

Reed, McKee & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

3140 EXECUTIVE DRIVE
SAN ANGELO, TEXAS 76904
(325) 942-8984

January 22, 2015

To the County Judge and Commissioner's Court
County of Coleman

We have audited the financial statements of the governmental activities of the County of Coleman for the year ended September 30, 2014, and have issued our report thereon dated January 22, 2015. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 8, 2014, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transaction, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the County of Coleman. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We noted no additional areas that we offered suggestions on in regards to internal control.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County of Coleman are described in Note 1 to the financial statements. Accounting policies in regard to fund balance classification have been noted in the audited financial statement footnotes and statements. We noted no transactions entered into by the County of Coleman during the years audited that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

While there can be significant estimates in financial statements as noted above, the County of Coleman had no significant amounts estimated other than the depreciation on depreciable assets over \$5,000 individually. This estimate was based on management's estimate of the remaining lives on those assets over \$5,000 depreciated on a straight line basis.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the County's financial reporting process (that is, cause future financial statements to be materially misstated). There was one audit adjustment presented to the Treasurer.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the County of Coleman and management of the County of Coleman and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Reed, McKee & Co. P.C.
Reed, McKee & Co., P.C.

REPORT ON
COUNTY OF COLEMAN
COLEMAN, TEXAS
YEAR ENDED SEPTEMBER 30, 2014

COUNTY OF COLEMAN
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2014

| | |
|---|-----------|
| Independent Auditor's Report | 1-2 |
| Management's Discussion and Analysis | 3-8 |
| Basic Financial Statements | |
| Government Wide Financial Statements | |
| Statement of Net Position | 9 |
| Statement of Activities | 10 |
| Fund Financial Statements | |
| Balance Sheet | 11 |
| Reconciliation of the Balance Sheet to the Statement of Net Position | 12 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | 13 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities | 14 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund | 15-17 |
| Statement of Fiduciary Net Position | 18 |
| Notes to the Financial Statements | 19-29 |
| Supplemental Information | |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Road & Bridge Fund | 30-32 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Other Governmental Funds | 33-34 |

Reed, McKee & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

3140 EXECUTIVE DRIVE
SAN ANGELO, TEXAS 76904
(325) 942-8984

INDEPENDENT AUDITOR'S REPORT

County Judge and Commissioner's Court
County of Coleman
Coleman, Texas 76834

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 the County of Coleman (the County) as of and for the year ended September 30, 2014, 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. 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 include 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 of Coleman as of September 30, 2014, and the respective changes in financial position and 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 management's discussion and analysis on pages 3 through 8 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 an opinion on the financial statements that collectively comprise the County of Coleman's basic financial statements. The supplemental information on pages 30 through 34 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information on pages 30 through 34 is the responsibility of management and is derived from and relates 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 statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Reed, McKee & Co., P.C.
Certified Public Accountants

January 22, 2015

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED**

This section of the County of Coleman's annual financial report presents our discussion and analysis of the County's financial performance for the fiscal year ended September 30, 2014. Please read it in conjunction with the Independent Auditor's Report and the County's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

The County's net position as presented on the statement of net position, increased by \$190,312 as a result of this year's operations. The County's net position consists of unrestricted assets of \$1,661,068 which may be used to meet the County's ongoing obligations and net position invested in capital assets net of related debt of \$1,054,628 which represent the County's depreciable assets net of notes payable. Restricted net assets consist mainly of funds restricted for specific use of state fees collected by the county. Total assets increased \$25,735 over the prior year, with a corresponding \$164,577 decrease in total liabilities. The decrease in liabilities is primarily due to the pay back on notes related to equipment purchases in the prior year. The increase in other current assets is close to the current year increase in overall activities and represents an increase in cash mainly.

As shown in the statement of activities the County has combined revenues of \$4,139,808 from charges for services, operating grants and general revenues. This represents an increase of \$138,779 over prior year amounts mainly due to the increase in tax revenues. The increase in taxes is due to an increase in assessed values because the tax rate remained the same as the prior year. The County had \$3,949,496 of total expenses that were offset by \$832,280 of charges for services and \$147,269 of operating grants and contributions. This left net expenses of \$2,969,947 which were funded by general revenues of \$3,160,259. Expenses increased \$215,630 as compared to the prior year with the largest increase being in the Road and Bridge expenses. Details of the changes by function can be seen in Table II of this document on page 7.

Comparing the balance sheet for the current year to the prior year, the following items were noted. Total assets for all governmental funds are \$1,842,967 which is an increase of \$129,363 compared to the prior year. Total cash and certificates of deposit increased by \$166,007. This is consistent with the increase in fund balance for the year. The decrease in liabilities of \$119,544 is mainly due to the retirement payable and other liabilities not being paid until after year end for the prior year. Total fund balance increased from \$1,312,545 to \$1,561,971 as a result of current operations as shown in the statement of revenues, expenditures, and changes in fund balance. The overall increase of \$249,426 represents a combination of an overall increase in the general fund of \$243,136, the road and bridge fund of \$17,009 and a decrease of \$10,719 in all the other funds combined. A comparison of individual funds shows that general fund revenues increased \$113,701 compared to the prior while general fund expenses increased by \$40,013. Road and Bridge revenues were up slightly by \$27,109 while expenses in the Road and Bridge funds were down \$371,078 due to the purchase of equipment in the prior year. There were no significant differences noted in the other funds revenues or expenses.

