

DeWITT COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended September 30, 2013

Issued By
County Auditor's Office

Carrie Rea
County Auditor

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INTRODUCTORY SECTION

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Carrie Rea
DeWitt County Auditor

February 19, 2014

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, 2013. 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.

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, 2013, 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, 2013, 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. 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.

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

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. The MD&A has a more detailed analysis of this activity and its effect on County's finances.

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 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 required hearings. Most appropriated budgets are prepared on a fund, department, and category basis. The County maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budgets. The level of budgetary control includes expenditures that cannot legally exceed the appropriated amount within an individual governmental fund. 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.

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, 2012. This was the 31st 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

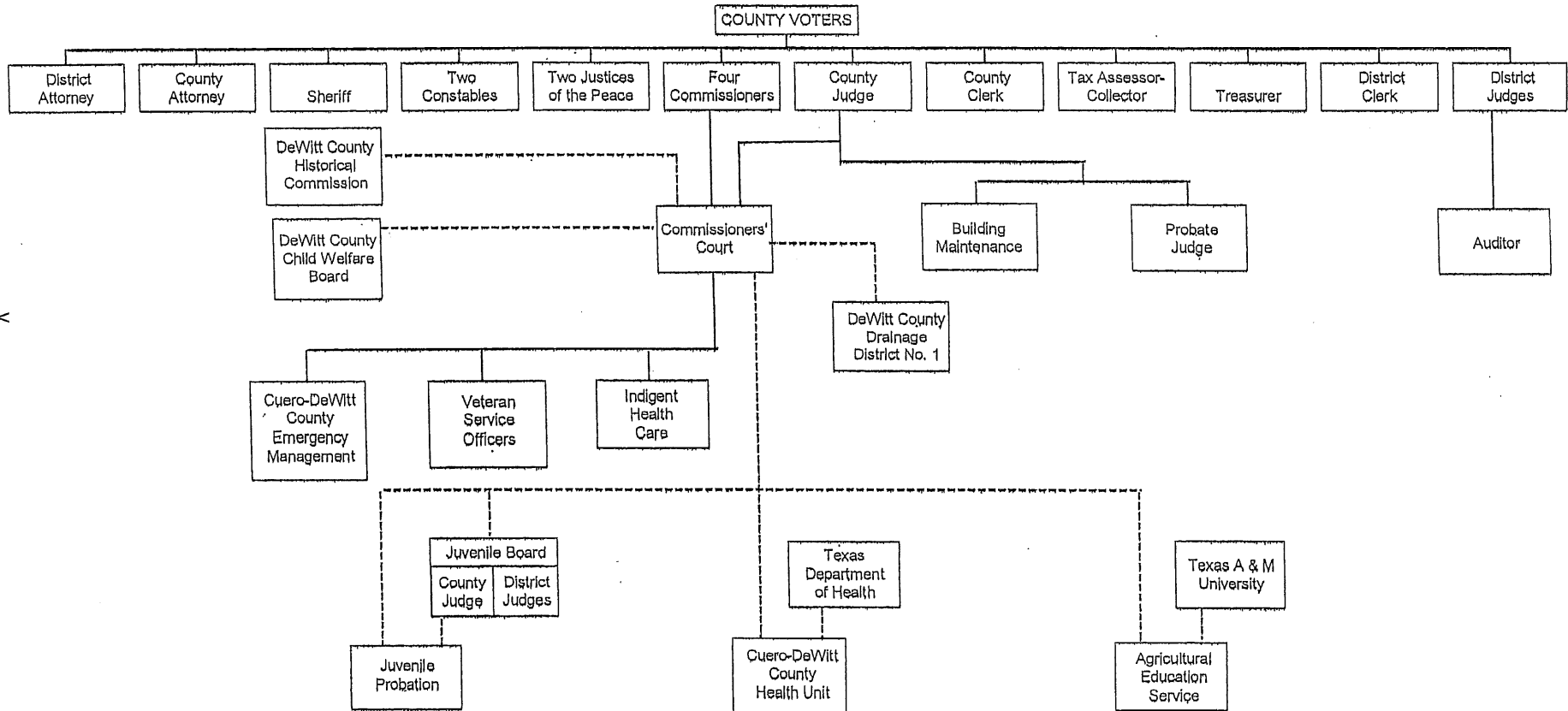
DeWitt County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

DeWITT COUNTY ORGANIZATION



ELECTED

Daryl L. Fowler	County Judge
Curtis G. Afflerbach	Commissioner, Precinct No. 1
James B. Pilchick, Sr.	Commissioner, Precinct No. 2
James Kaiser	Commissioner, Precinct No. 3
Donald R. Kuecker	Commissioner, Precinct No. 4
Raymond H. Reese	County Attorney
Natalie Carson	County Clerk
Susan C. Dreyer	County Tax Assessor-Collector
Carol Martin	County Treasurer
Jode C. Zavesky	Sheriff
Peggy Mayer	Justice of the Peace, Precinct No. 1
George W. Robinson	Justice of the Peace, Precinct No. 2
Gene Davis	Constable, Precinct No. 1
Steven A. Wehlmann	Constable, Precinct No. 2
Michael Sheppard	District Attorney
Tabeth M. Gardner	District Clerk
Jack Marr	24th Judicial District Judge
Kemper Stephen Williams	135th Judicial District Judge
Skipper Koetter	267th Judicial District Judge

APPOINTED

Carrie Rea	County Auditor
Ernest E. Sertuche	Chief Juvenile Probation Officer
Kris Martin	IHC Coordinator / Veterans Service Officer
Rosie Ybarra	Emergency Management Coordinator

FINANCIAL SECTION



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

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DENNIS C. CIHAL, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2014, 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* in considering the County's internal control over financial reporting and compliance.

Harrison Waldrop & Uhenk, LLP

Victoria, Texas
February 19, 2014

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, 2013. 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

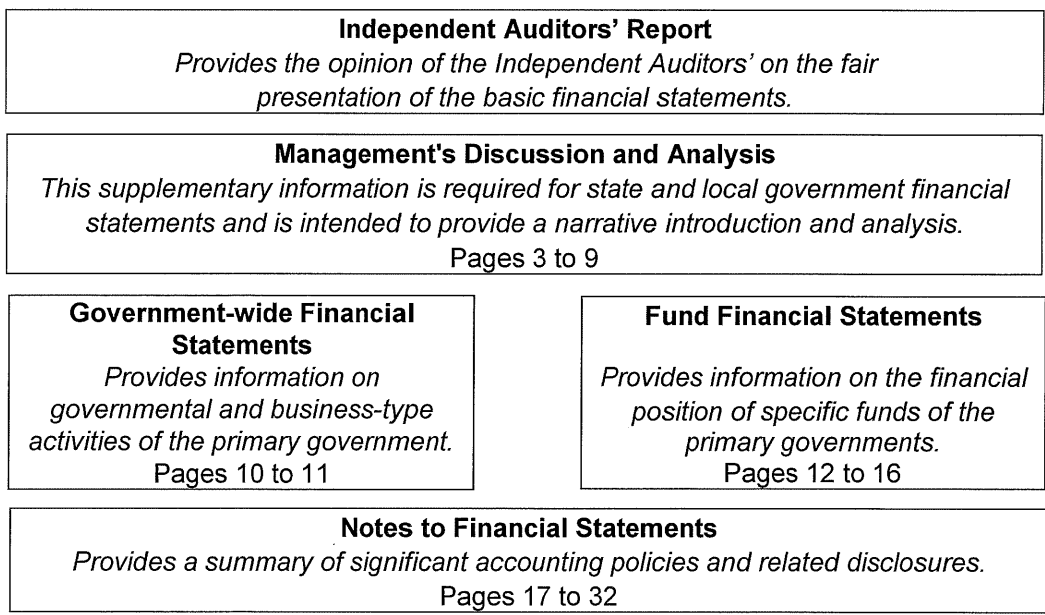
- The assets of the County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$31,171,482. Of this amount \$17,699,327 is available to meet the County's ongoing obligations to citizens and creditors.
- At year-end, the County's governmental funds reported combined ending fund balances of \$19,090,593.
- At year-end, the unassigned fund balance for the General Fund was \$8,861,809 or 130% of total General Fund expenditures and planned transfers. The County experienced a large increase in tax revenues in the current year due to mineral value increases related to the Eagle Ford Shale activity. Please see the economic section of this report for a more detailed explanation regarding this activity.

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 overall compliance and internal control section. This report also contains other required supplementary information in addition to the basic financial statements.

Organization and Flow of Financial Section Information



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

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported 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 other 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 57 through 65 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 68 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$31,171,482 at the close of the fiscal year.

DeWitt County, Texas			
Net Position			
	Governmental Activities		
	<u>2013</u>	<u>2012</u>	<u>Change</u>
Current assets	\$21,529,711	\$12,631,895	70%
Capital assets (net)	21,455,841	21,262,366	1%
Other non-current assets	-	245,976	-100%
Total Assets	<u>42,985,552</u>	<u>34,140,237</u>	26%
Current liabilities	1,571,635	1,198,150	31%
Long-term liabilities	<u>10,242,435</u>	<u>10,865,128</u>	-6%
Total Liabilities	<u>11,814,070</u>	<u>12,063,278</u>	-2%
Net Position:			
Investment in capital assets, net of related debt	11,785,255	10,219,684	15%
Restricted	1,686,900	933,999	81%
Unrestricted	<u>17,699,327</u>	<u>10,677,302</u>	66%
Total Net Position *	<u>\$31,171,482</u>	<u>\$21,830,985</u>	43%

* The 2012 net position has been restated. See Note 13 of this report.

The County's unrestricted net position represent 57% of the County's net position 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 38% of net position. 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 position of \$1,686,900 (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 position for the government as a whole. Its overall financial position has improved from the prior year thanks largely to increased tax revenue from the oil and gas sector.

DeWitt County, Texas			
Changes in Net Position			
	Governmental Activities		
	<u>2013</u>	<u>2012</u>	<u>Change</u>
REVENUES			
Program revenues:			
Charges for services	\$ 4,704,915	\$ 4,329,380	9%
Operating grants and contributions	655,176	536,255	22%
General revenues:			
Property taxes	16,964,050	7,148,900	137%
Other	<u>191,807</u>	<u>204,000</u>	-6%
Total Revenues	<u>22,515,948</u>	<u>12,218,535</u>	84%
EXPENSES			
General governmental	1,984,628	2,054,078	-3%
Judicial	1,320,115	1,229,416	7%
Public works	8,685,582	6,830,006	27%
Health and welfare	736,361	575,526	28%
Interest	<u>448,765</u>	<u>474,197</u>	-5%
Total Expenses	<u>13,175,451</u>	<u>11,163,223</u>	18%
Change in net position	9,340,497	1,055,312	785%
Net Position - Beginning as restated *	<u>21,830,985</u>	<u>20,775,673</u>	5%
Net Position - Ending	<u>\$31,171,482</u>	<u>\$21,830,985</u>	43%

* The 2012 net position has been restated. See Note 13 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

Governmental activities. Governmental activities account for 100% of the total growth in the net position of the County. Key elements of this change are as follows:

- The current year change in net position can be attributed almost entirely to tax revenues.
- Property tax revenue increased by 137% from 2012. The County lowered its tax rate approximately 7% from the prior year, however, property tax valuations increased approximately 128%.

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 \$19,090,593, an increase of \$8,066,464 from the prior year due mainly to increased property tax revenues as noted earlier. Of the total fund balance, \$8,861,809 constitutes *unassigned fund balance* and is available for spending at the County's discretion, while \$311,213 has been assigned for building maintenance. 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 (\$1,634,641), for various construction projects (\$311,213), or has been restricted for special purposes (\$7,218,731).

General Fund. The General Fund is the chief operating fund of the County.

The fund balance increase of \$4,946,897 results mainly from a 145% increase in property tax revenue from the prior year and is again a result of increased assessed mineral values in the County.

Capital Project Fund. The County has one capital project fund with an ending balance of \$1,064,200. The funds will be used as necessary for improvements or repairs on the County buildings.

Debt Service Fund. The interest and sinking tax rate is 40% lower than last year, but the tax revenues of \$1,792,471 represent a 47% increase from prior year. Principal and interest payments amounted to \$1,087,005 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 actual tax revenue exceeded budgeted amounts by \$3,160,872 due to the appraisal district's tax roll supplement to adjust the assessed taxable values of the mineral property in the Eagle Ford Shale formation. The County had used the original 2012 tax roll to prepare the budget for the current year. The appraisal district later notified the County that they were adjusting the tax roll to account for the increased activity and production in the Eagle Ford Shale area. The supplement brought in an additional \$3.8 million in tax revenue to the general fund alone (\$6.5 million overall).
- All expenditures were within budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The County's investment in capital assets includes land, buildings and improvements, equipment, and vehicles. Total additions for the current fiscal year was \$,236,479 with the majority for public works' equipment. Additional information can be found in Note 5 of this report.

Capital Assets (Net of Depreciation)			
	Governmental Activities		
	2013	2012	Change
Land	\$ 637,771	\$ 637,771	0%
Buildings and improvements	18,358,451	18,665,298	-2%
Equipment	1,964,218	1,467,729	34%
Vehicles	495,401	491,568	1%
Total	<u>\$ 21,455,841</u>	<u>\$ 21,262,366</u>	1%

Long-term debt. The County's total bonded debt 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			
	2013	2012	Change
Certificates of obligation, 2006 series	\$ 8,040,000	\$ 8,490,000	-5%
Certificates of obligation, 2010 series	2,270,000	2,455,000	-8%
Total	<u>\$ 10,310,000</u>	<u>\$ 10,945,000</u>	-6%

Debt payments in 2013 on bonds totaled \$635,000 in regularly scheduled payments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local economy. DeWitt County continues to benefit from unprecedented levels of drilling activity in the Eagle Ford Shale. The formation is yielding remarkable quantities of oil and natural gas liquids. Production ranks among the top five producing counties in the State of Texas. Railroad Commission records indicate that 363 wells were completed in the county during the State's fiscal year which ended in August 2013. The State of Texas also reported that production from DeWitt County has generated more than \$244 million in severance taxes for the State's treasury. As long as commodity pricing continues to reflect strong demand, DeWitt County could continue to see new drilling permits issued by the Railroad Commission in the range of 350-400 per year.

