

BOWIE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2013

BOWIE COUNTY, TEXAS

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Honorable County Judge
and Members of the Commissioners' Court
Bowie County
New Boston, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bowie 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, each major fund, and the aggregate remaining fund information of the County as of September 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–8 and the schedules of funding progress on pages 36 and 37 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 combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 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 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.

Waco, Texas
March 31, 2014

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis

This section of the Bowie County, Texas (the "County") financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2013.

FINANCIAL HIGHLIGHTS

- The County's total net position decreased by \$201,471, 1%, over the course of this year's operations.
- The total government-wide assets of the County exceeded the liabilities at September 30, 2013, by \$18,861,547 and is reported as total net position of the County. Of this amount, \$510,906 represents a deficit unrestricted net position, \$1,044,510 is restricted for road improvements, public safety, public works and other purposes (restricted net position) and \$18,327,943 is the net investment in capital assets.
- As of September 30, 2013, the County's governmental funds reported combined fund balances of \$34,542,064, as compared to \$35,413,786 at September 30, 2012. This represented a decrease of \$871,722. This decrease can be primarily attributed to the County spending bond proceeds on capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of the following three components: 1) Government-wide financial statements; 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all County assets and liabilities, with the difference between the two representing 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 that indicates how 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works and welfare.

Fund Financial Statements are groupings of related accounts that are 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 finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds. The County does not have any proprietary funds.

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

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

The County maintains 12 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 major governmental funds. Data from 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 statements elsewhere in this report.

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.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the governmental fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately following the notes to the financial statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Bowie County, assets exceeded liabilities by \$18,861,547 at the close of the most recent fiscal year. The following table indicates the County's financial position as of September 30, 2013 and September 30, 2012.

BOWIE COUNTY'S NET POSITION

	Governmental Activities	
	2013	2012
Current assets	\$ 42,897,280	\$ 41,451,774
Capital assets	<u>19,182,943</u>	<u>20,157,811</u>
Total assets	<u>62,080,223</u>	<u>61,609,585</u>
Current liabilities	723,322	3,325,728
Noncurrent liabilities	<u>42,495,354</u>	<u>41,660,195</u>
Total liabilities	<u>43,218,676</u>	<u>44,985,923</u>
Net position:		
Net investment in capital assets	18,327,943	17,531,787
Restricted	1,044,510	1,155,581
Unrestricted	<u>(510,906)</u>	<u>(2,063,706)</u>
Total net position	<u>\$ 18,861,547</u>	<u>\$ 16,623,662</u>

The largest portion of the County's current fiscal year net position, \$18,327,943, reflects its investments in capital assets (e.g. land, improvements, buildings, equipment, infrastructure) less any related debt used to acquire these assets that is outstanding. The main use of these capital assets is 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 resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the County's current fiscal year net position, \$510,906 represents a deficit unrestricted net position and \$1,044,510 represents restricted net position. The restricted net position have constraints which have been placed on the use of these resources either (a) externally imposed by creditors, grantors, contributors, or by laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The following table indicates changes in net position for governmental activities.

	Governmental Activities	
	2013	2012
REVENUES		
Program revenues:		
Charges for services	\$ 5,357,596	\$ 7,786,093
Operating grants and contributions	2,957,565	849,685
Capital grants and contributions	29,358	253,701
General revenues:		
Taxes - levied for general purposes	14,469,114	13,686,835
Taxes - levied for debt service	1,602,943	661,073
Sales taxes	5,645,525	5,528,120
Other taxes	189,590	191,258
Investment earnings	245,742	59,839
Gain on sale of capital assets	-	243,759
Miscellaneous	466,251	165,090
Total revenues	<u>30,963,684</u>	<u>29,425,453</u>
EXPENSES		
General government	8,837,413	8,533,848
Public safety	15,694,030	16,572,474
Public works	4,225,676	5,414,600
Welfare	1,063,610	1,190,873
Interest on long-term debt	1,344,426	112,861
Total expenses	<u>31,165,155</u>	<u>31,824,656</u>
CHANGE IN NET POSITON	(201,471)	(2,399,203)
PRIOR PERIOD ADJUSTMENT	2,439,356	-
NET POSITION, BEGINNING	<u>16,623,662</u>	<u>19,022,865</u>
NET POSITION, ENDING	<u>\$ 18,861,547</u>	<u>\$ 16,623,662</u>

Property taxes are collected to support governmental activity through the General, Road and Bridge Lateral, and Debt Service Funds. Property taxes increased by \$1,724,149, or (12.6)% for the fiscal year. This increase was primarily due to increased property valuations for the County. Income from charges for services decreased by \$2,428,497. These revenues decreased due to the inability to obtain contracts for the housing of contract inmates. Expenses for the County increased \$659,501 during the fiscal year.

FINANCIAL ANALYSIS OF MAJOR FUNDS

Governmental Funds. The County's major general government functions are contained in the General Fund. 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2013, the County's governmental funds reported combined fund balances of \$34,542,064 as compared to \$35,413,786 at September 30, 2012.

The General Fund is the chief operating fund of the County. At September 30, 2013, the General Fund reported revenues of \$26,284,179 and expenditures of \$27,461,403 as compared to revenues of \$27,502,780 and expenditures of \$29,262,190 at September 30, 2012.

GENERAL FUND BUDGETARY HIGHLIGHTS

Charges for services revenues were down from budgeted revenues due to the inability to obtain contracts for the housing of contract inmates.

During 2013, Bowie County was entered into a new contract for the jail administration. The new contract resulted in a higher per diem rate for inmate housing, which resulted in an increase in contractual services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's investment in capital assets for its governmental activities as of September 30, 2013, amounted to \$19,182,943 (net of accumulated depreciation) as compared to \$20,157,811 at September 30, 2012. This investment in capital assets includes land, buildings and improvements, structures, equipment, vehicles, machinery, and other tangible and intangible assets.

For further information regarding capital assets, see Note 4.

Long-term Debt. At September 30, 2013, the County had total long-term debt outstanding of \$42,495,354. Total long-term debt outstanding at September 30, 2012, was \$41,660,195. Refer to Note 4 for further information on the County's long-term debt.