The County's budget comparison for the general fund and road and bridge fund is included in the financial statements for further analysis. Actual revenues of the general fund were \$12,173 more than the final budgeted amounts. As can be seen from looking at the budget comparison, taxes made up \$21,034 of this decrease which was offset by \$63,000 increase in state supplements. Total expenditures in the general fund were \$348,715 less than budgeted amounts. This again is partially due to not spending as many funds on permanent improvements as originally budgeted and less in each of the other functional categories. This shows that the County is staying within budgeted amounts. The original budget for the general fund projected a decrease in fund balance for the general fund of \$58,056. The amended budget projected a decrease in fund balance of \$121,322. The actual amount of increase in fund balance of \$243,136 is due more to controlled expenses as noted above.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

A comparison of the Road and Bridge budget to actual shows the following information. Actual revenues were \$44,045 less than budgeted. As can be seen on page 30, the taxes were less than anticipated by \$8,616 while miscellaneous amounts were \$26,082 less than anticipated. The miscellaneous amounts were related to sale of equipment. Actual expenses were \$392,569 less than anticipated. The original budget showed an anticipated decrease in fund balance of \$247,317 and was subsequently amended to show a decrease of \$335,679. As can be seen, the actual increase in fund balance was \$17,009. The difference in budgeted versus actual is due to capital purchases for each of the precincts was budgeted but not made.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial report of a business enterprise.

Fund financial statements report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statement of fiduciary net assets provides financial information about activities for each of the County offices and represents funds that have not been remitted to the Treasurer as of year end.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The supplementary information includes information for further analysis.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the County's overall financial condition and operations begins with the statement of net position and statement of activities. The primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided from charges for services such as fees and fines collected in each of the various county offices. Operating grants and contributions are separate grants for specific purposes. All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

These two statements report the County's net position and changes in position. The County's net position (the difference between assets and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net position is one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider non financial factors as well, such as changes in the County's property tax base and the condition of the County's equipment and facilities.

In the Statement of Net Position and the Statement of Activities, we present all the activities of the County as one governmental activity which is defined below.

Governmental activities—Most of the County's basic services are reported here, including the costs of running the individual offices of the County including the tax assessor-collector, district clerk, county clerk, county judge, county treasurer, sheriff's office and other general activities. Also included within the governmental activities would be the road and bridge activities as well as each of the precincts.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the County as a whole. Laws and contracts require the County to establish some funds, such as grants and other funds for specific fines mandated by the state. The fund financial statements reflect the general fund and separate columns for all major funds as defined by GASB 34 and all other funds combined in a column referred to as all other funds. All these funds are determined to be governmental funds as defined below.

Governmental funds—Most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for money raised by the individual offices in the courthouse and jail area until those funds are remitted to the Treasurer. At the time the monthly fees are remitted by the individual offices they are considered the revenues of the County in the various funds. All of the County's fiduciary activities are reported in the separate Statement of Fiduciary Net Position. We exclude these resources from the County's other financial statements because the County cannot use these assets to finance its operations until received from these offices.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position of the County's governmental activities increased from \$2,571,445 to \$2,761,757. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – are \$1,661,068 at September 30, 2014.

Table I - NET POSITION

| | Governmental Activities 2014 | Governmental Activities 2013 | Increase (Decrease) |
|---|------------------------------------|------------------------------------|------------------------|
| Current and other assets | \$ 1,842,967 | \$ 1,713,604 | \$ 129,363 |
| Capital assets, net | 1,569,799 | 1,673,427 | (103,628) |
| Total assets | <u>3,412,766</u> | <u>3,387,031</u> | <u>25,735</u> |
| Long-term liabilities | 515,171 | 562,130 | (46,959) |
| Other liabilities | 135,838 | 253,456 | (117,618) |
| Total liabilities | <u>651,009</u> | <u>815,586</u> | <u>(164,577)</u> |
| Net Position: | | | |
| Invested in capital assets, net of related debt | 1,054,628 | 1,111,297 | (56,669) |
| Restricted | 46,061 | 56,106 | (10,045) |
| Unrestricted | 1,661,068 | 1,404,042 | 257,026 |
| Total Net Position | <u>\$ 2,761,757</u> | <u>\$ 2,571,445</u> | <u>\$ 190,312</u> |

The increases and decreases in the individual categories have been discussed previously in the financial highlights section of this discussion and analysis. As can be seen the increase in total assets of \$25,735 consists of an increase in current assets of \$129,363 with a decrease in net capital assets of \$103,628. The decrease in the net assets is due to depreciation on assets exceeding the current year additions. The decrease in liabilities is due to the payback on the capital leases and year end payables from the prior year were paid in the current year.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