As of January 15, 2014 there are 29 drilling rigs running in DeWitt County. Well spacing is continuing to decrease and this will allow for a higher density of wells over time. With the majority of leased acreage already held by production, companies can concentrate on multiple well drilling from a single pad site. Using a single pad for multiple wells has changed some traffic patterns, but damages to county roads are still occurring on a daily basis. To the amazement of many, hotel construction continues unabated. More than 100 new motel rooms became available for overnight accommodation in 2013. The City of Cuero has engaged TXDOT to study the practicality of a new airport with a longer runway that would be capable of accommodating corporate jets. If a decision to build a new airport is made, the existing airport property would likely become available for commercial development.

Road damage funding issues. The County hired Steve Holzhauser, a former chairman of the House Energy Committee, to lobby the Legislature on three pieces of legislation that were promoted by Judge Fowler and the County Judges and Commissioners Association of Texas. State Representative Richard Raymond of Laredo filed the bills known as HB 2798, HB 2799, and HB 2800. After hiring Mr. Holzhauser for a one-year contract, the county entered into Interlocal Agreements with Gonzales, Karnes, Live Oak and McMullen Counties to share the expense. Judge Fowler and the other county judges in the coalition made numerous trips to Austin to testify at committee hearings in favor of the proposed legislation. Judge Fowler also took advantage of invitations to address the Texas Farm Bureau, the Texas Transportation Institute, and the Greater San Antonio Chamber of Commerce Transportation Committee about the road damages affecting counties where heavy exploration is occurring in order to encourage support for the legislation.

Senate Bill 1747, introduced by Senator Carlos Uresti was signed into law by Governor Rick Perry and it will allow counties to create County Energy Transportation Reinvestment Zones (CETRZ) to access state grant funding while also providing some relief from the rollback election provisions of the Property Tax Code. If a county creates one or more CETRZ and appoints an advisory board, it is eligible to apply for a grant administered by TXDOT for one or more transportation projects. The Texas Transportation Infrastructure Fund (TIF) was initially funded by an appropriation of \$450,000,000. TXDOT will receive one-half for its own use in oil-impacted areas. The other one-half is dedicated to a county-level grant program. Farm-to-market roads in DeWitt County will see up to \$4.5 million in upgrades near Yorktown, Westhoff, and Hochheim because of the state-level TIF funding. DeWitt County will see a minimum award of \$4.6 million in the county-level funding. The county must provide 20 percent in matching funds for its share of the program.

The FY 2014 budget. The certified appraised values in the county increased from \$2 billion to \$5.5 billion in 2013. In order to generate funds for the necessary road repairs, county commissioners chose not to lower the maintenance and operating tax rate for the second year in a row. The debt service rate was lowered because the required interest and sinking fund payment could be spread across a larger tax base. By holding its maintenance and operating budget tax rate at the previous year's rate, DeWitt County continues to improve its cash balance and dedicate more funds to roads and bridge efforts. \$16 million, representing 57 percent of its budget is dedicated to road and bridge efforts in FY 2014. A \$4.6 billion grant from the newly-created Texas Transportation Infrastructure Fund will provide an additional source of funding for road projects according to a formula established within SB 1747. Naismith Engineering, Inc. of Corpus Christi has been retained to assist the County with project management.

The Commissioners' Court adopted a budget that held general fund expenses at an eight percent growth rate. Salary adjustments and several new positions were included. The County emergency management coordinator position was modified to a fulltime job because of the enhanced threats inherent in a County with a heavy focus on oil and gas drilling and production. The County hired its first Information Technology administrator and new staff was added in the auditor and treasurer offices to meet increasing demands.

The county tax rate peaked in 2007 and has since declined by 35 percent. The creation of the CETRZ(s) in the county should alleviate the worry of rollback election efforts while increasing tax revenue for the road system. The Commissioners' Court is determined that the county should not lie in waste when the last drilling rig exits. The tax and budget policy reflects their commitment.

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.

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 POSITION
September 30, 2013

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Unit</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 19,636,045	\$ 889,519
Receivables (net)	1,565,119	16,968
Due from others	328,547	-
Total current assets	<u>21,529,711</u>	<u>906,487</u>
Noncurrent assets		
Capital assets		
Land and other assets not being depreciated	637,771	1,353
Buildings, equipment, and vehicles (net)	20,818,070	370,523
Total noncurrent assets	<u>21,455,841</u>	<u>371,876</u>
Total assets	<u>42,985,552</u>	<u>1,278,363</u>
LIABILITIES		
Current liabilities		
Accounts payable	606,712	-
Accrued expenses	267,286	-
Accrued interest payable	54,855	-
Current portion of long-term obligations	642,782	-
Total current liabilities	<u>1,571,635</u>	<u>-</u>
Noncurrent liabilities		
Noncurrent portion of long-term obligations	10,242,435	-
Total noncurrent liabilities	<u>10,242,435</u>	<u>-</u>
Total liabilities	<u>11,814,070</u>	<u>-</u>
NET POSITION		
Invested in capital assets, net of related debt	11,785,255	371,876
Restricted for:		
Retirement of long-term debt	1,686,900	-
Unrestricted	17,699,327	906,487
Total net position	<u>\$ 31,171,482</u>	<u>\$ 1,278,363</u>

The accompanying notes are an integral part of this statement.

DeWITT COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2013

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit
Primary Government						
Governmental activities						
General government	\$ 1,984,628	\$ 1,428,624	\$ 233,369	\$ -	\$ (322,635)	\$ -
Judicial	1,320,115	700,202	46,523	-	(573,390)	-
Public works	8,685,582	2,520,427	219,590	-	(5,945,565)	-
Health and welfare	736,361	55,662	155,694	-	(525,005)	-
Interest on long-term debt	448,765	-	-	-	(448,765)	-
Total governmental activities	<u>13,175,451</u>	<u>4,704,915</u>	<u>655,176</u>	<u>-</u>	<u>(7,815,360)</u>	<u>-</u>
Total primary government	<u>\$ 13,175,451</u>	<u>\$ 4,704,915</u>	<u>\$ 655,176</u>	<u>\$ -</u>	<u>(7,815,360)</u>	<u>-</u>
Component Unit	<u>\$ 96,671</u>	<u>\$ 938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(95,733)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes					15,140,787	138,054
Property taxes, levied for debt service					1,823,263	-
Gain on disposal of assets					35,347	28,008
Investment earnings					<u>156,460</u>	<u>2,947</u>
Total general revenues					<u>17,155,857</u>	<u>169,009</u>
Change in net position					9,340,497	73,276
Net position - beginning as restated					<u>21,830,985</u>	<u>1,205,087</u>
Net position - ending					<u>\$31,171,482</u>	<u>\$1,278,363</u>

The accompanying notes are an integral part of this statement.

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

September 30, 2013

	General Fund	Road and Bridge Precinct 1	County Road and Flood	Other Governmental Funds	Total Governmental Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 9,311,296	\$ 891,010	\$ 1,048,250	\$ 8,385,489	\$ 19,636,045
Taxes receivable	502,640	-	98,811	226,881	828,332
Fines receivable (net)	736,787	-	-	-	736,787
Due from other funds	-	-	-	82,170	82,170
Due from others	247,903	36,160	-	44,484	328,547
Total assets	\$ 10,798,626	\$ 927,170	\$ 1,147,061	\$ 8,739,024	\$ 21,611,881
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 206,586	\$ 64,488	\$ -	\$ 335,638	\$ 606,712
Accrued expenditures	179,591	14,769	-	72,926	267,286
Due to others	-	-	-	-	-
Due to other funds	-	32,420	-	49,750	82,170
Total liabilities	386,177	111,677	-	458,314	956,168
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	502,640	-	98,811	226,881	828,332
Unavailable revenue - assessed fines	736,787	-	-	-	736,787
Total deferred inflow of resources	1,239,427	-	98,811	226,881	1,565,119
Fund balances					
Restricted:					
Courts	-	-	-	354,938	354,938
Health and welfare	-	-	-	182,277	182,277
Public safety	-	-	-	241,932	241,932
Public works	-	815,493	1,048,250	4,575,841	6,439,584
Various capital projects	-	-	-	1,064,200	1,064,200
Retirement of long-term debt	-	-	-	1,634,641	1,634,641
Assigned - building maintenance	311,213	-	-	-	311,213
Unassigned	8,861,809	-	-	-	8,861,809
Total fund balances	9,173,022	815,493	1,048,250	8,053,829	19,090,594
Total liabilities, deferred inflows, and fund balances	\$ 10,798,626	\$ 927,170	\$ 1,147,061	\$ 8,739,024	\$ 21,611,881

The accompanying notes are an integral part of this statement.

DeWITT COUNTY, TEXAS

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION
OF GOVERNMENTAL ACTIVITIES**

September 30, 2013

Total governmental fund balances		\$ 19,090,594
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
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	\$ 828,332	
Fines receivable	<u>736,787</u>	1,565,119
Capital assets used in governmental activities are reported as expenditures in governmental funds when purchased or constructed.		
Cost of assets	28,476,902	
Accumulated depreciation	<u>(7,021,061)</u>	21,455,841
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	(10,310,000)	
Capital leases payable	(424,786)	
Accrued interest on the bonds	(54,855)	
Compensated absences	<u>(150,431)</u>	<u>(10,940,072)</u>
Net position of governmental activities		<u>\$ 31,171,482</u>

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, 2013

	General Fund	Road and Bridge Precinct 1	County Road and Flood	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 8,574,379	\$ -	\$ 2,632,897	\$ 5,392,778	\$ 16,600,054
Licenses and permits	2,413	235,707	-	550,689	788,809
Intergovernmental	1,486,078	4,733	-	417,074	1,907,885
Charges for services	1,005,867	340,887	-	434,436	1,781,190
Fines and forfeitures	464,734	-	-	-	464,734
Interest	70,942	8,500	8,540	68,478	156,460
Miscellaneous	231,644	19,872	-	228,359	479,875
Total revenues	<u>11,836,057</u>	<u>609,699</u>	<u>2,641,437</u>	<u>7,091,814</u>	<u>22,179,007</u>
EXPENDITURES					
Current					
General government	1,592,508	-	-	157,696	1,750,204
Judicial	1,003,115	-	-	153,922	1,157,037
Public works	3,804,994	1,646,467	-	4,000,062	9,451,523
Health and welfare	132,309	-	-	583,667	715,976
Debt service					
Principal retirement	-	-	-	635,000	635,000
Interest and fiscal charges	-	-	-	452,005	452,005
Total expenditures	<u>6,532,926</u>	<u>1,646,467</u>	<u>-</u>	<u>5,982,352</u>	<u>14,161,745</u>
Excess (deficiency) of revenues over expenditures	<u>5,303,131</u>	<u>(1,036,768)</u>	<u>2,641,437</u>	<u>1,109,462</u>	<u>8,017,262</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	8,472	9,140	-	31,590	49,202
Transfers in	-	912,364	-	2,824,537	3,736,901
Transfers out	(364,706)	-	(1,631,403)	(1,740,792)	(3,736,901)
Total other financing sources (uses)	<u>(356,234)</u>	<u>921,504</u>	<u>(1,631,403)</u>	<u>1,115,335</u>	<u>49,202</u>
Net change in fund balances	4,946,897	(115,264)	1,010,034	2,224,797	8,066,464
Fund balances, beginning of year	<u>4,226,124</u>	<u>930,757</u>	<u>38,216</u>	<u>5,829,032</u>	<u>11,024,129</u>
Fund balances, end of year	<u>\$ 9,173,021</u>	<u>\$ 815,493</u>	<u>\$ 1,048,250</u>	<u>\$ 8,053,829</u>	<u>\$ 19,090,593</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, 2013*

Total net change in fund balances - governmental funds		\$ 8,066,464
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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.		1,236,480
Depreciation is not recognized as an expense on the governmental funds since it does not require the use of current financial resources.		(1,029,149)
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	\$ 635,000	
Capital lease principal retirement	<u>130,812</u>	765,812
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	363,996	
Fines	<u>(62,402)</u>	301,594
Disposal of assets should be reported as gains or losses in the government-wide financial statements.		
Sale of capital assets	(49,202)	
Gain on disposal of assets	<u>35,347</u>	(13,855)
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	9,912	
Decrease in accrued interest	<u>3,239</u>	<u>13,151</u>
Change in net position of governmental activities		\$ <u>9,340,497</u>

The accompanying notes are an integral part of this statement.

DeWITT COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash	\$ <u>721,147</u>
Total assets	\$ <u><u>721,147</u></u>
LIABILITIES	
Due to others	\$ <u>721,147</u>
Total liabilities	\$ <u><u>721,147</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 GASB 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 GASB 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 GASB Statement No. 34. As such, these and other changes provided for by GASB 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 position and the statement of changes in net position) 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 2012 tax levy is dedicated to pay for expenditures of the 2013 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 primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

Road and Bridge Precinct 1 is a special revenue fund and accounts for those resources that are legally restricted or committed to expenditures for its specific purpose.

County Road and Flood is a special revenue fund and accounts for those resources that are legally restricted or committed to expenditures for its specific purpose.

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

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 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 position. 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 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.

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. Deferred Outflows/Inflows of Resources

The statement of net position reports a separate section for deferred outflows of resources which follows the asset section. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position also reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has two items which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. 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.

M. 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 current year all line item expenditures were within budgeted amounts.

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	\$ 18,366,460
Plus: Money market funds	863,760
Certificates of deposit	400,000
Cash on hand	<u>5,825</u>
Total cash and cash equivalents	<u>\$ 19,636,045</u>

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

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 money market funds have a Standard & Poor's credit rating of AAA.