ECONOMIC FACTORS

The Commissioners' Court adopted the County's 2013-2014 budget on October 1, 2013. The budget was adopted based on estimated balances that would be available at the end of fiscal year 2014 and estimated revenues to be received in fiscal year 2014. The total of available resources for fiscal year 2013 was \$29.1 million.

For 2013-2014, the property tax rate is \$36.12 per \$100 valuation, which has not changed from fiscal year 2012-2013.

REQUESTS 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 County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County Auditor's Office, P. O. Box 248, New Boston, Texas 75570.

**BASIC
FINANCIAL STATEMENTS**

BOWIE COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Governmental Activities
ASSETS	
Cash and investments	\$ 33,845,070
Receivables, net of allowance for uncollectibles:	
Accounts	46,938
Adjudicated fines	736,382
Property taxes	1,318,341
Sales taxes	947,941
Intergovernmental	2,336,257
Accrued interest	2,829
Deferred charges	528,363
Prepaid expenses	51,454
Investment in joint venture	287,081
Deferred contributions	2,796,624
Capital assets:	
Land	484,044
Buildings	20,302,056
Machinery and equipment	7,950,910
Infrastructure	36,191,231
Less: accumulated depreciation	(45,745,298)
Total capital assets	19,182,943
Total assets	62,080,223
LIABILITIES	
Accounts payable	430,479
Accrued liabilities	77,261
Due to other governments	6,741
Accrued interest	208,841
Noncurrent liabilities:	
Due within one year	782,273
Due in more than one year	41,713,081
Total liabilities	43,218,676
NET POSITION	
Net investment in capital assets	18,327,943
Restricted for:	
Road improvements	390,803
Inmate benefit	367,837
Law library	130,857
Grant programs	155,013
Unrestricted	(510,906)
Total net position	\$ 18,861,547

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

BOWIE COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 8,837,413	\$ 2,248,954	\$ 15,542	\$ -	\$(6,572,917)
Public safety	15,694,030	2,126,389	504,985	29,358	(13,033,298)
Public works	4,225,676	978,450	2,316,177	-	(931,049)
Welfare	1,063,610	3,803	120,861	-	(938,946)
Interest on long-term debt	<u>1,344,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,344,426)</u>
Total governmental activities	<u>31,165,155</u>	<u>5,357,596</u>	<u>2,957,565</u>	<u>29,358</u>	<u>(22,820,636)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					14,469,114
Property taxes, levied for debt service					1,602,943
Sales taxes					5,645,525
Other taxes					189,590
Investment earnings					245,742
Miscellaneous					<u>466,251</u>
Total general revenues					<u>22,619,165</u>
Change in net position					(201,471)
Net position, beginning					16,623,662
Prior period adjustment					<u>2,439,356</u>
Net position, beginning, as restated					<u>19,063,018</u>
Net position, ending					<u>\$ 18,861,547</u>

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

BOWIE COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ -	\$ 32,778,202	\$ 1,066,868	\$ 33,845,070
Receivables (net of allowance for uncollectibles):				
Ad valorem taxes	1,318,341	-	-	1,318,341
Sales tax	947,941	-	-	947,941
Interest	1,952	877	-	2,829
Accounts	46,938	-	-	46,938
Adjudicated fines	736,382	-	-	736,382
Due from other funds	18,226	243,825	-	262,051
Due from other governments	2,320,522	-	15,735	2,336,257
Prepaid items	51,454	-	-	51,454
Total assets	\$ 5,441,756	\$ 33,022,904	\$ 1,082,603	\$ 39,547,263
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	410,612	-	19,867	430,479
Accrued liabilities	77,261	-	-	77,261
Due to other funds	243,825	-	18,226	262,051
Deferred revenue	4,228,667	-	-	4,228,667
Due to other governments	6,741	-	-	6,741
Total liabilities	4,967,106	-	38,093	5,005,199
Fund balances:				
Nonspendable:				
Prepaid items	51,454	-	-	51,454
Restricted:				
Road improvements	-	33,022,904	390,803	33,413,707
Law library	-	-	130,857	130,857
Health and welfare	-	-	367,837	367,837
Foster care	-	-	155,013	155,013
Unassigned	423,196	-	-	423,196
Total fund balances	474,650	33,022,904	1,044,510	34,542,064
Total liabilities and fund balances	\$ 5,441,756	\$ 33,022,904	\$ 1,082,603	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	19,182,943
The investment in joint venture is not an available resource and, therefore, is not reported in the funds.	287,081
Deferred contributions are not an available resource and, therefore, are not reported in the funds.	2,796,624
Deferred charges are not an available resource and, therefore, are not reported in the funds.	528,363
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,228,667
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(42,704,195)
Net position of governmental activities	\$ 18,861,547

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

BOWIE COUNTY, TEXAS

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

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 20,262,463	\$ -	\$ 1,647,598	\$ 21,910,061
Charges for services	5,177,093	-	105,441	5,282,534
Intergovernmental	321,208	-	348,087	669,295
Investment earnings	28,965	216,596	181	245,742
Miscellaneous	<u>494,450</u>	<u>-</u>	<u>-</u>	<u>494,450</u>
Total revenues	<u>26,284,179</u>	<u>216,596</u>	<u>2,101,307</u>	<u>28,602,082</u>
EXPENDITURES				
Current:				
General government	7,564,170	-	2,000	7,566,170
Public safety	14,670,254	-	367,853	15,038,107
Public works	3,264,985	1,375,953	-	4,640,938
Welfare	872,712	-	-	872,712
Capital outlay	1,054,706	-	-	1,054,706
Debt service:				
Principal	-	-	750,000	750,000
Interest and other charges	<u>34,576</u>	<u>-</u>	<u>1,116,603</u>	<u>1,151,179</u>
Total expenditures	<u>27,461,403</u>	<u>1,375,953</u>	<u>2,236,456</u>	<u>31,073,812</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,177,224)</u>	<u>(1,159,357)</u>	<u>(135,149)</u>	<u>(2,471,730)</u>
OTHER FINANCING SOURCES				
Sale of capital assets	<u>1,600,008</u>	<u>-</u>	<u>-</u>	<u>1,600,008</u>
Total other financing sources	<u>1,600,008</u>	<u>-</u>	<u>-</u>	<u>1,600,008</u>
NET CHANGE IN FUND BALANCES	422,784	(1,159,357)	(135,149)	(871,722)
FUND BALANCES, BEGINNING	<u>51,866</u>	<u>34,182,261</u>	<u>1,179,659</u>	<u>35,413,786</u>
FUND BALANCES, ENDING	<u>\$ 474,650</u>	<u>\$ 33,022,904</u>	<u>\$ 1,044,510</u>	<u>\$ 34,542,064</u>

