3
Justice of the Peace #2	2	1	1	1	1	1	2	2	2
Juvenile probation	6	6	6	5	5	5	5	5	5
Public works									
Sheriff	43	45	30	39	29	27	26	29	29
Constable #1	1	1	1	1	1	1	1	1	1
Constable #2	1	1	1	1	1	1	1	1	1
Building maintenance	2	2	2	2	2	2	2	2	2
Bailiffs	1	2	3	2	2	2	2	2	2
Precinct No. 1	6	7	5	6	6	6	5	5	5
Precinct No. 2	5	6	5	5	5	5	5	5	5
Precinct No. 3	6	6	6	6	7	7	6	7	6
Precinct No. 4	5	4	4	4	5	4	5	5	5
Health and welfare									
Extension service	3	3	3	3	3	3	3	3	3
Emergency management	1	1	1	1	1	1	1	1	1
Indigent health care	1	1	1	1	1	1	1	1	1
Health department	3	3	3	3	3	3	3	3	3
Total	<u>120</u>	<u>123</u>	<u>104</u>	<u>113</u>	<u>106</u>	<u>103</u>	<u>99</u>	<u>106</u>	<u>104</u>

SOURCE: Various DeWitt County departments

NOTE: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

Information for fiscal years prior to 2004 was not readily available.

DeWITT COUNTY, TEXAS**OPERATING INDICATORS BY FUNCTION/PROGRAM (Unaudited)***Last six fiscal years*

	2012	2011	2010	2009	2008	2007
Function/Program						
General government						
County auditor						
Accounts payable invoices processed	7,396	7,369	7,567	7,327	6,903	7,153
County treasurer						
Payroll checks processed	3,146	3,647	3,650	3,429	3,128	2,991
Elections administrator						
New voter registrations	726	101	1,004	922	394	749
Elections held	1	1	1	1	1	1
Tax assessor-collector						
Automobile registrations	24,561	23,231	22,925	22,645	21,739	20,939
Judicial						
County court						
Criminal cases filed	533	459	489	502	516	454
Criminal case dispositions	537	697	516	642	488	599
Civil cases filed	29	51	28	30	55	28
Civil case dispositions	30	50	27	123	48	32
Juvenile cases filed	20	26	28	22	31	54
Juvenile case dispositions	20	23	32	29	35	59
District court						
Criminal cases filed	279	224	303	218	373	307
Criminal case dispositions	302	292	283	300	295	388
Civil cases filed	425	425	530	412	401	614
Civil case dispositions	456	449	494	407	448	481
Justice of the Peace #1						
Civil cases filed	140	136	56	177	231	175
Criminal cases filed	1,883	1,767	1,769	2,421	1,953	3,425
Justice of the Peace #2						
Civil cases filed	30	54	52	44	110	45
Criminal cases filed	979	1,611	3,401	1,465	1,108	666
Health and welfare						
Health department						
Immunizations administered	2,314	2,645	3,419	4,860	3,942	3,476

SOURCE: Various DeWitt County departments

NOTE: Information for fiscal years prior to 2007 was not readily available.

DeWITT COUNTY, TEXAS**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (Unaudited)***Last nine fiscal years*

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Function/Program									
General government									
Buildings	8	8	8	8	8	8	8	6	6
Vehicles	2	2	2	2	2	2	2	2	2
Public works									
Sheriff									
Jail	1	1	1	1	1	1	1	1	1
Patrol units	15	12	12	12	12	9	9	9	9
Road and bridge precincts									
Roads (miles)	690	690	690	690	690	690	690	690	689
Bridges	110	110	110	110	110	110	110	110	110
Heavy equipment	44	43	40	36	34	31	30	28	31
Vehicles	26	26	26	26	24	27	24	29	22
Health and welfare									
Extension office	0	1	1	1	1	1	1	1	1

SOURCE: Various DeWitt County departments, Texas Department of Transportation

NOTE: Information for fiscal years prior to 2004 was not readily available.

OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION



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

The Honorable County Judge and
Members of the Commissioners' Court
DeWitt County, Texas

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of DeWitt County, Texas (the "County") as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

The Honorable County Judge and
Members of the Commissioners' Court
DeWitt County, Texas

Compliance and Other Matters

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

We noted certain matters that we reported to management of DeWitt County, Texas in a separate letter dated December 31, 2012.

This report is intended solely for the information and use of the County Judge and members of Commissioners' Court, management, others within the entity, and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Harrison, Waldrop & Uheuk, LLP

December 31, 2012