C. Concentration of Credit Risk

The 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 134% 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>26,109,490</u>
Total coverage	<u>\$ 26,609,490</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 14 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>Road & Flood</u>	<u>Nonmajor</u>	<u>Total</u>
Gross receivables				
Ad valorem taxes	\$ 502,640	\$ 98,811	\$ 226,881	\$ 828,332
Fines	<u>3,683,933</u>	<u>-</u>	<u>-</u>	<u>3,683,933</u>
Total gross receivables	4,186,573	98,811	226,881	4,512,265
Less: allowances	<u>2,947,146</u>	<u>-</u>	<u>-</u>	<u>2,947,146</u>
Total net receivables	<u>\$ 1,239,427</u>	<u>\$ 98,811</u>	<u>\$ 226,881</u>	<u>\$ 1,565,119</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	\$ 601,451	\$ -	\$ 601,451
Fines receivable	<u>736,787</u>	<u>-</u>	<u>736,787</u>
	1,338,238	-	1,338,238
Nonmajor Funds			
Taxes receivable	<u>226,881</u>	<u>-</u>	<u>226,881</u>
Total deferred revenue	<u>\$ 1,565,119</u>	<u>\$ -</u>	<u>\$ 1,565,119</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 \$0.50203 was levied for the 2012 tax roll. This tax rate resulted in a current year tax levy of \$17,488,203.

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 14 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	21,956,234	222,781	-	22,179,015
Machinery and equipment	3,821,590	873,254	87,580	4,607,264
Vehicles	997,896	140,445	85,488	1,052,853
Total capital assets being depreciated	<u>26,775,720</u>	<u>1,236,480</u>	<u>173,068</u>	<u>27,839,132</u>
Less accumulated depreciation for				
Buildings and improvements	3,290,936	529,628	-	3,820,564
Machinery and equipment	2,353,861	365,229	76,044	2,643,046
Vehicles	506,328	134,292	83,168	557,452
Total accumulated depreciation	<u>6,151,125</u>	<u>1,029,149</u>	<u>159,212</u>	<u>7,021,062</u>
Total capital assets being depreciated, net	<u>20,624,595</u>	<u>207,331</u>	<u>13,856</u>	<u>20,818,070</u>
Governmental activities capital assets, net	<u>\$ 21,262,366</u>	<u>\$ 207,331</u>	<u>\$ 13,856</u>	<u>\$ 21,455,841</u>

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

Governmental activities	
General government	\$ 236,704
Judicial	164,664
Public works	607,199
Health and welfare	<u>20,582</u>
Total depreciation expense - governmental activities	<u>\$ 1,029,149</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 2013 and 7.40% for calendar year 2012. 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, 2012, the basis for determining the contribution rate for calendar year 2013.

NOTE 6: EMPLOYEES' RETIREMENT PLAN - (Continued)

C. Actuarial Valuation and Trend Information

Actuarial Valuation Information

	<u>12/31/12</u>	<u>12/31/11</u>	<u>12/31/10</u>
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	11.1	11.8	11.8
Asset valuation method	10 year smoothed value	10 year smoothed value	10 year smoothed 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>
2012	\$ 311,029	100%	\$ -
2011	288,531	100%	-
2010	286,695	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>
12/31/12	\$ 7,180,759	\$ 8,130,919	\$ 950,160	88.31%	\$ 4,203,099	22.61%
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%

⁽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	\$ 8,490,000	\$ -	\$ 450,000	\$ 8,040,000	\$ 470,000
2010 Refunding	2,455,000	-	185,000	2,270,000	195,000
Total bonds payable	<u>10,945,000</u>	<u>-</u>	<u>635,000</u>	<u>10,310,000</u>	<u>665,000</u>
Capital leases payable	555,598	-	130,813	424,785	135,174
Compensated absences	160,343	30,174	40,086	150,431	37,608
Total other	<u>715,941</u>	<u>30,174</u>	<u>170,899</u>	<u>575,216</u>	<u>172,782</u>
Total governmental activity long-term liabilities	<u>\$ 11,660,941</u>	<u>\$ 30,174</u>	<u>\$ 805,899</u>	<u>\$ 10,885,216</u>	<u>\$ 837,782</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%.	\$ 8,040,000
\$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>2,270,000</u>
Total long-term debt obligations	<u>\$ 10,310,000</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	
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	555,000	261,147	220,000	48,285	1,084,432
2019-2023	3,190,000	888,269	1,235,000	114,072	5,427,341
2024-2026	2,295,000	158,063	-	-	2,453,063
	<u>\$ 8,040,000</u>	<u>\$ 2,571,176</u>	<u>\$ 2,270,000</u>	<u>\$ 430,979</u>	<u>\$ 13,312,155</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.	\$ 17,758
Lease agreement on JD Motograder 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.	122,770
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.	68,852
Lease agreement on Volvo Motograder 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.	157,770
Lease agreement on a motograder 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.	<u>57,635</u>
Total capital leases	<u>\$ 424,785</u>

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
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
2018	-	-	-
	<u>\$ 424,785</u>	<u>\$ 30,730</u>	<u>\$ 455,515</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.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Special Road and Bridge Precinct 3	Nonmajor Governmental Precinct 2 Major Governmental Precinct 1	\$ 49,750
		<u>32,420</u>
Total		<u>\$ 82,170</u>

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 road funds with taxing authority to the road precinct funds for operations.

<u>Transfers Out</u>	<u>Transfers In - Governmental Funds</u>		
	<u>Major</u>	<u>Nonmajor</u>	<u>Total</u>
General fund	\$ -	\$ 364,706	\$ 364,706
Road and Flood	912,364	-	912,364
Nonmajor funds	-	<u>2,459,831</u>	<u>2,459,831</u>
	<u>\$ 912,364</u>	<u>\$ 2,824,537</u>	<u>\$ 3,736,901</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.

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, 2013.

NOTE 13: ACCOUNTING CHANGES AND ACCOUNTING STANDARDS

In fiscal year 2013, the County implemented GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities". The implementation of GASB Statement No. 65 resulted in the adjustment to the beginning net position of the governmental activities in the government-wide financial statements. The deferred charges for issuance costs were reclassified as an expense of prior periods which resulted in a decrease of \$245,974 for the September 30, 2012 governmental activities unrestricted net position.

NOTE 14: 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.

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.

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 was \$889,519 and the bank balance was \$879,262.

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.

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 2012 tax roll were \$135,244 with a tax rate set at \$0.06289 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 position. 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 14: 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	65,774	-	50,808	14,966
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>522,505</u>	<u>-</u>	<u>51,720</u>	<u>470,785</u>
Less accumulated depreciation for				
Buildings	912	-	912	-
Machinery and equipment	54,964	828	44,766	11,026
Office equipment	1,363	-	-	1,363
Infrastructure	<u>76,512</u>	<u>11,361</u>	<u>-</u>	<u>87,873</u>
Total accumulated depreciation	<u>133,751</u>	<u>12,189</u>	<u>45,678</u>	<u>100,262</u>
Governmental activities capital assets, net	<u>\$ 390,107</u>	<u>\$(12,189)</u>	<u>\$ 6,042</u>	<u>\$ 371,876</u>

Depreciation expense of \$12,189 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, 2013*

	<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	\$ 5,435,697	\$ 5,435,697	\$ 8,574,379	\$ -	\$ 8,574,379
Licenses and permits	4,500	4,500	2,413	-	2,413
Intergovernmental	465,296	465,296	1,253,883	(232,195)	1,486,078
Charges for services	781,562	781,562	1,011,422	5,555	1,005,867
Fines and forfeitures	422,300	422,300	466,360	1,626	464,734
Interest	35,500	35,500	70,942	-	70,942
Miscellaneous	37,200	37,200	239,799	(317)	240,116
Total revenues	<u>7,182,055</u>	<u>7,182,055</u>	<u>11,619,198</u>	<u>(225,331)</u>	<u>11,844,529</u>
EXPENDITURES					
Current					
General government	1,891,392	1,815,594	1,595,138	2,630	1,592,508
Judicial	1,056,129	1,072,973	997,412	(5,703)	1,003,115
Public works	3,860,071	3,912,025	3,646,296	(158,698)	3,804,994
Health and welfare	138,121	145,121	130,773	(1,536)	132,309
Total expenditures	<u>6,945,713</u>	<u>6,945,713</u>	<u>6,369,619</u>	<u>(163,307)</u>	<u>6,532,926</u>
Excess of revenues over expenditures	<u>236,342</u>	<u>236,342</u>	<u>5,249,579</u>	<u>(62,024)</u>	<u>5,311,603</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(364,706)</u>	<u>(364,706)</u>	<u>(364,706)</u>	-	<u>(364,706)</u>
Total other financing sources (uses)	<u>(364,706)</u>	<u>(364,706)</u>	<u>(364,706)</u>	-	<u>(364,706)</u>
Net change in fund balance	(128,364)	(128,364)	4,884,873	(62,024)	4,946,897
Fund balance, beginning of year	<u>4,391,087</u>	<u>4,391,087</u>	<u>4,391,087</u>	<u>164,963</u>	<u>4,226,124</u>
Fund balance, end of year	<u>\$ 4,262,723</u>	<u>\$ 4,262,723</u>	<u>\$ 9,275,960</u>	<u>\$ 102,939</u>	<u>\$ 9,173,021</u>

DeWITT COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2013

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, 2013

	Total Nonmajor Special Revenue	Capital Project Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 5,686,648	\$ 1,064,200	\$ 1,634,641	\$ 8,385,489
Taxes receivable	119,767	-	107,114	226,881
Due from other funds	82,170	-	-	82,170
Due from others	44,484	-	-	44,484
Total assets	\$ 5,933,069	\$ 1,064,200	\$ 1,741,755	\$ 8,739,024
LIABILITIES				
Accounts payable	\$ 335,638	\$ -	\$ -	\$ 335,638
Accrued expenditures	72,926	-	-	72,926
Due to other funds	49,750	-	-	49,750
Deferred revenue	-	-	-	-
Total liabilities	458,314	-	-	458,314
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	119,767	-	107,114	226,881
Total deferred inflows of resources	\$ 119,767	\$ -	\$ 107,114	\$ 226,881
FUND BALANCES				
Restricted				
Courts	\$ 354,938	\$ -	\$ -	\$ 354,938
Health and welfare	182,277	-	-	182,277
Public safety	241,932	-	-	241,932
Public works	4,575,841	-	-	4,575,841
Various capital projects	-	1,064,200	-	1,064,200
Debt service	-	-	1,634,641	1,634,641
Total fund balances	5,354,988	1,064,200	1,634,641	8,053,829
Total liabilities, deferred inflows, and fund balance:	\$ 5,933,069	\$ 1,064,200	\$ 1,741,755	\$ 8,739,024

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

For the year ended September 30, 2013

	Total Nonmajor Special Revenue	Capital Project Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 3,600,307	\$ -	\$ 1,792,471	\$ 5,392,778
Licenses and permits	550,689	-	-	550,689
Intergovernmental	417,074	-	-	417,074
Charges for services	434,436	-	-	434,436
Interest	47,828	7,247	13,403	68,478
Miscellaneous	227,069	1,290	-	228,359
Total revenues	<u>5,277,403</u>	<u>8,537</u>	<u>1,805,874</u>	<u>7,091,814</u>
EXPENDITURES				
Current				
General government	157,696	-	-	157,696
Judicial	153,922	-	-	153,922
Public works	3,992,091	7,971	-	4,000,062
Health and welfare	583,667	-	-	583,667
Debt service				
Principal retirement	-	-	635,000	635,000
Interest and fiscal fees	-	-	452,005	452,005
Total expenditures	<u>4,887,376</u>	<u>7,971</u>	<u>1,087,005</u>	<u>5,982,352</u>
Excess (deficiency) of revenues over expenditures	<u>390,027</u>	<u>566</u>	<u>718,869</u>	<u>1,109,462</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	31,590	-	-	31,590
Transfers in	2,824,537	-	-	2,824,537
Transfers out	(1,740,792)	-	-	(1,740,792)
Total other financing sources (uses)	<u>1,115,335</u>	<u>-</u>	<u>-</u>	<u>1,115,335</u>
Net change in fund balances	1,505,362	566	718,869	2,224,797
Fund balances, beginning of year	<u>3,849,626</u>	<u>1,063,634</u>	<u>915,772</u>	<u>5,829,032</u>
Fund balances, end of year	<u>\$ 5,354,988</u>	<u>\$ 1,064,200</u>	<u>\$ 1,634,641</u>	<u>\$ 8,053,829</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 three Road and Bridge Precinct Funds (No.'s 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.