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

BOWIE COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Net change in fund balances - total governmental funds:	\$(871,722)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(1,993,553)
Governmental funds report deferred contributions as expenditures. However, in the statement of activities the cost of those assets is capitalized until the asset is completed and contributed.	1,375,953
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,361,602
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	741,516
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(1,815,267)</u>
Change in net position of governmental activities	<u>\$(201,471)</u>

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

BOWIE COUNTY, TEXAS

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Budget Comparison		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Taxes:				
Ad valorem	\$ 12,451,320	\$ 12,451,320	\$ 14,472,003	\$ 2,020,683
Sales tax	5,840,000	5,840,000	5,645,525	(194,475)
Other taxes	154,000	154,000	144,935	(9,065)
Total taxes	<u>18,445,320</u>	<u>18,445,320</u>	<u>20,262,463</u>	<u>1,817,143</u>
Charges for services:				
General government	2,413,500	2,413,500	2,041,538	(371,962)
Public safety	3,192,906	3,192,906	1,819,080	(1,373,826)
Public works	1,755,031	1,755,031	2,507,199	752,168
Total charges for services	<u>7,361,437</u>	<u>7,361,437</u>	<u>6,367,817</u>	<u>(993,620)</u>
Intergovernmental	77,500	77,500	268,872	191,372
Investment earnings	50,250	50,250	28,965	(21,285)
Miscellaneous	557,500	557,500	494,450	(63,050)
Total budgeted revenues	<u>26,492,007</u>	<u>26,492,007</u>	<u>27,422,567</u>	<u>930,560</u>
Revenues recorded in sub-funds of the General Fund that are not budgeted			461,620	
Proceeds from sale of capital assets reported as "other financing sources"				
in Statement of Revenues, Expenditures and Changes in Fund Balances			(1,600,008)	
Total revenues in Statement of Revenues, Expenditures and Changes in Fund Balances			<u>\$ 26,284,179</u>	
EXPENDITURES				
Courthouse offices:				
Tax assessor/collector	499,293	499,293	485,658	13,635
County court	267,672	267,672	267,205	467
County clerk	301,699	301,699	450,967	(149,268)
Treasurer	137,618	137,618	115,574	22,044
Election administration	190,293	190,293	210,171	(19,878)
Auditor	374,973	374,973	381,519	(6,546)
Purchasing	42,146	42,146	43,464	(1,318)
Total courthouse offices	<u>1,813,694</u>	<u>1,813,694</u>	<u>1,954,558</u>	<u>(140,864)</u>
County property:				
Bi-State Justice Center	2,200,000	2,200,000	2,148,084	51,916
Courthouse	549,644	549,644	537,104	12,540
Plaza West office building	40,000	40,000	71,693	(31,693)
West Broad St. building	-	-	1,080	(1,080)
Main St. building	36,500	36,500	31,901	4,599
Total county property	<u>2,826,144</u>	<u>2,826,144</u>	<u>2,789,862</u>	<u>36,282</u>

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

BOWIE COUNTY, TEXAS

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Budget Comparison		Actual	Variance
	Original	Final		Positive (Negative)
Judicial system:				
Personal bail bond	\$ 207,000	\$ 207,000	\$ 146,958	\$ 60,042
Fines collection	126,488	126,488	128,289	(1,801)
District court	244,500	244,500	563,527	(319,027)
District judges	644,141	644,141	647,462	(3,321)
District clerk	795,380	795,380	791,824	3,556
County court at law	353,603	353,603	351,722	1,881
JP #1, Place 1	187,954	187,954	165,580	22,374
JP #1, Place 2	186,435	186,435	174,686	11,749
JP #2	87,707	87,707	86,043	1,664
JP #3	66,940	66,940	78,449	(11,509)
JP #4	67,556	67,556	64,392	3,164
JP #5	124,072	124,072	142,828	(18,756)
JP #7	74,666	74,666	72,418	2,248
Total judicial system	3,166,442	3,166,442	3,414,178	(247,736)
Law enforcement:				
Juvenile probation	359,803	359,803	962,548	(602,745)
Juvenile day program	114,675	114,675	62,125	52,550
Sheriff	3,270,546	3,270,546	3,471,566	(201,020)
Highway patrol	81,904	81,904	80,778	1,126
Constables	205,949	205,949	191,098	14,851
Total law enforcement	4,032,877	4,032,877	4,768,115	(735,238)
Road and bridge:				
Commissioner pct #1	627,154	627,154	616,277	10,877
Commissioner pct #2	618,933	618,933	464,549	154,384
Commissioner pct #3	1,380,475	1,380,475	1,379,229	1,246
Commissioner pct #4	1,694,178	1,694,178	1,595,455	98,723
Total road and bridge	4,320,740	4,320,740	4,055,510	265,230
Other services:				
Veteran's services	41,633	41,633	33,472	8,161
County agent	118,895	118,895	113,824	5,071
Environmental loss	39,289	39,289	29,095	10,194
Code enforcement	61,818	61,818	61,170	648
License & weight	58,509	58,509	59,481	(972)
Total other services	320,144	320,144	297,042	23,102

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

BOWIE COUNTY, TEXAS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Budget Comparison		Actual	Variance
	Original	Final		Positive (Negative)
Appraisal district	\$ 330,000	\$ 330,000	\$ 310,061	\$ 19,939
Miscellaneous	2,052,290	2,052,290	2,796,294	(744,004)
District attorney	1,505,590	1,505,590	1,345,273	160,317
Public defender	715,481	715,481	723,397	(7,916)
Bowie County corrections	4,424,500	4,424,500	4,196,789	227,711
Indigent health	<u>984,105</u>	<u>984,105</u>	<u>1,142,712</u>	<u>(158,607)</u>
Total budgeted expenditures	<u>26,492,007</u>	<u>26,492,007</u>	27,793,791	<u>(1,301,784)</u>
Transfers out to sub-funds of the General Fund that are not budgeted			(1,379,047)	
Expenditures recorded in sub-funds of the General Fund that are not budgeted			<u>1,046,659</u>	
Total expenditures in Statement of Revenues, Expenditures and Changes in Fund Balances			<u>\$ 27,461,403</u>	