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 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 Seized Funds account holds monies seized in criminal cases until the court case is finalized and the District judge determines disposition and how the County may use the money.
- 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 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 account 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 accounts 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, 2013

	<u>Road and Bridge</u>	<u>Other Special Revenue</u>	<u>Total</u>
ASSETS			
Current assets			
Cash	\$ 4,653,542	\$ 1,033,106	\$ 5,686,648
Taxes receivable	110,191	9,576	119,767
Due from other funds	82,170	-	82,170
Due from others	<u>43,226</u>	<u>1,258</u>	<u>44,484</u>
Total assets	<u>\$ 4,889,129</u>	<u>\$ 1,043,940</u>	<u>\$ 5,933,069</u>
LIABILITIES			
Accounts payable	\$ 172,188	\$ 163,450	\$ 335,638
Accrued expenditures	50,560	22,366	72,926
Due to other funds	<u>49,750</u>	<u>-</u>	<u>49,750</u>
Total liabilities	<u>272,498</u>	<u>185,816</u>	<u>458,314</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>110,191</u>	<u>9,576</u>	<u>119,767</u>
Total deferred inflows of resources	<u>110,191</u>	<u>9,576</u>	<u>119,767</u>
FUND BALANCES			
Restricted			
Courts	-	354,938	354,938
Health and welfare	-	182,277	182,277
Public safety	-	241,932	241,932
Public works	<u>4,506,440</u>	<u>69,401</u>	<u>4,575,841</u>
Total fund balances	<u>4,506,440</u>	<u>848,548</u>	<u>5,354,988</u>
Total liabilities, deferred resources, and fund balances	<u>\$ 4,889,129</u>	<u>\$ 1,043,940</u>	<u>\$ 5,933,069</u>

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

For the year ended September 30, 2013

	<u>Road and Bridge</u>	<u>Other Special Revenue</u>	<u>Total</u>
REVENUES			
Taxes	\$ 3,269,149	\$ 331,158	\$ 3,600,307
Licenses and permits	550,689	-	550,689
Intergovernmental	19,957	397,117	417,074
Charges for services	249,922	184,514	434,436
Interest	40,793	7,035	47,828
Miscellaneous	99,363	127,706	227,069
Total revenues	<u>4,229,873</u>	<u>1,047,530</u>	<u>5,277,403</u>
EXPENDITURES			
Current			
General government	-	157,696	157,696
Judicial	-	153,922	153,922
Public works	3,641,916	350,175	3,992,091
Health and welfare	-	583,667	583,667
Total expenditures	<u>3,641,916</u>	<u>1,245,460</u>	<u>4,887,376</u>
Excess (deficiency) of revenues over expenditures	<u>587,957</u>	<u>(197,930)</u>	<u>390,027</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	31,590	-	31,590
Transfers in	2,459,831	364,706	2,824,537
Transfers out	<u>(1,740,792)</u>	<u>-</u>	<u>(1,740,792)</u>
Total other financing sources (uses)	<u>750,629</u>	<u>364,706</u>	<u>1,115,335</u>
Net change in fund balance	1,338,586	166,776	1,505,362
Fund balances, beginning of year	<u>3,167,854</u>	<u>681,772</u>	<u>3,849,626</u>
Fund balances, end of year	<u>\$ 4,506,440</u>	<u>\$ 848,548</u>	<u>\$ 5,354,988</u>

DeWITT COUNTY, TEXAS
NONMAJOR SPECIAL REVENUE FUNDS
ROAD AND BRIDGE FUNDS
COMBINING BALANCE SHEET
 September 30, 2013

	Road and Bridge General	Precinct No. 2	Precinct No. 3	Precinct No. 4	Special Road and Bridge	Totals
ASSETS						
Current assets						
Cash and cash equivalents	\$ 789,310	\$ 677,830	\$ 2,134,314	\$ 711,982	\$ 340,106	\$ 4,653,542
Taxes receivable	71,274	-	-	-	38,917	110,191
Due from other funds	-	-	32,420	-	49,750	82,170
Due from others	1,500	5,769	31,558	4,399	-	43,226
Total assets	\$ 862,084	\$ 683,599	\$ 2,198,292	\$ 716,381	\$ 428,773	\$ 4,889,129
LIABILITIES						
Accounts payable	\$ 21	\$ 525	\$ 52,425	\$ 119,217	-	\$ 172,188
Accrued expenditures	12,455	12,626	13,524	11,955	-	50,560
Due to other funds	-	49,750	-	-	-	49,750
Total liabilities	12,476	62,901	65,949	131,172	-	272,498
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	71,274	-	-	-	38,917	110,191
Total deferred inflows of resources	71,274	-	-	-	38,917	110,191
FUND BALANCE						
Restricted - public works	778,334	620,698	2,132,343	585,209	389,856	4,506,440
Total liabilities, deferred inflows, and fund balance	\$ 862,084	\$ 683,599	\$ 2,198,292	\$ 716,381	\$ 428,773	\$ 4,889,129

DeWITT COUNTY, TEXAS*NONMAJOR SPECIAL REVENUE FUNDS**ROAD AND BRIDGE FUNDS**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**For the year ended September 30, 2013*

	Road and Bridge General	Precinct No. 2	Precinct No. 3	Precinct No. 4	Special Road and Bridge	Totals
REVENUES						
Taxes	\$1,872,731	\$ -	\$ -	\$ -	\$1,396,418	\$3,269,149
Licenses and permits	-	130,157	295,724	124,808	-	550,689
Intergovernmental	-	5,941	8,377	5,639	-	19,957
Interest	6,617	5,669	15,597	5,014	7,896	40,793
Road use agreements	-	8,000	136,000	-	-	144,000
Pipeline crossings	-	33,002	72,920	-	-	105,922
Miscellaneous	64,207	10,552	13,188	11,416	-	99,363
Total revenues	<u>1,943,555</u>	<u>193,321</u>	<u>541,806</u>	<u>146,877</u>	<u>1,404,314</u>	<u>4,229,873</u>
EXPENDITURES						
Current						
Public works	364,543	989,620	1,244,659	734,175	308,919	3,641,916
Total expenditures	<u>364,543</u>	<u>989,620</u>	<u>1,244,659</u>	<u>734,175</u>	<u>308,919</u>	<u>3,641,916</u>
Excess (deficiency) of revenues over expenditures	<u>1,579,012</u>	<u>(796,299)</u>	<u>(702,853)</u>	<u>(587,298)</u>	<u>1,095,395</u>	<u>587,957</u>
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	3,569	26,269	1,752	-	31,590
Transfers in	-	663,032	1,147,886	648,913	-	2,459,831
Transfers out	(889,232)	-	-	-	(851,560)	(1,740,792)
Total other financing sources (uses)	<u>(889,232)</u>	<u>666,601</u>	<u>1,174,155</u>	<u>650,665</u>	<u>(851,560)</u>	<u>750,629</u>
Net change in fund balances	689,780	(129,698)	471,302	63,367	243,835	1,338,586
Fund balances, beginning of year	88,554	750,396	1,661,041	521,842	146,021	3,167,854
Fund balances, end of year	<u>\$ 778,334</u>	<u>\$620,698</u>	<u>\$2,132,343</u>	<u>\$585,209</u>	<u>\$ 389,856</u>	<u>\$4,506,440</u>

DeWITT COUNTY, TEXAS

NONMAJOR SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

September 30, 2013

	<u>Jail</u> <u>Commissary</u>	<u>Seized</u> <u>Funds</u>	<u>Appellate</u> <u>Judicial</u> <u>System</u>	<u>Voting</u> <u>Equipment</u>	<u>Election</u> <u>Contract</u> <u>Services</u>	<u>Justice</u> <u>Court</u> <u>Security</u>
ASSETS						
Current assets						
Cash and cash equivalents	\$ 64,689	\$ 12,732	\$ 1,219	\$ 17,690	\$ 4,673	\$ 15,406
Taxes receivable	-	-	-	-	-	-
Due from others	-	-	-	-	-	-
Total assets	<u>\$ 64,689</u>	<u>\$ 12,732</u>	<u>\$ 1,219</u>	<u>\$ 17,690</u>	<u>\$ 4,673</u>	<u>\$ 15,406</u>
LIABILITIES						
Accounts payable	\$ 4,110	\$ -	\$ -	\$ -	\$ 3,536	\$ -
Accrued expenditures	-	-	-	-	-	-
Total liabilities	<u>4,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,536</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted:						
Courts	-	12,732	1,219	17,690	1,137	15,406
Health and welfare	-	-	-	-	-	-
Public safety	60,579	-	-	-	-	-
Public works	-	-	-	-	-	-
Total fund balances	<u>60,579</u>	<u>12,732</u>	<u>1,219</u>	<u>17,690</u>	<u>1,137</u>	<u>15,406</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 64,689</u>	<u>\$ 12,732</u>	<u>\$ 1,219</u>	<u>\$ 17,690</u>	<u>\$ 4,673</u>	<u>\$ 15,406</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>
\$ 41,652	\$ 41,158	\$ 180,768	\$ 56,519	\$ 4,418	\$ 103,278	\$ 472	\$ 17,496
-	-	-	-	-	-	-	-
-	-	-	-	-	1,258	-	-
<u>\$ 41,652</u>	<u>\$ 41,158</u>	<u>\$ 180,768</u>	<u>\$ 56,519</u>	<u>\$ 4,418</u>	<u>\$ 104,536</u>	<u>\$ 472</u>	<u>\$ 17,496</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,269	\$ -	\$ -
-	-	832	795	-	6,079	-	-
-	-	832	795	-	11,348	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
41,652	41,158	179,936	-	4,418	-	-	17,496
-	-	-	-	-	93,188	472	-
-	-	-	-	-	-	-	-
-	-	-	55,724	-	-	-	-
<u>41,652</u>	<u>41,158</u>	<u>179,936</u>	<u>55,724</u>	<u>4,418</u>	<u>93,188</u>	<u>472</u>	<u>17,496</u>
<u>\$ 41,652</u>	<u>\$ 41,158</u>	<u>\$ 180,768</u>	<u>\$ 56,519</u>	<u>\$ 4,418</u>	<u>\$ 104,536</u>	<u>\$ 472</u>	<u>\$ 17,496</u>

(Continued)

DeWITT COUNTY, TEXAS

NONMAJOR SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

September 30, 2013

	<u>Court Technology</u>	<u>Constable 1 LEOSE</u>	<u>Constable 2 LEOSE</u>	<u>Sheriff LEOSE</u>	<u>District Attorney</u>
ASSETS					
Current assets					
Cash and cash equivalents	\$ 1,901	\$ 312	\$ 3,537	\$ 737	\$ 23,000
Taxes receivable	-	-	-	-	-
Due from others	-	-	-	-	-
Total assets	<u>\$ 1,901</u>	<u>\$ 312</u>	<u>\$ 3,537</u>	<u>\$ 737</u>	<u>\$ 23,000</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 385	\$ 33
Accrued expenditures	-	-	-	-	2,774
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>385</u>	<u>2,807</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted:					
Courts	1,901	-	-	-	20,193
Health and welfare	-	-	-	-	-
Public safety	-	312	3,537	352	-
Public works	-	-	-	-	-
Total fund balances	<u>1,901</u>	<u>312</u>	<u>3,537</u>	<u>352</u>	<u>20,193</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,901</u>	<u>\$ 312</u>	<u>\$ 3,537</u>	<u>\$ 737</u>	<u>\$ 23,000</u>

<u>Juvenile Probation</u>	<u>Sheriff's Forfeiture</u>	<u>Indigent Health Care</u>	<u>Check Collection & Processing</u>	<u>Voter Registration</u>	<u>Totals</u>
\$ 194,199	\$ 10,142	\$ 227,649	\$ 9,459	\$ -	\$ 1,033,106
-	-	9,576	-	-	9,576
-	-	-	-	-	1,258
<u>\$ 194,199</u>	<u>\$ 10,142</u>	<u>\$ 237,225</u>	<u>\$ 9,459</u>	<u>\$ -</u>	<u>\$ 1,043,940</u>
\$ 8,037	\$ 4,903	\$ 137,177	\$ -	\$ -	\$ 163,450
<u>9,010</u>	<u>-</u>	<u>1,855</u>	<u>1,021</u>	<u>-</u>	<u>22,366</u>
<u>17,047</u>	<u>4,903</u>	<u>139,032</u>	<u>1,021</u>	<u>-</u>	<u>185,816</u>
-	-	9,576	-	-	9,576
-	-	9,576	-	-	9,576
-	-	-	-	-	354,938
-	-	88,617	-	-	182,277
177,152	-	-	-	-	241,932
-	5,239	-	8,438	-	69,401
<u>177,152</u>	<u>5,239</u>	<u>88,617</u>	<u>8,438</u>	<u>-</u>	<u>848,548</u>
<u>\$ 194,199</u>	<u>\$ 10,142</u>	<u>\$ 237,225</u>	<u>\$ 9,459</u>	<u>\$ -</u>	<u>\$ 1,043,940</u>

(Concluded)

DeWITT COUNTY, TEXAS

NONMAJOR SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the year ended September 30, 2013

	<u>Jail</u>	<u>Seized</u>	<u>Appellate</u>	<u>Voting</u>	<u>Election</u>	<u>Justice</u>
	<u>Commissary</u>	<u>Funds</u>	<u>Judicial</u>	<u>Equipment</u>	<u>Contract</u>	<u>Court</u>
			<u>System</u>		<u>Services</u>	<u>Security</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	20,171	12,732	1,219	800	11,767	2,271
Interest	-	-	-	140	-	116
Miscellaneous	<u>84,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>104,351</u>	<u>12,732</u>	<u>1,219</u>	<u>940</u>	<u>11,767</u>	<u>2,387</u>
EXPENDITURES						
Current						
General government	71,070	-	1,090	-	12,393	-
Judicial	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>71,070</u>	<u>-</u>	<u>1,090</u>	<u>-</u>	<u>12,393</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	33,281	12,732	129	940	(626)	2,387
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	33,281	12,732	129	940	(626)	2,387
Fund balances, beginning of year	<u>27,298</u>	<u>-</u>	<u>1,090</u>	<u>16,750</u>	<u>1,763</u>	<u>13,019</u>
Fund balances, end of year	<u>\$ 60,579</u>	<u>\$12,732</u>	<u>\$ 1,219</u>	<u>\$ 17,690</u>	<u>\$ 1,137</u>	<u>\$ 15,406</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	155,694	-	-
12,870	6,907	41,765	17,705	9,323	28,390	1,457	4,482
328	304	1,039	432	60	889	-	121
-	-	-	-	-	6,040	-	-
<u>13,198</u>	<u>7,211</u>	<u>42,804</u>	<u>18,137</u>	<u>9,383</u>	<u>191,013</u>	<u>1,457</u>	<u>4,603</u>
-	-	61,801	-	-	-	-	-
10,439	-	-	10,454	9,950	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	237,557	1,000	-
<u>10,439</u>	<u>-</u>	<u>61,801</u>	<u>10,454</u>	<u>9,950</u>	<u>237,557</u>	<u>1,000</u>	<u>-</u>
2,759	7,211	(18,997)	7,683	(567)	(46,544)	457	4,603
-	-	-	-	-	-	-	-
-	-	-	-	-	107,729	-	-
2,759	7,211	(18,997)	7,683	(567)	61,185	457	4,603
<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>\$ 41,652</u>	<u>\$ 41,158</u>	<u>\$ 179,936</u>	<u>\$ 55,724</u>	<u>\$ 4,418</u>	<u>\$ 93,188</u>	<u>\$ 472</u>	<u>\$ 17,496</u>

(Continued)

DeWITT COUNTY, TEXAS

NONMAJOR SPECIAL REVENUE FUNDS

OTHER SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the year ended September 30, 2013

	Court <u>Technology</u>	Constable 1 <u>LEOSE</u>	Constable 2 <u>LEOSE</u>	Sheriff <u>LEOSE</u>	District <u>Attorney</u>	Juvenile <u>Probation</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	46,523	194,900
Charges for services	715	-	-	-	-	1,630
Interest	13	3	29	19	321	1,245
Miscellaneous	-	-	-	-	2,013	10,019
Total revenues	<u>728</u>	<u>3</u>	<u>29</u>	<u>19</u>	<u>48,857</u>	<u>207,794</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	95,060	-
Public works	-	-	100	4,106	-	345,969
Health and welfare	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>100</u>	<u>4,106</u>	<u>95,060</u>	<u>345,969</u>
Excess (deficiency) of revenues over expenditures	728	3	(71)	(4,087)	(46,203)	(138,175)
OTHER FINANCING SOURCES						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	46,977	210,000
Net change in fund balances	728	3	(71)	(4,087)	774	71,825
Fund balances, beginning of year	<u>1,173</u>	<u>309</u>	<u>3,608</u>	<u>4,439</u>	<u>19,419</u>	<u>105,327</u>
Fund balances, end of year	<u>\$ 1,901</u>	<u>\$ 312</u>	<u>\$ 3,537</u>	<u>\$ 352</u>	<u>\$ 20,193</u>	<u>\$ 177,152</u>

<u>Sheriff's Forfeiture</u>	<u>Indigent Health Care</u>	<u>Check Collection & Processing</u>	<u>Voter Registration</u>	<u>Totals</u>
\$ -	\$ 331,158	\$ -	\$ -	\$ 331,158
-	-	-	-	397,117
-	-	10,310	-	184,514
67	1,909	-	-	7,035
<u>4,222</u>	<u>21,232</u>	<u>-</u>	<u>-</u>	<u>127,706</u>
<u>4,289</u>	<u>354,299</u>	<u>10,310</u>	<u>-</u>	<u>1,047,530</u>
6,570	-	-	4,772	157,696
-	-	28,019	-	153,922
-	-	-	-	350,175
-	<u>345,110</u>	<u>-</u>	<u>-</u>	<u>583,667</u>
<u>6,570</u>	<u>345,110</u>	<u>28,019</u>	<u>4,772</u>	<u>1,245,460</u>
(2,281)	9,189	(17,709)	(4,772)	(197,930)
-	-	-	-	-
-	-	-	-	<u>364,706</u>
(2,281)	9,189	(17,709)	(4,772)	166,776
<u>7,520</u>	<u>79,428</u>	<u>26,147</u>	<u>4,772</u>	<u>681,772</u>
<u>\$ 5,239</u>	<u>\$ 88,617</u>	<u>\$ 8,438</u>	<u>\$ -</u>	<u>\$ 848,548</u>

(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, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES				
Taxes				
Current ad valorem	\$ 5,335,697	\$ 5,335,697	\$ 8,496,569	\$ 3,160,872
Delinquent ad valorem	100,000	100,000	77,810	(22,190)
Total taxes	<u>5,435,697</u>	<u>5,435,697</u>	<u>8,574,379</u>	<u>3,138,682</u>
Licenses and permits				
Beer and wine permits	4,500	4,500	2,413	(2,087)
Intergovernmental				
Grants and salary supplements	216,921	216,921	233,369	16,448
Other funds				
Dispatching service	105,875	105,875	104,542	(1,333)
Boarding prisoners	85,000	85,000	819,750	734,750
Miscellaneous	57,500	57,500	96,222	38,722
Total intergovernmental	<u>465,296</u>	<u>465,296</u>	<u>1,253,883</u>	<u>788,587</u>
Charges for services				
Fees of office				
Sheriff	50,000	50,000	65,021	15,021
County clerk	350,000	350,000	310,705	(39,295)
Tax assessor-collector	250,000	250,000	432,680	182,680
District clerk	47,000	47,000	54,374	7,374
Justices of the peace	20,000	20,000	15,917	(4,083)
Miscellaneous fees	14,350	14,350	15,296	946
Other fees				
Arrest fees	10,000	10,000	13,352	3,352
Pre trial diversion	8,000	8,000	67,537	59,537
Miscellaneous fees	32,212	32,212	36,540	4,328
Total charges for services	<u>781,562</u>	<u>781,562</u>	<u>1,011,422</u>	<u>229,860</u>
Fines and forfeitures				
County clerk fines	160,000	160,000	133,046	(26,954)
District clerk fines	50,000	50,000	57,656	7,656
Justice of the peace fines	200,000	200,000	253,507	53,507
Other	12,300	12,300	22,151	9,851
Total fines and forfeitures	<u>422,300</u>	<u>422,300</u>	<u>466,360</u>	<u>44,060</u>
Interest				
Regular	35,500	35,500	70,942	35,442
Miscellaneous				
Inmate telephone commissions	18,000	18,000	31,055	13,055
Insurance proceeds	-	-	159,392	159,392
Sheriff sale	2,000	2,000	22,570	20,570
Other miscellaneous	17,200	17,200	26,782	9,582
Total miscellaneous	<u>37,200</u>	<u>37,200</u>	<u>239,799</u>	<u>202,599</u>
Total revenues	<u>7,182,055</u>	<u>7,182,055</u>	<u>11,619,198</u>	<u>4,437,143</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, 2013*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES				
General government				
County judge				
Personnel services	\$ 137,868	\$ 135,353	\$ 130,804	\$ 4,549
Supplies	600	915	915	-
Other services and charges	7,100	9,300	8,819	481
Capital outlay	2,300	2,300	2,189	111
Total county judge	<u>147,868</u>	<u>147,868</u>	<u>142,727</u>	<u>5,141</u>
County clerk				
Personnel services	255,372	255,372	247,765	7,607
Supplies	11,000	8,771	7,431	1,340
Other services and charges	62,000	64,229	60,632	3,597
Capital outlay	2,000	2,000	781	1,219
Total county clerk	<u>330,372</u>	<u>330,372</u>	<u>316,609</u>	<u>13,763</u>
Veteran's service officers				
Personnel services	16,939	16,939	16,891	48
Supplies	75	75	-	75
Other services and charges	1,500	1,500	298	1,202
Total veteran's service officers	<u>18,514</u>	<u>18,514</u>	<u>17,189</u>	<u>1,325</u>
Non-departmental				
Personnel services	400	400	129	271
Supplies	15,000	13,000	9,055	3,945
Other services and charges	207,000	207,000	192,281	14,719
Capital outlay	157,000	83,172	-	83,172
Total non-departmental	<u>379,400</u>	<u>303,572</u>	<u>201,465</u>	<u>102,107</u>
Elections				
Personnel services	66,485	66,485	51,188	15,297
Supplies	11,295	8,845	8,314	531
Other services and charges	27,125	26,175	25,276	899
Capital outlay	10,300	13,700	13,315	385
Total elections	<u>115,205</u>	<u>115,205</u>	<u>98,093</u>	<u>17,112</u>
County auditor				
Personnel services	159,470	159,470	158,207	1,263
Supplies	3,000	3,000	2,274	726
Other services and charges	10,600	9,781	6,741	3,040
Capital outlay	2,000	2,819	2,819	-
Total county auditor	<u>175,070</u>	<u>175,070</u>	<u>170,041</u>	<u>5,029</u>
County treasurer				
Personnel services	122,517	122,017	120,175	1,842
Supplies	2,800	3,500	3,392	108
Other services and charges	9,850	9,680	6,932	2,748
Capital outlay	3,500	3,500	2,982	518
Total county treasurer	<u>138,667</u>	<u>138,697</u>	<u>133,481</u>	<u>5,216</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, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES - (Continued)				
General government - (Continued)				
Tax assessor-collector				
Personnel services	\$ 274,546	\$ 275,046	\$ 232,245	\$ 42,801
Supplies	10,200	11,200	8,898	2,302
Other services and charges	297,550	294,550	269,196	25,354
Capital outlay	4,000	5,500	5,194	306
Total tax assessor-collector	<u>586,296</u>	<u>586,296</u>	<u>515,533</u>	<u>70,763</u>
Total general government	<u>1,891,392</u>	<u>1,815,594</u>	<u>1,595,138</u>	<u>220,456</u>
Judicial				
County courts				
Personnel services	1,010	10	3	7
Other services and charges	26,850	35,392	35,336	56
Total county courts	<u>27,860</u>	<u>35,402</u>	<u>35,339</u>	<u>63</u>
District court				
Personnel services	18,150	18,150	13,425	4,725
Supplies	1,000	500	301	199
Other services and charges	197,450	207,837	207,608	229
Capital outlay	-	415	-	415
Total district court	<u>216,600</u>	<u>226,902</u>	<u>221,334</u>	<u>5,568</u>
District clerk				
Personnel services	282,397	282,397	263,010	19,387
Supplies	8,000	8,000	8,993	(993)
Other services and charges	19,500	17,825	16,439	1,386
Capital outlay	10,000	10,675	10,675	-
Total district clerk	<u>319,897</u>	<u>318,897</u>	<u>299,117</u>	<u>19,780</u>
Justices of the peace				
Personnel services	260,264	260,264	250,885	9,379
Supplies	8,500	8,500	6,763	1,737
Other services and charges	63,200	63,200	28,352	34,848
Capital outlay	4,500	4,500	1,662	2,838
Total justices of the peace	<u>336,464</u>	<u>336,464</u>	<u>287,662</u>	<u>48,802</u>
County attorney				
Personnel services	150,008	150,034	149,142	892
Supplies	2,900	2,928	2,784	144
Other services and charges	2,400	2,115	1,804	311
Capital outlay	-	231	230	1
Total county attorney	<u>155,308</u>	<u>155,308</u>	<u>153,960</u>	<u>1,348</u>
Total judicial	<u>1,056,129</u>	<u>1,072,973</u>	<u>997,412</u>	<u>75,561</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, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES - (Continued)				
Public works				
Courthouse building				
Personnel services	\$ 100,525	\$ 100,525	\$ 89,753	\$ 10,772
Supplies	17,300	17,300	7,349	9,951
Other services and charges	190,500	190,500	165,350	25,150
Capital outlay	6,000	6,000	-	6,000
Total courthouse building	<u>314,325</u>	<u>314,325</u>	<u>262,452</u>	<u>51,873</u>
Annex building				
Supplies	3,300	3,300	922	2,378
Other services and charges	35,500	35,500	20,685	14,815
Total annex building	<u>38,800</u>	<u>38,800</u>	<u>21,607</u>	<u>17,193</u>
Jail building				
Supplies	19,200	18,700	10,301	8,399
Other services and charges	201,000	201,500	190,856	10,644
Capital outlay	5,000	-	-	-
Total jail building	<u>225,200</u>	<u>220,200</u>	<u>201,157</u>	<u>19,043</u>
Lawn and yard maintenance				
Supplies	800	800	-	800
Other services and charges	10,300	10,300	3,150	7,150
Total lawn and yard maintenance	<u>11,100</u>	<u>11,100</u>	<u>3,150</u>	<u>7,950</u>
Constables				
Personnel services	73,227	73,227	65,773	7,454
Supplies	6,000	6,000	3,976	2,024
Other services and charges	6,250	6,250	5,607	643
Capital outlay	18,500	19,500	18,935	565
Total constables	<u>103,977</u>	<u>104,977</u>	<u>94,291</u>	<u>10,686</u>
Sheriff				
Personnel services	1,055,598	1,081,806	1,032,916	48,890
Supplies	113,200	124,800	124,315	485
Other services and charges	91,500	95,000	87,445	7,555
Capital outlay	177,888	153,388	134,078	19,310
Total sheriff	<u>1,438,186</u>	<u>1,454,994</u>	<u>1,378,754</u>	<u>76,240</u>
Jail operations				
Personnel services	1,340,986	1,321,362	1,264,035	57,327
Supplies	168,000	233,929	232,477	1,452
Other services and charges	111,600	109,441	102,903	6,538
Capital outlay	10,000	5,000	4,722	278
Total jail operations	<u>1,630,586</u>	<u>1,669,732</u>	<u>1,604,137</u>	<u>65,595</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, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES - (Continued)				
Public works - (Continued)				
Corrections				
Personnel services	\$ 1,592	\$ 1,592	\$ 1,530	\$ 62
Supplies	150	150	-	150
Other services and charges	250	250	-	250
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>706</u>	<u>294</u>
Total corrections	<u>2,992</u>	<u>2,992</u>	<u>2,236</u>	<u>756</u>
Other protection				
Personnel services	24,705	24,705	24,069	636
Supplies	500	500	296	204
Other services and charges	67,200	67,200	54,147	13,053
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total other protection	<u>94,905</u>	<u>94,905</u>	<u>78,512</u>	<u>16,393</u>
Total public works	<u>3,860,071</u>	<u>3,912,025</u>	<u>3,646,296</u>	<u>265,729</u>
Health and welfare				
Health				
Other services and charges	<u>32,600</u>	<u>39,600</u>	<u>37,500</u>	<u>2,100</u>
Total health	<u>32,600</u>	<u>39,600</u>	<u>37,500</u>	<u>2,100</u>
Agriculture extension services				
Personnel services	93,971	90,496	79,969	10,527
Supplies	1,400	1,400	706	694
Other services and charges	8,950	8,356	7,329	1,027
Capital outlay	<u>1,200</u>	<u>5,269</u>	<u>5,269</u>	<u>-</u>
Total agriculture extension services	<u>105,521</u>	<u>105,521</u>	<u>93,273</u>	<u>12,248</u>
Total health and welfare	<u>138,121</u>	<u>145,121</u>	<u>130,773</u>	<u>14,348</u>
Total expenditures	<u>6,945,713</u>	<u>6,945,713</u>	<u>6,369,619</u>	<u>576,094</u>
Excess of revenues over expenditures	<u>236,342</u>	<u>236,342</u>	<u>5,249,579</u>	<u>5,013,237</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(364,706)</u>	<u>(364,706)</u>	<u>(364,706)</u>	<u>-</u>
Total other financing sources (uses)	<u>(364,706)</u>	<u>(364,706)</u>	<u>(364,706)</u>	<u>-</u>
Net change in fund balance	(128,364)	(128,364)	4,884,873	5,013,237
Fund balance, beginning of year	<u>4,391,087</u>	<u>4,391,087</u>	<u>4,391,087</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,262,723</u>	<u>\$ 4,262,723</u>	<u>\$ 9,275,960</u>	<u>\$ 5,013,237</u>