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

BOWIE COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ <u>5,349,473</u>
Total assets	\$ <u>5,349,473</u>
LIABILITIES	
Due to others	\$ <u>5,349,473</u>
Total liabilities	\$ <u>5,349,473</u>

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

BOWIE COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Bowie County, Texas (the “County”) was formed in 1841 and operates using a commission form of government under the laws and statutes of the Constitution of the State of Texas. The County provides various services to advance the welfare, health, comfort, safety and convenience of the County and its inhabitants.

The accounting and reporting policies of the County conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As required by generally accepted accounting principles, these financial statements present Bowie County, Texas (the primary government) and its component units. There are no component units which meet the criteria for inclusion in the County’s reporting entity.

Related Organizations

The County’s officials are also responsible for appointing the members of the boards of other organizations, but the County’s accountability for these organizations does not extend beyond making the appointments. The Commissioners’ Court or specific committees of the Commissioners’ Court appoint members of the following organizations: Bowie County Child Protective Services, Northeast Texas Mental Health Mental Retardation Center, Red River Redevelopment Authority and Ark-Tex Council of Governments.

Joint Ventures

Bi-State Justice Center – the County is a participant in a joint venture in the Bi-State Justice Center with the City of Texarkana, Arkansas and the City of Texarkana, Texas. The Bi-State Justice Center is jointly occupied by law enforcement and criminal justice agencies of Bowie County, Texas; the City of Texarkana, Texas; and the City of Texarkana, Arkansas. The facility is located on the state line, half in Texarkana, Texas and half in Texarkana, Arkansas. The Intergovernmental Advisory Committee is responsible for the operations of the Center. This seven-member committee is comprised of the Bowie County Judge, one Bowie County Commissioner, two members from the City of Texarkana, Texas City Council, two members from the Texarkana, Arkansas Board of Directors, and one independent member. The Center accounts only for the operations of its own law enforcement and criminal justice agencies. The annual budget is underwritten by the participating entities based on a formula which uses floor space occupied, number of 911 calls received by the Building Information Center and the number of prisoners in the detention facility for each entity.

Bowie County, Texas' net investment, which consists of net position in the Bi-State Justice Center, is reported in the County's government-wide financial statements. The County's equity interest at September 30, 2013, was \$287,081 based on the Bi-state Justice Center's audited financial statements at December 31, 2012, (the latest available). Complete financial statements for the Bi-State Justice Center can be obtained from the City of Texarkana, Arkansas Finance Department.

B. Government-wide and Fund Financial Statements

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

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

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

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*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

General Fund – This fund is established to account for resources devoted to financing the general services that the County performs for its citizens. General tax revenue and other sources of revenue used to finance the fundamental operations of the County are included in this fund. The fund is charged with all costs of operating the County for which a separate fund has not been established.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital assets and infrastructure.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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

Fiduciary Fund Types:

These funds account for assets held by the County as a trustee or agent for individuals, private organizations, and other units of government. These funds are as follows:

Agency Funds account for resources held for others in a custodial capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments

The County’s cash and cash equivalents are considered to be cash on hand, demand deposits, government securities, mutual funds, repurchase agreements, and the Texas Local Government Investment Pool.

State statutes authorize the County to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer’s Investment Pool.

Investments for the County are reported at fair value. The State Treasurer’s Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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 either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” There were no “advances to/from other funds” at September 30, 2013.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 4% of the current year tax levy. Trade collectibility is defined by the following schedule:

0 – 30 days	85% Probability of Collection
31 – 60 days	65% Probability of Collection
61 – 90 days	45% Probability of Collection
91 – 120 days	25% Probability of Collection
121 – 180 days	10% Probability of Collection
181 + days	1% Probability of Collection

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if

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

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

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements	5-50
Equipment	5-20
Infrastructure (streets and drainage)	35-50

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide financial statements.

Long-term Obligations

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

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

Fund Balance Classification

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

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

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

Net Position

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(1,993,553) difference are as follows:

Capital outlay	\$ 963,201
Depreciation expense	(1,193,267)
Retirement of capital assets	(1,763,487)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (1,993,553)</u></u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$2,361,602 difference are as follows:

Property taxes	\$(2,889)
Court fines	71,259
Grant receivable	<u>2,293,232</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 2,361,602</u></u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, the governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Neither transaction, however, has any effect on net position.” The details of this \$741,516 difference are as follows:

Payment of principal on long-term debt	\$ 750,000
Amortization of issuance costs and premium	(8,484)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 741,516</u></u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(1,815,267) difference are as follows:

Change in compensated absences	\$(19,883)
Accrued interest	(184,763)
Change in investment in joint venture	(19,814)
Change in net OPEB obligation	<u>(1,590,807)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$(1,815,267)</u></u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Encumbrances represent purchase orders, contracts and other commitments for the expenditure of funds. Encumbrances do not constitute expenditures or liabilities. The County does not employ encumbrance accounting. As it is the County’s intention to honor all commitments, the subsequent year’s appropriation will provide authority to complete these transactions. Generally, the County’s commitments at year-end do not constitute a material amount.

The Commissioners’ Court follows the general provisions outlined below in establishing the budgetary data reflected in the financial statements.

1. The County Judge, serving as the budget officer, submits to the Commissioners’ Court a proposed budget for the fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them for governmental fund types.
2. Public hearings are conducted, at which all interested persons’ comments concerning the budget are heard.
3. The budget is legally enacted by the Commissioners’ Court, usually by the end of September.
4. The budget, as compared to actual, is reviewed on a monthly basis, and periodically, budget amendments are made.
5. Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Commissioners’ Court.
6. Appropriations lapse at year-end. Since the County intends to honor all commitments, subsequent year’s appropriations provide authority to complete any transactions not completed in any year. Appropriations lapsing at September 30, 2013, were not material.

7. The estimated revenues and appropriations presented on the Statement of Revenues and Expenditures – Budget and Actual are those of the County’s legally adopted General Fund budget. The County also maintains several sub-funds that are aggregated with and reported in the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balances. These sub-funds are not budgeted, but they are reported with the General Fund for financial reporting purposes in order to conform to generally accepted accounting principles. A reconciliation is provided on the Statement of Revenues and Expenditures – Budget and Actual to the Statement of Revenues, Expenditures and Changes in Fund Balances.
8. For the year ended September 30, 2013, the following expenditures exceeded appropriations at the legal level of budgetary control:

Courthouse offices - County clerk	\$149,268
Judicial system - District court	319,027
Law enforcement - Juvenile probation	602,745
Law enforcement - Sheriff	201,020
Miscellaneous	744,044
Indigent health	158,607

4. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	14,298	55
TexSTAR	<u>1,562,956</u>	51
Total portfolio	<u>\$ 1,577,254</u>	

The County’s investment pool is 2a7-like pool. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.

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

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

Credit Risk. It is the County's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. Both of the County's investment pools were rated AAAM by Standard & Poor's Investors Service.

Receivables

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

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Receivables:				
Ad valorem taxes	\$ 1,373,272	\$ -	\$ -	\$ 1,373,272
Sales tax	947,941	-	-	947,941
Adjudicated fines	8,830,983	-	-	8,830,983
Accounts	46,938	-	-	46,938
Interest	1,952	877	-	2,829
Intergovernmental	<u>2,320,522</u>	<u>-</u>	<u>15,735</u>	<u>2,336,257</u>
Gross receivables	13,521,608	877	15,735	13,538,220
Less: allowance for uncollectibles	<u>8,149,532</u>	<u>-</u>	<u>-</u>	<u>8,149,532</u>
Net total receivables	<u>\$ 5,372,076</u>	<u>\$ 877</u>	<u>\$ 15,735</u>	<u>\$ 5,388,688</u>

Deferred Revenue

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

	<u>Unavailable</u>	<u>Unearned</u>
General fund:		
Delinquent property taxes receivable	\$ 1,199,053	\$ -
Adjudicated fines	736,382	-
Unavailable grant revenue	<u>2,293,232</u>	<u>-</u>
Governmental Funds	<u>\$ 4,228,667</u>	<u>\$ -</u>

Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Government activities:					
Capital assets, not being depreciated:					
Land	\$ 484,044	\$ -	\$ -	\$ -	\$ 484,044
Construction in progress	<u>-</u>	<u>57,809</u>	<u>(1,149,606)</u>	<u>1,091,797</u>	<u>-</u>
Total capital assets not being depreciated	<u>484,044</u>	<u>57,809</u>	<u>(1,149,606)</u>	<u>1,091,797</u>	<u>484,044</u>
Capital assets, being depreciated:					
Buildings and improvements	20,291,656	10,400	-	-	20,302,056
Machinery and equipment	8,178,230	2,044,598	(2,198,806)	(73,112)	7,950,910
Infrastructure	<u>36,191,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,191,231</u>
Total capital assets being depreciated	<u>64,661,117</u>	<u>2,054,998</u>	<u>(2,198,806)</u>	<u>(73,112)</u>	<u>64,444,197</u>
Less accumulated depreciation:					
Buildings and improvements	8,721,890	394,028	-	-	9,115,918
Machinery and equipment	2,632,613	489,039	(435,319)	-	2,686,333
Infrastructure	<u>33,632,847</u>	<u>310,200</u>	<u>-</u>	<u>-</u>	<u>33,943,047</u>
Total accumulated depreciation	<u>44,987,350</u>	<u>1,193,267</u>	<u>(435,319)</u>	<u>-</u>	<u>45,745,298</u>
Total capital assets, being depreciated, net	<u>19,673,767</u>	<u>861,731</u>	<u>(1,763,487)</u>	<u>(73,112)</u>	<u>18,698,899</u>
Governmental activities capital assets, net	<u>\$ 20,157,811</u>	<u>\$ 919,540</u>	<u>\$(2,913,093)</u>	<u>\$ 1,018,685</u>	<u>\$ 19,182,943</u>

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

Governmental activities:	
General government	\$ 163,548
Public safety	306,057
Public works	<u>723,662</u>
Total depreciation expense - governmental activities	<u>\$ 1,193,267</u>

Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2013, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental	\$ 18,226
Capital projects	General fund	<u>243,825</u>
		<u>\$ 262,051</u>

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

Short-term Debt

On May 15, 2012, the County issued Tax Note, Series 2012 in the amount of \$1,515,000. The note was issued with an interest rate of 2.25% with a maturity date of January 15, 2013. These notes were issued by the County to fund a project cash flow deficit. The schedule below summarizes the County’s short term debt obligations during the year ended September 30, 2013:

	<u>Original Issue Year</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issues</u>	<u>Redemptions</u>	<u>Ending Balance</u>
Governmental Activities						
Tax Note, Series 2012	2012	2.25%	\$ <u>1,515,000</u>	\$ -	\$ <u>1,515,000</u>	\$ -
Governmental activities short-term liabilities			\$ <u>1,515,000</u>	\$ -	\$ <u>1,515,000</u>	\$ -

Long-term Debt

During the fiscal year ending September 30, 2005, the County issued Combination Tax and Revenue Certificates of Obligation, Series 2005B in the amount of \$2,750,000. These bonds were issued to fund improvements to County roads and bridges.

On September 15, 2012, the County issued Pass-through Toll Revenue and Unlimited Tax Bonds, Series 2012 in the amount of \$34,910,000. These bond proceeds will be used for the purpose of constructing, improving, extending, expanding, and upgrading U.S. Highway 82 between FM 1840 and State Highway 98.