(Concluded)

DeWITT COUNTY, TEXAS**ROAD AND BRIDGE PRECINCT NO. 1 - MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the year ended September 30, 2013

	Final Budget	Actual Budgetary Basis	Budget to GAAP Over (Under)	Actual GAAP Basis
REVENUES				
Licenses and permits - auto registration	\$ 115,000	\$ 199,547	\$ (36,160)	\$ 235,707
Intergovernmental - grants	5,500	4,733	-	4,733
Interest	3,500	8,500	-	8,500
Road use agreements	288,000	280,000	-	280,000
Pipeline crossings	45,000	60,887	-	60,887
Miscellaneous	1,000	19,872	-	19,872
Total revenues	<u>458,000</u>	<u>573,539</u>	<u>(36,160)</u>	<u>609,699</u>
EXPENDITURES				
Current				
Public works				
Personnel services	353,741	318,760	(4,675)	323,435
Supplies	137,100	121,841	(57,627)	179,468
Other services and charges	56,800	870,092	(33,920)	904,012
Capital outlay	1,177,800	209,147	-	209,147
Debt service	35,000	30,405	-	30,405
Total expenditures	<u>1,760,441</u>	<u>1,550,245</u>	<u>(96,222)</u>	<u>1,646,467</u>
Excess (deficiency) of revenues over expenditures	<u>(1,302,441)</u>	<u>(976,706)</u>	<u>60,062</u>	<u>(1,036,768)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	7,640	(1,500)	9,140
Transfers in	912,364	912,364	-	912,364
Total other financing sources (uses)	<u>912,364</u>	<u>920,004</u>	<u>(1,500)</u>	<u>921,504</u>
Net change in fund balance	(390,077)	(56,702)	58,562	(115,264)
Fund balance, beginning of year	<u>930,757</u>	<u>930,757</u>	<u>-</u>	<u>930,757</u>
Fund balance, end of year	<u>\$ 540,680</u>	<u>\$ 874,055</u>	<u>\$ 58,562</u>	<u>\$ 815,493</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*COUNTY ROAD AND FLOOD - MAJOR SPECIAL REVENUE FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**For the year ended September 30, 2013*

	Final Budget	Actual Budgetary Basis	Budget to GAAP Over (Under)	Actual GAAP Basis
REVENUES				
Taxes				
Current ad valorem	\$ 1,581,346	\$ 2,620,979	\$ -	\$ 2,620,979
Delinquent ad valorem	12,000	11,918	-	11,918
Total taxes	1,593,346	2,632,897	-	2,632,897
Interest	2,000	8,540	-	8,540
Total revenues	1,595,346	2,641,437	-	2,641,437
EXPENDITURES				
Current				
Public works	-	-	-	-
Excess (deficiency) of revenues over expenditures	1,595,346	2,641,437	-	2,641,437
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,631,403)	(1,631,403)	-	(1,631,403)
Net change in fund balance	(36,057)	1,010,034	-	1,010,034
Fund balance, beginning of year	38,216	38,216	-	38,216
Fund balance, end of year	\$ 2,159	\$ 1,048,250	\$ -	\$ 1,048,250

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*ROAD AND BRIDGE GENERAL - NONMAJOR SPECIAL REVENUE FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**For the year ended September 30, 2013*

	<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	\$ 1,159,488	\$ 1,846,609	\$ -	\$ 1,846,609
Delinquent ad valorem	<u>12,000</u>	<u>26,122</u>	<u>-</u>	<u>26,122</u>
Total taxes	1,171,488	1,872,731	-	1,872,731
Interest	2,500	6,617	-	6,617
Miscellaneous	<u>-</u>	<u>61,207</u>	<u>(3,000)</u>	<u>64,207</u>
Total revenues	<u>1,173,988</u>	<u>1,940,555</u>	<u>(3,000)</u>	<u>1,943,555</u>
EXPENDITURES				
Current				
Public works				
Personnel services	287,627	279,747	(2,647)	282,394
Other services and charges	<u>90,716</u>	<u>82,128</u>	<u>(21)</u>	<u>82,149</u>
Total expenditures	<u>378,343</u>	<u>361,875</u>	<u>(2,668)</u>	<u>364,543</u>
Excess (deficiency) of revenues over expenditures	<u>795,645</u>	<u>1,578,680</u>	<u>(332)</u>	<u>1,579,012</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(920,126)</u>	<u>(889,232)</u>	<u>-</u>	<u>(889,232)</u>
Net change in fund balance	(124,481)	689,448	(332)	689,780
Fund balance, beginning of year	<u>88,554</u>	<u>88,554</u>	<u>-</u>	<u>88,554</u>
Fund balance, end of year	<u>\$ (35,927)</u>	<u>\$ 778,002</u>	<u>\$ (332)</u>	<u>\$ 778,334</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*ROAD AND BRIDGE PRECINCT NO. 2 - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**For the year ended September 30, 2013*

	Final Budget	Actual Budgetary Basis	Budget to GAAP Over (Under)	Actual GAAP Basis
REVENUES				
Licenses and permits - auto registration	\$ 135,000	\$ 124,388	\$ (5,769)	\$ 130,157
Intergovernmental - grants	6,200	5,941	-	5,941
Interest	2,500	5,669	-	5,669
Road use agreements	100,000	8,000	-	8,000
Pipeline crossings	30,000	33,002	-	33,002
Miscellaneous	6,500	10,552	-	10,552
Total revenues	<u>280,200</u>	<u>187,552</u>	<u>(5,769)</u>	<u>193,321</u>
EXPENDITURES				
Current				
Public works				
Personnel services	293,052	274,683	(3,372)	278,055
Supplies	104,900	100,072	1,995	98,077
Other services and charges	34,068	271,249	(50,152)	321,401
Capital outlay	519,682	250,000	400	249,600
Debt service	43,000	42,487	-	42,487
Total expenditures	<u>994,702</u>	<u>938,491</u>	<u>(51,129)</u>	<u>989,620</u>
Excess (deficiency) of revenues over expenditures	<u>(714,502)</u>	<u>(750,939)</u>	<u>45,360</u>	<u>(796,299)</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	3,569	-	3,569
Transfers in	663,032	663,032	-	663,032
Total other financing sources (uses)	<u>663,032</u>	<u>666,601</u>	<u>-</u>	<u>666,601</u>
Net change in fund balance	(51,470)	(84,338)	45,360	(129,698)
Fund balance, beginning of year	<u>750,396</u>	<u>750,396</u>	<u>-</u>	<u>750,396</u>
Fund balance, end of year	<u>\$ 698,926</u>	<u>\$ 666,058</u>	<u>\$ 45,360</u>	<u>\$ 620,698</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**ROAD AND BRIDGE PRECINCT NO. 3 - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the year ended September 30, 2013

	<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	\$ 180,000	\$ 264,166	\$ (31,558)	\$ 295,724
Intergovernmental - grants	10,800	9,805	1,428	8,377
Interest	3,500	15,597	-	15,597
Road use agreements	250,000	136,000	-	136,000
Pipeline crossings	75,000	72,920	-	72,920
Miscellaneous	<u>1,000</u>	<u>13,188</u>	<u>-</u>	<u>13,188</u>
Total revenues	<u>520,300</u>	<u>511,676</u>	<u>(30,130)</u>	<u>541,806</u>
EXPENDITURES				
Current				
Public works				
Personnel services	337,663	313,724	(1,958)	315,682
Supplies	143,403	135,628	(30,295)	165,923
Other services and charges	17,802	377,516	19,921	357,595
Capital outlay	1,234,500	380,766	-	380,766
Debt service	<u>25,000</u>	<u>24,693</u>	<u>-</u>	<u>24,693</u>
Total expenditures	<u>1,758,368</u>	<u>1,232,327</u>	<u>(12,332)</u>	<u>1,244,659</u>
Excess (deficiency) of revenues over expenditures	<u>(1,238,068)</u>	<u>(720,651)</u>	<u>(17,798)</u>	<u>(702,853)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	13,769	(12,500)	26,269
Transfers in/out	<u>1,147,886</u>	<u>1,147,886</u>	<u>-</u>	<u>1,147,886</u>
Total other financing sources (uses)	<u>1,147,886</u>	<u>1,161,655</u>	<u>(12,500)</u>	<u>1,174,155</u>
Net change in fund balance	(90,182)	441,004	(30,298)	471,302
Fund balance, beginning of year	<u>1,661,041</u>	<u>1,661,041</u>	<u>-</u>	<u>1,661,041</u>
Fund balance, end of year	<u>\$ 1,570,859</u>	<u>\$ 2,102,045</u>	<u>\$ (30,298)</u>	<u>\$ 2,132,343</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**ROAD AND BRIDGE PRECINCT NO. 4 - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the year ended September 30, 2013

	Final Budget	Actual Budgetary Basis	Budget to GAAP Over (Under)	Actual GAAP Basis
REVENUES				
Licenses and permits - auto registration	\$ 106,000	\$ 120,409	\$ (4,399)	\$ 124,808
Intergovernmental - grants	4,400	5,639	-	5,639
Interest	2,000	5,014	-	5,014
Pipeline crossings	-	-	-	-
Miscellaneous	1,000	11,416	-	11,416
Total revenues	<u>113,400</u>	<u>142,478</u>	<u>(4,399)</u>	<u>146,877</u>
EXPENDITURES				
Current				
Public works				
Personnel services	290,222	279,032	(4,194)	283,226
Supplies	112,300	85,207	(43,196)	128,403
Other services and charges	107,220	209,975	-	209,975
Capital outlay	245,000	61,143	-	61,143
Debt service	52,000	51,428	-	51,428
Total expenditures	<u>806,742</u>	<u>686,785</u>	<u>(47,390)</u>	<u>734,175</u>
Excess (deficiency) of revenues over expenditures	<u>(693,342)</u>	<u>(544,307)</u>	<u>42,991</u>	<u>(587,298)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	1,752	-	1,752
Lease proceeds	-	-	-	-
Transfers in	648,913	648,913	-	648,913
Total other financing sources (uses)	<u>648,913</u>	<u>650,665</u>	<u>-</u>	<u>650,665</u>
Net change in fund balance	(44,429)	106,358	42,991	63,367
Fund balance, beginning of year	<u>521,842</u>	<u>521,842</u>	<u>-</u>	<u>521,842</u>
Fund balance, end of year	<u>\$ 477,413</u>	<u>\$ 628,200</u>	<u>\$ 42,991</u>	<u>\$ 585,209</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*SPECIAL ROAD AND BRIDGE - NONMAJOR SPECIAL REVENUE FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**For the year ended September 30, 2013*

	<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	\$ 869,308	\$ 1,383,751	\$ -	\$ 1,383,751
Delinquent ad valorem	<u>12,000</u>	<u>12,667</u>	<u>-</u>	<u>12,667</u>
Total taxes	881,308	1,396,418	-	1,396,418
Interest	<u>2,000</u>	<u>7,896</u>	<u>-</u>	<u>7,896</u>
Total revenues	<u>883,308</u>	<u>1,404,314</u>	<u>-</u>	<u>1,404,314</u>
EXPENDITURES				
Current				
Public works				
Other services and charges	-	152,514	49,750	102,764
Capital outlay	<u>304,861</u>	<u>206,155</u>	<u>-</u>	<u>206,155</u>
Total expenditures	<u>304,861</u>	<u>358,669</u>	<u>49,750</u>	<u>308,919</u>
Excess (deficiency) of revenues over expenditures	578,447	1,045,645	(49,750)	1,095,395
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(910,363)</u>	<u>(851,560)</u>	<u>-</u>	<u>(851,560)</u>
Net change in fund balance	(331,916)	194,085	(49,750)	243,835
Fund balance, beginning of year	<u>146,021</u>	<u>146,021</u>	<u>-</u>	<u>146,021</u>
Fund balance, end of year	<u>\$ (185,895)</u>	<u>\$ 340,106</u>	<u>\$ (49,750)</u>	<u>\$ 389,856</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*INDIGENT HEALTH CARE - NONMAJOR SPECIAL REVENUE FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**For the year ended September 30, 2013*

	<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	\$ 205,219	\$ 326,653	\$ -	\$ 326,653
Delinquent ad valorem	<u>3,000</u>	<u>4,505</u>	<u>-</u>	<u>4,505</u>
Total taxes	208,219	331,158	-	331,158
Intergovernmental	1,000	-	-	-
Interest	400	1,909	-	1,909
Miscellaneous	<u>18,000</u>	<u>21,232</u>	<u>-</u>	<u>21,232</u>
Total revenues	<u>227,619</u>	<u>354,299</u>	<u>-</u>	<u>354,299</u>
EXPENDITURES				
Current				
Health and welfare				
Personnel services	42,402	42,248	(285)	42,533
Supplies	2,100	2,086	-	2,086
Other services and charges	6,000	4,350	-	4,350
Capital outlays	400	-	-	-
Medical expenses	<u>191,655</u>	<u>169,067</u>	<u>(127,074)</u>	<u>296,141</u>
Total expenditures	<u>242,557</u>	<u>217,751</u>	<u>(127,359)</u>	<u>345,110</u>
Net change in fund balance	(14,938)	136,548	127,359	9,189
Fund balance, beginning of year	<u>79,428</u>	<u>79,428</u>	<u>-</u>	<u>79,428</u>
Fund balance, end of year	<u>\$ 64,490</u>	<u>\$ 215,976</u>	<u>\$ 127,359</u>	<u>\$ 88,617</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*DEBT SERVICE FUND - NONMAJOR SPECIAL REVENUE FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**For the year ended September 30, 2013*