A summary of the outstanding bonds as of September 30, 2013 is as follows:

<u>Bond Issue</u>	<u>Interest Rates</u>	<u>Amount</u>
Tax and Revenue Certificates of Obligation, Series 2005B	3.47 - 5.25%	\$ 855,000
Pass-through Toll Revenue and Unlimited Tax Bonds, Series 2012	2.0 - 4.0%	<u>34,565,000</u>
		<u>\$ 35,420,000</u>

Annual debt service requirements to maturity for the certificates of obligation and the revenue and unlimited tax bonds are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2014	\$ 620,000	\$ 1,245,757
2015	640,000	1,226,922
2016	1,375,000	1,215,275
2017	1,425,000	1,174,025
2018	1,490,000	1,117,025
2019-2023	8,525,000	4,635,525
2024-2028	10,495,000	2,889,806
2029-2033	7,130,000	1,252,606
2034-2037	3,720,000	353,275
Totals	\$ 35,420,000	\$ 15,110,216

Compensated Absences

County employees earn annual leave up to a maximum of 15 days per year based on months of service. Fulltime regular employees earn 10 days of sick leave per year. Employees who have been employed for six or more months are eligible to be paid for all unused annual leave at their regular rate of pay upon termination of employment. Unused sick leave is not paid upon termination of employment.

At September 30, 2013, the County had accrued compensated absences in the amount of \$180,303.

Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Certificates of obligation	\$ 1,260,000	\$ -	\$ 405,000	\$ 855,000	\$ 420,000
Revenue and unlimited tax bonds	34,910,000	-	345,000	34,565,000	200,000
Premium on bonds	638,285	-	25,531	612,754	-
Compensated absences	160,420	169,171	149,288	180,303	162,273
Net OPEB obligation	<u>4,691,490</u>	<u>1,883,453</u>	<u>292,646</u>	<u>6,282,297</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 41,660,195</u>	<u>\$ 2,052,624</u>	<u>\$ 1,217,465</u>	<u>\$ 42,495,354</u>	<u>\$ 782,273</u>

Compensated absences and the OPEB liability are generally liquidated by the General Fund.

Other Information

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; and natural disasters for which the County carries commercial insurance. The County participates in a risk management program through Texas Association of Counties for workers' compensation coverage. The County currently provides health benefits for its employees.

The County has not had any significant reductions in insurance coverage from coverage in the prior year. The amount of settlements has not exceeded insurance coverage in any of the previous three years.

Commitments and Contingencies

On February 11, 2013, the County entered into a contract with LaSalle Corrections, LLC (the "contractor") for the operation and management of the bi-state jail and detention center. The agreement allows for cancellation only upon material breach. Otherwise, the agreement is for three consecutive years with three one-year options for renewal. The County is responsible for payment to the contractor a per diem rate of \$39.25 per day/per inmate at the Bi-State Justice Center and \$46.50 per day/per inmate at the Bowie County Correctional Center. The contractor is responsible for providing basic medical and emergency health services, optical, dental care and all food, beverage, commissary, and related support services. The contractor is responsible for providing monthly financial information to the County as support for payment requested or remitted.

The County is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2013, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Pension Plan

Defined Benefit Plan – Texas County and District Retirement System (TCDRS)

Plan Description

The County provides retirement, disability, and death benefits for all of its fulltime employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the

administration of the statewide agent multiple-employer public employee retirement system consisting of 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS board of trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the 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 10 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 10 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.

Funding Policy

The employer has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.75% for the months of the accounting year in 2013, and 9.21% for the months of the accounting year in 2012.

The contribution rate payable by the employee members for calendar year 2013 is the rate of 7.0% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

For the employer's accounting year ended September 30, 2013, the annual pension cost for the TCDRS plan for its employees was \$1,139,237 and the actual contributions were \$1,139,237.

Annual Pension Cost

The required contribution was determined as part of the December 31, 2011, and December 31, 2012 actuarial valuations using the entry age actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level

percentage of payroll on a closed basis. The remaining amortization period at December 31, 2012 was 20 years.

The following table presents actuarial assumptions and information used in the three most recent actuarial valuations:

Actuarial Valuation Date	12/31/2010	12/31/2011	12/31/2012
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	20	20	20
Asset valuation method	SAF: 10-yr smoothed value ESF: fund value	SAF: 10-yr smoothed value ESF: fund value	SAF: 10-yr smoothed value ESF: fund value
Actuarial Assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.40%	5.40%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Annual Pension Cost and Percentage of APC Contributed for the Last Three Fiscal Years

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2011	\$ 945,179	100%	\$ -
9/30/2012	1,036,226	100%	-
9/30/2013	1,139,237	100%	-

Schedule of Funding Information as of the Most Recent Valuation

Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2012	\$ 34,455,337	\$ 40,178,137	\$ 5,722,800	85.76%	\$ 11,557,442	49.52%

Other Postemployment Benefits

The County provides certain health care benefits through a single-employer defined benefit OPEB plan for all full time employees that meet eligibility requirements. Eligible individuals include retired employees who have satisfied the requirements as defined by the Texas County & District Retirement System and their spouse and dependents that were covered prior to retirement. Members can retire at ages 60 and above with 10 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.

Retirees are eligible for medical and prescription insurance at no cost to the retiree until they reach Medicare eligibility. An employee's spouse and dependents may also participate in the plan at the cost of the retiree. Upon reaching Medicare eligibility, the retiree will no longer receive medical insurance at no cost. At this time the retiree will be responsible for full cost of the coverage.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The County's annual OPEB cost for the current year and the related information is listed below:

Annual Required Contribution (ARC)	\$ 1,989,327
Interest on Net OPEB Obligation	187,660
Adjustment to the ARC	(293,534)
Annual Cost	1,883,453
Contributions Made	(292,646)
Increase (Decrease) in Net OPEB Obligation	1,590,807
Net OPEB Obligation, beginning of year	<u>4,691,490</u>
Net OPEB Obligation, ending of year	<u>\$ 6,282,297</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the prior three years (4.0% discount rate, and level percent of pay amortization).

Fiscal Year Ended	Annual OPEB Cost	Employers Contribution	Percentage Contributed	Net OPEB Obligation
9/30/2011	\$ 1,401,000	\$ 144,758	10.3%	\$ 3,511,041
9/30/2012	1,375,859	195,410	14.2%	4,691,490
9/30/2013	1,883,453	292,646	15.5%	6,282,297

Funding Status

As of October 1, 2012, the actuarial accrued liability for benefits was \$14,028,552, all of which was unfunded. The amortization of the unfunded actuarial accrued liability is calculated assuming 30 level annual payments. GASB 45 allows for these payments to be calculated as a level percent of payroll. If this were done, the current year annual required contribution would be lower, but the contribution would be higher in future years as payroll increases.

Schedule of Funding Progress as of Most Recent Valuation

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities ⁽¹⁾	Unfunded Actuarial Accrued Liabilities ⁽²⁾	Funded Ratio (a/b)
10/1/2012	\$ -	4.00%	\$ 14,028,552	\$ 14,028,552	\$ -

- 1) Actuarial accrued liability determined under the projected unit credit cost method.
- 2) Actuarial accrued liability less actuarial value of assets.

The projection of future payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

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

In the October 1, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of investment expenses) and an annual health care costs trend rate of 6.5 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after a number of years. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

Pass-through Toll Agreement

The County has entered into an agreement with the Texas Department of Transportation (TXDOT) for the development and construction of a project on U.S. Highway 82. The total estimated cost of the project is \$31,921,000. TXDOT will reimburse the County for its proportional share of the actual allowable costs incurred under the project, estimated to be \$26,200,000. The maximum amount to be reimbursed to the County by TXDOT is \$28,820,000. TXDOT is not obligated to begin making payments under the agreement until the project is substantially complete and open to the public. Under the agreement, when the project is complete, TXDOT will reimburse the County an annual amount equal to \$.07 for each vehicle mile traveled on the project during the previous year. Each annual reimbursement will be not less than \$1,310,000 nor more than \$2,620,000. The first annual payment will be made 60 days after the first anniversary of the project's completion. Subsequent annual payments will be made within 60 days after each succeeding anniversary.

Prior Period Adjustment

In prior years, certain capital assets were not included in the County's governmental activities. The net effect to record these assets in governmental activities is an increase of \$1,018,685 to beginning net position. Additionally, the County is constructing certain assets that will be contributed to the state upon completion (deferred contributions). Certain deferred contributions were not recorded in the governmental activities in the prior year. The net effect of adding these deferred contributions is an increase of \$1,420,671 to beginning net position.

**REQUIRED SUPPLEMENTARY
INFORMATION**

BOWIE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
12/31/2010	\$ 32,666,944	\$ 36,351,079	90%	\$ 3,684,135	\$ 11,131,450	33%
12/31/2011	33,724,134	38,411,460	88%	4,687,326	11,310,104	41%
12/31/2012	34,455,337	40,178,137	86%	5,722,800	11,557,442	50%

BOWIE COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2013

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Funded Ratio (a/b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>
10/1/2008	\$ -	\$ 9,302,499	0%	\$ 9,302,499
10/1/2010	-	10,454,409	0%	10,454,409
10/1/2012	-	14,028,552	0%	14,028,552

**COMBINING
FUND STATEMENTS**

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for restricted revenue sources which by law or contract are designated to finance particular functions or activities of the County and which, therefore, cannot be diverted to other uses.

Public Assistance Grants – This fund is used to account for the revenue and expenditures associated with public assistance grants related to FEMA and the Community Development Block Grant.

Inmate Benefit – This fund is used to account for the County's share of commissary proceeds which may be used to develop a program addressing the social needs of the County prisoners; supply prisoners with certain supplies; establish, staff and equip the commissary operations; or fund, staff and equip a library for the educational use of County prisoners.

Road and Bridge Lateral – This fund is used to account for receipts of state gasoline taxes allocated by the State of Texas. The monies are transferred to the General Fund as costs are accumulated for the maintenance of certain County roads.

Law Library – This fund is used to account for the cost of maintaining the County's law library for public use. Financing is provided through fees charged as a part of court costs for cases processed through the Justice and District Courts.

Texas VINE – This fund is used to account for grant monies received from the State of Texas Office of the Attorney General.

Homeland Security – This fund is used to account for grant monies received from Ark-Tex Council of Governments, which receives a grant from the U. S. Department of Homeland Security.

Title IV-E – This fund is used to account for grant monies received to reimburse the County for expenditures associated with administering Title IV-E child support payments.

Delinquency Prevention Grant – This fund is used to account for grant monies received to reimburse the County for expenditures associated with the Juvenile Justice and Delinquency Prevention Grant.

Drug Court Grant – This fund is used to account for grant monies received to reimburse the County for expenditures associated with the Edward Byrne Memorial Justice Assistance Grant.

NONMAJOR DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of debt for governmental funds.

Debt Service – This fund is used to account for the payment of principal, interest, and fiscal charges on the outstanding long-term debt of the County. Financing is to be provided by ad valorem taxes.

BOWIE COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Special Revenue			
	Public Assistance Grants	Inmate Benefit	Road and Bridge Lateral	Law Library
ASSETS				
Cash and investments	\$ -	\$ 387,704	\$ 390,803	\$ 130,857
Due from other governments	-	-	-	-
Total assets	\$ -	\$ 387,704	\$ 390,803	\$ 130,857
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	19,867	-	-
Due to other funds	-	-	-	-
Total liabilities	-	19,867	-	-
Fund balances:				
Nonspendable				
Restricted:				
Road improvement	-	-	390,803	-
Law library	-	-	-	130,857
Health and welfare	-	367,837	-	-
Foster care	-	-	-	-
Total fund balances	-	367,837	390,803	130,857
Total liabilities and fund balances	\$ -	\$ 387,704	\$ 390,803	\$ 130,857