	<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	\$ 1,084,378	\$ 1,766,538	\$ -	\$ 1,766,538
Delinquent ad valorem	<u>25,000</u>	<u>25,933</u>	<u>-</u>	<u>25,933</u>
Total taxes	1,109,378	1,792,471	-	1,792,471
Interest	<u>5,000</u>	<u>13,403</u>	<u>-</u>	<u>13,403</u>
Total revenues	<u>1,114,378</u>	<u>1,805,874</u>	<u>-</u>	<u>1,805,874</u>
EXPENDITURES				
Debt service				
Principal retirement	635,000	635,000	-	635,000
Interest and fiscal charges	<u>452,106</u>	<u>452,005</u>	<u>-</u>	<u>452,005</u>
Total expenditures	<u>1,087,106</u>	<u>1,087,005</u>	<u>-</u>	<u>1,087,005</u>
Net change in fund balance	27,272	718,869	-	718,869
Fund balance, beginning of year	<u>915,772</u>	<u>915,772</u>	<u>-</u>	<u>915,772</u>
Fund balance, end of year	<u>\$ 943,044</u>	<u>\$ 1,634,641</u>	<u>\$ -</u>	<u>\$ 1,634,641</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, 2013

	<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>\$ 145,783</u>	<u>\$ 648,171</u>	<u>\$ 662,470</u>	<u>\$ 131,484</u>
Liabilities				
Due to others	<u>\$ 145,783</u>	<u>\$ 648,171</u>	<u>\$ 662,470</u>	<u>\$ 131,484</u>
TAX ASSESSOR - PROPERTY TAX FUND				
Assets				
Cash in bank	<u>\$ 40,731</u>	<u>\$56,825,701</u>	<u>\$56,814,701</u>	<u>\$ 51,731</u>
Liabilities				
Due to others	<u>\$ 40,731</u>	<u>\$56,825,701</u>	<u>\$56,814,701</u>	<u>\$ 51,731</u>
TAX ASSESSOR - MOTOR VEHICLE				
Assets				
Cash in bank	<u>\$ 653</u>	<u>\$ 4,499,302</u>	<u>\$ 4,499,253</u>	<u>\$ 702</u>
Liabilities				
Due to others	<u>\$ 653</u>	<u>\$ 4,499,302</u>	<u>\$ 4,499,253</u>	<u>\$ 702</u>
TAX ASSESSOR - ESCROW ACCOUNT				
Assets				
Cash in bank	<u>\$ 52,771</u>	<u>\$ 70,081</u>	<u>\$ 70,000</u>	<u>\$ 52,852</u>
Liabilities				
Due to others	<u>\$ 52,771</u>	<u>\$ 70,081</u>	<u>\$ 70,000</u>	<u>\$ 52,852</u>
HEALTH INSURANCE FUND				
Assets				
Cash in bank	<u>\$ 158,494</u>	<u>\$ 870,210</u>	<u>\$ 950,059</u>	<u>\$ 78,645</u>
Liabilities				
Due to others	<u>\$ 158,494</u>	<u>\$ 870,210</u>	<u>\$ 950,059</u>	<u>\$ 78,645</u>
UNCLAIMED FUNDS				
Assets				
Cash in bank	<u>\$ 6,243</u>	<u>\$ 963</u>	<u>\$ 187</u>	<u>\$ 7,019</u>
Liabilities				
Due to others	<u>\$ 6,243</u>	<u>\$ 963</u>	<u>\$ 187</u>	<u>\$ 7,019</u>
CHILD WELFARE BOARD				
Assets				
Cash in bank	<u>\$ 1,292</u>	<u>\$ 5,722</u>	<u>\$ 3,843</u>	<u>\$ 3,171</u>
Liabilities				
Due to others	<u>\$ 1,292</u>	<u>\$ 5,722</u>	<u>\$ 3,843</u>	<u>\$ 3,171</u>

DeWITT COUNTY, TEXAS**AGENCY FUNDS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

For the year ended September 30, 2013

	<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>\$ 63,288</u>	<u>\$ 22,250</u>	<u>\$ 21,250</u>	<u>\$ 64,288</u>
Liabilities				
Due to others	<u>\$ 63,288</u>	<u>\$ 22,250</u>	<u>\$ 21,250</u>	<u>\$ 64,288</u>
NORTH CUERO WATERSHED				
Assets				
Cash in bank	<u>\$ 63,933</u>	<u>\$ 77,377</u>	<u>\$ 16,652</u>	<u>\$ 124,658</u>
Liabilities				
Due to others	<u>\$ 63,933</u>	<u>\$ 77,377</u>	<u>\$ 16,652</u>	<u>\$ 124,658</u>
COUNTY CLERK TRUST FUNDS				
Assets				
Cash in bank	<u>\$ 47,265</u>	<u>\$ 22,279</u>	<u>\$ 22,983</u>	<u>\$ 46,561</u>
Liabilities				
Due to others	<u>\$ 47,265</u>	<u>\$ 22,279</u>	<u>\$ 22,983</u>	<u>\$ 46,561</u>
DISTRICT CLERK TRUST FUNDS				
Assets				
Cash in bank	<u>\$ 258,288</u>	<u>\$ 355,221</u>	<u>\$ 476,255</u>	<u>\$ 137,254</u>
Liabilities				
Due to others	<u>\$ 258,288</u>	<u>\$ 355,221</u>	<u>\$ 476,255</u>	<u>\$ 137,254</u>
INMATE TRUST FUNDS				
Assets				
Cash in bank	<u>\$ 23,564</u>	<u>\$ 148,885</u>	<u>\$ 149,667</u>	<u>\$ 22,782</u>
Liabilities				
Due to others	<u>\$ 23,564</u>	<u>\$ 148,885</u>	<u>\$ 149,667</u>	<u>\$ 22,782</u>
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash in bank	<u>\$ 862,305</u>	<u>\$63,546,162</u>	<u>\$63,687,320</u>	<u>\$ 721,147</u>
Liabilities				
Due to others	<u>\$ 862,305</u>	<u>\$63,546,162</u>	<u>\$63,687,320</u>	<u>\$ 721,147</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.....	70
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property tax revenue	74
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.....	79
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	84
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	86

DeWITT COUNTY, TEXAS
NET POSITION BY COMPONENT (1)
Last nine fiscal years

	Fiscal Year								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities									
Invested in capital assets, net of related debt	\$ 11,785,255	\$ 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	1,686,900	933,999	802,344	658,010	503,031	360,908	295,718	188,145	185,806
Unrestricted	<u>17,699,327</u>	<u>10,923,276</u>	<u>9,722,249</u>	<u>8,113,430</u>	<u>7,215,567</u>	<u>6,300,071</u>	<u>5,266,088</u>	<u>3,996,919</u>	<u>3,077,067</u>
Total net position	<u>\$ 31,171,482</u>	<u>\$ 22,076,959</u>	<u>\$ 21,021,647</u>	<u>\$ 18,999,518</u>	<u>\$ 17,710,990</u>	<u>\$ 16,253,139</u>	<u>\$ 13,974,749</u>	<u>\$ 9,927,811</u>	<u>\$ 6,908,474</u>

(1) Accrual basis of accounting

NOTE: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2005.

DeWITT COUNTY, TEXAS
CHANGES IN NET POSITION (1)
Last nine fiscal years

	Fiscal Year								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities									
Expenses									
General government	\$ 1,984,628	\$ 2,054,078	\$ 1,928,925	\$ 1,611,328	\$ 1,545,319	\$ 1,507,206	\$ 1,312,019	\$ 1,448,311	\$ 1,185,021
Judicial	1,320,115	1,229,416	1,128,817	1,044,290	980,507	947,789	872,819	890,671	800,940
Public works	8,685,582	6,830,006	6,244,867	5,449,821	4,916,041	4,216,841	3,939,791	3,724,006	3,839,987
Health and welfare	736,361	575,526	635,485	631,618	521,212	507,603	535,461	476,733	507,183
Interest on long-term debt	448,765	474,197	497,848	564,367	576,301	596,752	614,127	201,900	141,033
Total expenses	<u>13,175,451</u>	<u>11,163,223</u>	<u>10,435,942</u>	<u>9,301,424</u>	<u>8,539,380</u>	<u>7,776,191</u>	<u>7,274,217</u>	<u>6,741,621</u>	<u>6,474,164</u>
Program revenues									
Charges for services									
General government	1,428,624	962,158	1,853,355	1,261,225	963,859	972,440	1,032,073	900,445	798,850
Judicial	700,202	1,114,339	575,233	358,439	579,494	406,520	377,306	572,854	582,835
Public works	2,520,427	2,200,607	1,924,286	903,891	728,838	698,924	651,184	717,796	644,906
Health and welfare	55,662	52,276	64,506	50,879	67,710	69,194	59,932	160,424	175,430
Operating grants and contributions	655,176	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	<u>5,360,091</u>	<u>4,865,635</u>	<u>5,541,785</u>	<u>3,238,445</u>	<u>2,921,990</u>	<u>3,233,897</u>	<u>4,447,098</u>	<u>4,682,914</u>	<u>3,758,628</u>
Total net program expenses	(7,815,360)	(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	16,964,050	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	156,460	95,399	132,249	129,003	105,105	466,065	865,745	319,994	165,454
Miscellaneous	35,347	108,601	13,930	1,424	21,826	(4,155)	263	9,398	20,575
Total general revenues and other changes in net assets	<u>17,155,857</u>	<u>7,352,900</u>	<u>6,916,286</u>	<u>7,351,507</u>	<u>7,075,241</u>	<u>6,820,684</u>	<u>6,874,057</u>	<u>5,066,093</u>	<u>4,541,569</u>
Total changes in net position	<u>\$ 9,340,497</u>	<u>\$ 1,055,312</u>	<u>\$ 2,022,129</u>	<u>\$ 1,288,528</u>	<u>\$ 1,457,851</u>	<u>\$ 2,278,390</u>	<u>\$ 4,046,938</u>	<u>\$ 3,007,386</u>	<u>\$ 1,826,033</u>

(1) Accrual basis of accounting

NOTE: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2005.

DeWITT COUNTY, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last nine fiscal years

	Fiscal Year								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
General fund									
Unassigned	\$ 8,861,809	\$ 3,918,939	\$ 4,737,330	\$ 4,227,253	\$ 4,231,563	\$ 3,632,469	\$ 2,829,040	\$ 1,865,568	\$ 1,282,678
Assigned	311,213	307,185	-	-	-	-	-	-	-
Total general fund	<u>\$ 9,173,022</u>	<u>\$ 4,226,124</u>	<u>\$ 4,737,330</u>	<u>\$ 4,227,253</u>	<u>\$ 4,231,563</u>	<u>\$ 3,632,469</u>	<u>\$ 2,829,040</u>	<u>\$ 1,865,568</u>	<u>\$ 1,282,678</u>
All other governmental funds									
Restricted									
Debt service	\$ 1,634,641	\$ 915,772	\$ 777,535	\$ 640,675	\$ 494,609	\$ 368,289	\$ 317,190	\$ 244,770	\$ 177,848
Special revenue funds	7,218,731	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	<u>1,064,200</u>	<u>1,063,634</u>	<u>1,075,628</u>	<u>1,096,969</u>	<u>1,467,623</u>	<u>3,623,372</u>	<u>9,640,558</u>	<u>10,618,815</u>	<u>785,338</u>
Total all other governmental funds	<u>\$ 9,917,572</u>	<u>\$ 6,798,005</u>	<u>\$ 5,858,081</u>	<u>\$ 4,716,323</u>	<u>\$ 3,919,054</u>	<u>\$ 5,756,762</u>	<u>\$ 11,624,043</u>	<u>\$ 12,291,586</u>	<u>\$ 2,146,313</u>

(1) Modified accrual basis of accounting

NOTE: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2005.

This schedule maintains the same number of years for comparative purposes.

DeWITT COUNTY, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last nine fiscal years

	Fiscal Year								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues									
Taxes	\$ 16,600,054	\$ 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	788,809	640,796	631,322	604,628	614,672	639,296	631,856	606,265	586,241
Intergovernmental	1,907,885	971,572	1,124,405	858,213	728,706	1,210,152	2,419,757	2,594,215	1,859,089
Charges for services	1,781,190	2,539,954	2,354,100	993,873	819,695	902,735	890,153	836,352	707,856
Fines and forfeitures	464,734	456,740	480,783	437,287	441,933	351,604	285,408	333,401	382,431
Investment income	156,460	95,399	132,249	129,003	105,105	466,065	865,745	319,994	165,454
Miscellaneous	479,875	168,562	901,526	461,648	221,395	115,526	181,102	144,106	91,076
Total revenues	22,179,007	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	1,750,204	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	1,157,037	1,082,089	1,001,062	960,939	897,641	878,266	809,161	832,460	752,468
Public works	8,215,043	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	715,976	557,110	619,515	616,069	505,674	496,626	525,410	467,542	499,530
Capital outlay	1,236,480	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	635,000	610,000	585,000	555,000	535,000	515,000	475,000	140,000	165,000
Interest and fiscal charges	452,005	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	14,161,745	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	8,017,262	(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	49,202	116,933	18,324	8,614	21,826	-	12,382	10,223	20,575
Capital lease proceeds	-	345,547	185,994	136,399	-	-	15,500	106,012	-
Transfers in	3,736,901	2,311,518	1,784,116	1,882,625	1,444,718	1,267,963	986,454	1,032,438	945,819
Transfers out	(3,736,901)	(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)	49,202	462,480	204,318	205,013	21,826	-	27,882	10,916,235	20,575
Changes in fund balances	\$ 8,066,464	\$ 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	8.41%	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 2005. 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*

Fiscal Year	Ad Valorem Taxes		Penalty and Interest	Total
	Current	Delinquent		
2004	\$ 3,761,151 (1)	\$ 102,499	\$ 79,313	\$ 3,942,963
2005	4,159,430 (1)	118,626	89,363	4,367,419
2006	4,529,680 (1)	126,758	86,393	4,742,831
2007	5,744,805 (2)	128,469	89,034	5,962,308
2008	6,170,558 (2)	103,384	84,901	6,358,843
2009	6,702,755 (2)	106,407	91,260	6,900,422
2010	6,989,491 (2)	127,019	95,278	7,211,788
2011	6,514,197 (2)	132,989	106,550	6,753,736
2012	6,945,991 (2)	161,563	106,837	7,214,391
2013	16,375,415 (3)	108,400	116,239	16,600,054
Change 2004 to 2013	335.38%	5.76%	46.56%	321.00%

(1) Modified accrual basis of accounting

NOTE: (1) Property tax rates had remained stable through 2006.
(2) Tax rates increased on the 2006 roll for debt service on 2006 series bonds.
(3) Tax rates were actually lowered in 2013 but revenue increased due to significant increases in mineral values related to Eagle Ford Shale.