Special Revenue

<u>Texas VINE</u>	<u>Homeland Security</u>	<u>Title IV-E</u>	<u>Delinquency Prevention Grant</u>	<u>Drug Court Grant</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
\$ -	\$ 2,491	\$ 155,013	\$ -	\$ -	\$ -	\$ 1,066,868
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,735</u>	<u>-</u>	<u>15,735</u>
<u>\$ -</u>	<u>\$ 2,491</u>	<u>\$ 155,013</u>	<u>\$ -</u>	<u>\$ 15,735</u>	<u>\$ -</u>	<u>\$ 1,082,603</u>
-	-	-	-	-	-	\$ 19,867
<u>-</u>	<u>2,491</u>	<u>-</u>	<u>-</u>	<u>15,735</u>	<u>-</u>	<u>18,226</u>
<u>-</u>	<u>2,491</u>	<u>-</u>	<u>-</u>	<u>15,735</u>	<u>-</u>	<u>38,093</u>
-	-	-	-	-	-	390,803
-	-	-	-	-	-	130,857
-	-	-	-	-	-	367,837
<u>-</u>	<u>-</u>	<u>155,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,013</u>
<u>-</u>	<u>-</u>	<u>155,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,044,510</u>
<u>\$ -</u>	<u>\$ 2,491</u>	<u>\$ 155,013</u>	<u>\$ -</u>	<u>\$ 15,735</u>	<u>\$ -</u>	<u>\$ 1,082,603</u>

BOWIE COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue			
	Public Assistance Grants	Inmate Benefit	Road and Bridge Lateral	Law Library
REVENUES				
Taxes	\$ -	\$ -	\$ 44,655	\$ -
Charges for services	-	80,630	-	24,811
Intergovernmental	2,000	-	-	-
Investment earnings	-	-	-	-
Total revenues	2,000	80,630	44,655	24,811
EXPENDITURES				
Current:				
General government	2,000	-	-	-
Public safety	-	20,349	-	1,417
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2,000	20,349	-	1,417
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	60,281	44,655	23,394
FUND BALANCES, BEGINNING	-	307,556	346,148	107,463
FUND BALANCES, ENDING	\$ -	\$ 367,837	\$ 390,803	\$ 130,857

Special Revenue

Texas VINE	Homeland Security	Title IV-E	Delinquency Prevention Grant	Drug Court Grant	Debt Service	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,602,943	\$ 1,647,598
-	-	-	-	-	-	105,441
17,369	29,358	-	79,324	220,036	-	348,087
-	-	-	-	-	181	181
<u>17,369</u>	<u>29,358</u>	<u>-</u>	<u>79,324</u>	<u>220,036</u>	<u>1,603,124</u>	<u>2,101,307</u>
-	-	-	-	-	-	2,000
17,369	29,358	-	79,324	220,036	-	367,853
-	-	-	-	-	750,000	750,000
-	-	-	-	-	1,116,603	1,116,603
<u>17,369</u>	<u>29,358</u>	<u>-</u>	<u>79,324</u>	<u>220,036</u>	<u>1,866,603</u>	<u>2,236,456</u>
-	-	-	-	-	(263,479)	(135,149)
-	-	<u>155,013</u>	-	-	<u>263,479</u>	<u>1,179,659</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,044,510</u>

AGENCY FUNDS

State of Texas – This fund is used to account for the collection and payment of auto registration fees, sales taxes on automobiles, and court costs included in the collection of fines assessed by the courts for misdemeanors and felonies on behalf of the State of Texas.

Levee and Drainage – This fund is used to account for earnings on a time deposit of the Bowie County Levee and Drainage Fund and to periodically pay expenditures authorized by the Levee and Drainage Board.

District Attorney Evidence – This fund is used to account for evidence money obtained by the County and held until disposition as directed by the Courts.

Inmate Escrow – This fund is used to account for monies of County inmates held in escrow on their behalf. The monies are disbursed to the jail commissary and other parties upon direction from the inmates.

Food Service – This fund is used to account for the County's collection of food service permit fees on behalf of the Texarkana-Bowie County Family Health Center.

County Clerk Guardianship – This fund is used to account for interest earnings and principal cash established by the Court for various minors within the Court's jurisdiction. Upon attainment of the age of majority, the funds are remitted to the individuals.

District Clerk "Trust" – These funds are used to account for monies of various individuals or firms in connection with litigation in progress in the District Courts. Although entitled "trusts" funds, the County acts only as a custodian of these funds.

Other Agency – This fund is used to account for various monies collected or deposited with the County associated with activities such as bail bonds of individuals, restitution and attorneys' fees awarded by the Courts, and miscellaneous fees collected by the County Sheriff for various other local governments. The monies are disbursed to the parties for whom the assets are held by order of the Courts.

Tax Office Clearing – This fund is used to account for funds held by the Tax office prior to submission to the County Treasurer.

Adult Probation – This fund is used to account for monies held by the County for the Bowie County Community Supervision and Corrections Department.

Juvenile Probation – This fund is used to account for monies held by the County for the Bowie County Juvenile Probation Department.

BOWIE COUNTY, TEXAS

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

SEPTEMBER 30, 2013

	<u>Agency Funds</u>			
	<u>State of Texas</u>	<u>Levee and Drainage</u>	<u>District Attorney Evidence</u>	<u>Inmate Escrow</u>
ASSETS				
Cash and investments	\$ <u>141,434</u>	\$ <u>37,520</u>	\$ <u>40,746</u>	\$ <u>140,190</u>
Total assets	\$ <u><u>141,434</u></u>	\$ <u><u>37,520</u></u>	\$ <u><u>40,746</u></u>	\$ <u><u>140,190</u></u>
LIABILITIES				
Liabilities:				
Due to others	\$ <u>141,434</u>	\$ <u>37,520</u>	\$ <u>40,746</u>	\$ <u>140,190</u>
Total liabilities	\$ <u><u>141,434</u></u>	\$ <u><u>37,520</u></u>	\$ <u><u>40,746</u></u>	\$ <u><u>140,190</u></u>

Agency Funds

<u>Food Service</u>	<u>County Clerk Guardianship</u>	<u>District Clerk Trust</u>	<u>Other Agency</u>	<u>Tax Office Clearing</u>	<u>Adult Probation</u>	<u>Juvenile Probation</u>	<u>Totals</u>
\$ <u>85,891</u>	\$ <u>555,470</u>	\$ <u>1,998,774</u>	\$ <u>279,501</u>	\$ <u>298,836</u>	\$ <u>1,656,636</u>	\$ <u>114,475</u>	\$ <u>5,349,473</u>
\$ <u>85,891</u>	\$ <u>555,470</u>	\$ <u>1,998,774</u>	\$ <u>279,501</u>	\$ <u>298,836</u>	\$ <u>1,656,636</u>	\$ <u>114,475</u>	\$ <u>5,349,473</u>
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