DeWITT COUNTY, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)

Last ten fiscal years

Fiscal Year	Tax Roll	Real Property			Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value (1) as a Percentage of Actual Value
		Residential Property	Non-Residential Property	Personal Property					
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%
75 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%
2013	2012	381,707,020	4,024,961,528	593,915,180	1,509,586,195	3,490,997,533	0.50203	3,490,997,533	100.00%

(1) Values on property for maintenance and operation and interest and sinking taxes. Property exemptions differ from 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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
DeWitt County										
General fund	\$ 0.57981	\$ 0.59280	\$ 0.54594	\$ 0.53821	\$ 0.56067	\$ 0.50545	\$ 0.48543	\$ 0.48359	\$ 0.40466	\$ 0.36886
Debt service	0.04964	0.04614	0.03615	0.13621	0.13108	0.11806	0.10897	0.11475	0.08903	0.05284
Road & bridge	0.05285	0.05401	0.04960	0.04794	0.05000	0.05756	0.05752	0.05358	0.04453	0.08033
	0.68230	0.69295	0.63169	0.72236	0.74175	0.68107	0.65192	0.65192	0.53822	0.50203
Cities										
Cuero	0.23557	0.25863	0.28834	0.28710	0.31835	0.31835	0.31318	0.30168	0.30168	0.30168
Yoakum	0.09469	0.09794	0.09354	0.09354	0.09264	0.08589	0.08591	0.08909	0.09278	0.09087
Yorktown	0.53200	0.53200	0.55909	0.54803	0.64931	0.64931	0.64931	0.70444	0.66846	0.06126
Nordheim	0.40020	0.42379	0.46000	0.46000	0.48632	0.48632	0.48632	0.47211	0.47211	0.47211
Schools										
Cuero	1.64600	1.66378	1.46570	1.47000	1.28877	1.29189	1.29673	1.32327	1.28736	1.07003
Yoakum	1.64000	1.67000	1.53000	1.53000	1.21000	1.32000	1.25000	1.35000	1.27000	1.24000
Yorktown	1.50000	1.50000	1.38000	1.28360	1.04000	1.04000	1.04000	1.04000	0.96000	0.99721
Nordheim	1.72561	1.69198	1.44133	1.70093	1.19547	1.24158	1.24343	1.23972	1.28891	1.24345
Meyersville	1.50000	1.50000	1.50000	1.37005	1.04000	1.04000	1.04000	1.04000	1.04000	1.04000
Westhoff	1.44960	1.47960	1.47960	1.38968	0.95134	1.04000	1.04000	1.04000	0.96000	0.96000
Hospitals										
DeWitt Medical	0.14222	0.15023	0.11899	0.10226	0.15919	0.14590	0.13905	0.15251	0.13221	0.13221
Yoakum	0.13860	0.13440	0.22000	0.21690	0.20710	0.18100	0.19220	0.21300	0.21770	0.21770
Water Districts										
Ecleto Watershed	0.01040	0.00990	0.00960	0.00920	0.00910	0.00740	0.00660	0.00660	0.08000	0.08640
DeWitt Drainage #1	0.06130	0.06197	0.06135	0.06131	0.05865	0.05865	0.06040	0.06294	0.06302	0.06289
Pecan Valley	0.01500	0.01500	0.01500	0.01500	0.01500	0.01500	0.01500	0.01500	0.01301	0.01301

SOURCE: DeWitt County Tax Assessor/Collector

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

2013	Type of Property	Assessed Valuation	Percent of Total Valuation
Burlington Resources Oil & Gas	Mineral	\$ 1,309,993,880	37.52%
Geothermal Energy Corporation	Mineral	1,289,328,010	36.93%
Pioneer Resources USA Inc.	Mineral	232,603,810	6.66%
Helmerick & Payne Inc	Mineral	162,574,160	4.66%
Eagle Hawk Field Services	Mineral	52,194,020	1.49%
Matador Production Co.	Mineral	39,640,180	1.14%
Marathon Oil LLC	Mineral	38,337,350	1.10%
Colina Ventosa Ltd	Mineral	32,180,900	0.92%
EFS Midstream LLC	Mineral	30,775,570	0.88%
DGK ORRI Company LLC	Mineral	30,391,870	0.87%
Assessed value		<u>\$ 3,218,019,750</u>	92.16%
2006	Type of Property	Assessed Valuation	of Total Valuation
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		Amount	Percentage of Levy
2004	\$ 4,046,484		\$ 3,834,079	94.75%	\$ 199,763	\$ 4,033,842	99.69%
2005	4,437,643		4,240,171	95.55%	181,271	4,421,442	99.63%
2006	4,846,651		4,699,521	96.96%	132,787	4,832,308	99.70%
2007	6,178,020		5,948,718	96.29%	203,191	6,151,909	99.58%
2008	6,510,366		6,379,151	97.98%	107,556	6,486,707	99.64%
2009	7,091,859		6,883,347	97.06%	178,170	7,061,517	99.57%
2010	7,408,366		7,253,663	97.91%	115,739	7,369,402	99.47%
2011	6,839,507		6,737,312	98.51%	47,772	6,785,084	99.20%
2012	7,367,416		7,206,312	97.81%	94,517	7,300,829	99.10%
2013	17,488,203		16,949,690	96.92%	-	16,949,690	96.92%

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			
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	2.3%	687
2008	13,170,000	10,500	89,745	13,270,245	2.1%	673
2009	12,635,000	5,500	42,911	12,683,411	1.9%	647
2010	12,140,000	-	158,468	12,298,468	1.7%	624
2011	11,555,000	-	296,977	11,851,977	1.6%	590
2012	10,945,000	-	555,598	11,500,598	1.6%	572
2013	10,310,000	-	424,786	10,734,786	1.3%	525

SOURCE: DeWitt County

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

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

Fiscal Year	General Bonded Debt Outstanding			Debt Service Monies Available	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
	Certificates of Obligation	General Obligation Bonds	Total				
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	11,555,000	-	11,555,000	777,534	10,777,466	1.03%	536
2012	10,945,000	-	10,945,000	915,772	10,029,228	0.75%	499
2013	10,310,000	-	10,310,000	1,634,641	8,675,359	0.25%	424

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, 2013

	Date	(1)	(2)	
		Gross Debt Outstanding Amount	Applicable to DeWitt County Percent	Amount
Direct debt:				
DeWitt County	09/30/13	\$ 10,310,000	100.00%	\$ 10,310,000
Overlapping debt:				
Cities				
Cuero	09/30/13	5,425,000	100.00%	5,425,000
Yoakum	09/30/13	7,110,000	33.33%	2,369,763
Yorktown	09/30/13	725,000	100.00%	725,000
School Districts				
Cuero ISD	08/31/13	9,052,250	94.26%	8,532,651
Yoakum ISD	08/31/13	10,235,400	54.79%	5,607,976
Nordheim ISD	08/31/13	711,000	96.85%	688,604
Meyersville ISD	08/31/13	-	78.39%	-
Westhoff ISD	08/31/13	-	100.00%	-
Yorktown ISD	08/31/13	5,230,000	100.00%	5,230,000
Hospitals				
Yoakum Hospital District	09/30/13	-	37.37%	-
DeWitt Medical District	09/30/13	-	100.00%	-
Total overlapping debt		<u>38,488,650</u>		<u>28,578,994</u>
Total direct and overlapping debt		<u>\$ 48,798,650</u>		<u>\$ 38,888,994</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.

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>
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%
2013	724,270,588	8,675,359	715,595,229	1.20%

Legal debt margin calculation for current fiscal year:

Assessed value of real property		\$ 2,897,082,353
(1) Debt limit percentage		<u>25.00%</u>
Debt limit		724,270,588
Debt applicable to debt limit		
Certificates of obligation	\$ 10,310,000	
Debt service funds available	<u>(1,634,641)</u>	<u>8,675,359</u>
Legal debt margin		<u>\$ 715,595,229</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>
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
2013	22,179,007	11,838,260	10,340,747	1,087,005	9.51

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>
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	543,256,874	27,558	9,241	7.80%	42
2011	36,611	20,097	598,572,000	29,784	9,368	6.60%	43
2012	36,611	20,255	650,722,169	32,126	9,958	5.00%	43
2013	40,515	20,465	830,066,000	40,560	10,358	4.40%	43

SOURCE: 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 seven years ago

Employer	Business Type	Employees	Percentage of Total Area Employment
<u>2013</u>			
Cuero Independent School District	School District	450	4.54%
Cuero Community Hospital	Health Care	383	3.87%
Mount Vernon Mills, Brentex Division	Textile Manufacturing	300	3.03%
Texas Dept. of Criminal Justice	Correctional Facility	277	2.80%
Cuero Nursing & Rehabilitation Center	Health Care	133	1.34%
Wal-Mart	Retail	125	1.26%
County of DeWitt	Government	125	1.26%
City of Cuero	Government	112	1.13%
H.E.B.	Retail	80	0.81%
McMahan Welding	Welding services	70	0.71%
		<u>2,055</u>	<u>20.75%</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 ten fiscal years

	<u>2013</u>	<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	4
County clerk	5	5	5	5	5	6	6	5	5	5
Veterans' service officer	1	1	1	1	1	1	1	1	1	1
County auditor	3	3	3	3	3	3	3	3	3	3
County treasurer	2	2	2	2	2	2	2	2	2	2
Tax assessor-collector	6	6	6	6	6	6	6	5	6	6
Judicial										
County court	2	2	2	5	2	2	2	2	2	2
District clerk	6	6	6	2	5	5	5	4	5	5
County attorney	2	2	2	3	2	2	2	2	3	2
Justice of the Peace #1	3	3	3	1	3	3	3	3	3	3
Justice of the Peace #2	2	2	1	1	1	1	1	2	2	2
Juvenile probation	4	6	6	6	5	5	5	5	5	5
Public works										
Sheriff	45	43	45	30	39	29	27	26	29	29
Constable #1	1	1	1	1	1	1	1	1	1	1
Constable #2	1	1	1	1	1	1	1	1	1	1
Building maintenance	2	2	2	2	2	2	2	2	2	2
Bailiffs	1	1	2	3	2	2	2	2	2	2
Precinct No. 1	6	6	7	5	6	6	6	5	5	5
Precinct No. 2	6	5	6	5	5	5	5	5	5	5
Precinct No. 3	6	6	6	6	6	7	7	6	7	6
Precinct No. 4	6	5	4	4	4	5	4	5	5	5
Health and welfare										
Extension service	3	3	3	3	3	3	3	3	3	3
Emergency management	1	1	1	1	1	1	1	1	1	1
Indigent health care	1	1	1	1	1	1	1	1	1	1
Health department	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	<u>122</u>	<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.

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Function/Program							
General government							
County auditor							
Accounts payable invoices	7397	7,396	7,369	7,567	7,327	6,903	7,153
County treasurer							
Payroll checks processed	3998	3,146	3,647	3,650	3,429	3,128	2,991
Elections administrator							
New voter registrations	630	726	101	1,004	922	394	749
Elections held	2	1	1	1	1	1	1
Tax assessor-collector							
Automobile registrations	26840	24,561	23,231	22,925	22,645	21,739	20,939
Judicial							
County court							
Criminal cases filed	493	533	459	489	502	516	454
Criminal case dispositions	536	537	697	516	642	488	599
Civil cases filed	32	29	51	28	30	55	28
Civil case dispositions	25	30	50	27	123	48	32
Juvenile cases filed	15	20	26	28	22	31	54
Juvenile case dispositions	20	20	23	32	29	35	59
District court							
Criminal cases filed	210	279	224	303	218	373	307
Criminal case dispositions	235	302	292	283	300	295	388
Civil cases filed	387	425	425	530	412	401	614
Civil case dispositions	458	456	449	494	407	448	481
Justice of the Peace #1							
Civil cases filed	104	140	136	56	177	231	175
Criminal cases filed	1981	1,883	1,767	1,769	2,421	1,953	3,425
Justice of the Peace #2							
Civil cases filed	61	30	54	52	44	110	45
Criminal cases filed	1031	979	1,611	3,401	1,465	1,108	666
Health and welfare							
Health department							
Immunizations administered	1145	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 ten fiscal years*

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government										
Buildings	8	8	8	8	8	8	8	8	6	6
Vehicles	2	2	2	2	2	2	2	2	2	2
Public works										
Sheriff										
Jail	1	1	1	1	1	1	1	1	1	1
Patrol units	13	15	12	12	12	12	9	9	9	9
Precincts										
Roads (miles)	690	690	690	690	690	690	690	690	690	689
Bridges	110	110	110	110	110	110	110	110	110	110
Heavy equipment	48	44	43	40	36	34	31	30	28	31
Vehicles	24	26	26	26	26	24	27	24	29	22
Health and welfare										
Extension office	0	0	1	1	1	1	1	1	1	1

SOURCE: Various DeWitt County departments, Texas Department of Transportation

OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 19, 2014.

Internal Control Over Financial Reporting

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

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

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

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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Harrison Waldrop & Ukeck, LLP

February 19, 2014