Table II - CHANGES IN NET POSITION

| | Governmental Activities 2014 | Governmental Activities 2013 | Increase (Decrease) |
|--|------------------------------------|------------------------------------|------------------------|
| Revenues: | | | |
| Program Revenues: | | | |
| Charges for services | \$ 832,280 | \$ 821,489 | \$ 10,791 |
| Operating grants and contributions | 147,269 | 159,239 | (11,970) |
| General Revenues: | | | |
| Property taxes –Maintenance and operations | 2,175,294 | 2,055,371 | 119,923 |
| Property taxes – Roads and bridges | 939,588 | 884,237 | 55,351 |
| Investment earnings | 5,435 | 5,711 | (276) |
| Miscellaneous and intermediate revenue | 39,942 | 74,982 | (35,040) |
| Total Revenue | 4,139,808 | 4,001,029 | 138,779 |
| Expenses: | | | |
| General Government | 1,339,627 | 1,245,863 | 93,764 |
| Roads and Bridges | 1,479,173 | 1,362,615 | 116,558 |
| Justice System | 335,560 | 312,272 | 23,288 |
| Public Safety | 680,511 | 639,657 | 40,854 |
| Public Health and Welfare | 114,625 | 173,459 | (58,834) |
| Total Expenses | 3,949,496 | 3,733,866 | 215,630 |
| Increase (Decrease) in net position | 190,312 | 267,163 | (76,851) |
| Net position – beginning | 2,571,445 | 2,304,282 | 267,163 |
| Net position – Ending | \$ 2,761,757 | \$ 2,571,445 | \$ 190,312 |

This table is provided to show the increases and decreases as compared to the prior year. All significant changes have been previously discussed in the financial highlights section of the discussion and analysis.

A comparison of the governmental activities expenses by function shows that there was an increase in overall expenses of \$215,630. As shown above there were increases in every function of expenses except for public health and welfare. General government expenses and the road and bridge expenses totaled to be approximately 70% of total expenses both in the current year and prior year. Public safety expenses were at 17% of expenses with the remaining percentages spent on the justice system and public health and welfare.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$1,561,971 compared to a balance of \$1,312,545 in the prior year. This represents a \$249,426 increase in the fund balance as previously explained.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014, the County had \$2,867,910 invested in a broad range of capital assets, including facilities and equipment for general operations of the County and road and bridge repair. Accumulated depreciation related to these assets was \$1,298,111. Total additions to capital assets included four vehicles and other equipment.

Debt

At the end of the current year, the County had total long term debt outstanding of \$515,171. This debt consisted of five notes to a finance company also secured by equipment. For more information refer to the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County has adopted a budget for 2015 which left the general fund tax rate at 56 cents and the road and bridge tax rate at 24.71 cents.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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. If there are questions concerning any of the information provided in this report or a request for additional financial information, please contact the County Treasurer at the County of Coleman, 100 W Liveoak Suite 203, Coleman, TX 76834.

BASIC FINANCIAL STATEMENTS

COUNTY OF COLEMAN
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash | \$ 604,971 |
| Certificates of Deposit | 1,027,704 |
| Due from Other Funds | 25,934 |
| Accounts Receivable | 18,802 |
| Delinquent Taxes Receivable, Net of Allowance | 165,556 |
| Capital Assets, Net of Accumulated Depreciation | 1,569,799 |
| Total Assets | 3,412,766 |
| LIABILITIES | |
| Accounts Payable | 94,104 |
| Other Payables | 21,336 |
| Compensated Absences Payable | 20,398 |
| Notes Payable | 515,171 |
| Total Liabilities | 651,009 |
| NET POSITION | |
| Invested in Capital Assets, Net of Related Debt | 1,054,628 |
| Restricted | 46,061 |
| Unrestricted | 1,661,068 |
| Total Net Position | \$ 2,761,757 |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|---|---------------------|-------------------------|--|--|
| FUNCTIONS/PROGRAMS | Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| Governmental Activities: | | | | |
| General Government | \$ 1,339,627 | \$ 275,779 | \$ 24,719 | \$ (1,039,129) |
| Roads and Bridges | 1,479,173 | 456,071 | 30,681 | (992,421) |
| Justice System | 335,560 | 77,620 | 91,869 | (166,071) |
| Public Safety | 680,511 | 22,810 | - | (657,701) |
| Public Health and Welfare | 114,625 | - | - | (114,625) |
| Total Governmental Activities | \$ 3,949,496 | \$ 832,280 | \$ 147,269 | (2,969,947) |
| General Revenues: | | | | |
| Property Taxes - Maintenance and Operations | | | | 2,175,294 |
| Property Taxes - Roads and Bridges | | | | 939,588 |
| Investment Earnings | | | | 5,435 |
| Miscellaneous | | | | 39,942 |
| Total General Revenues | | | | 3,160,259 |
| Change in Net Position | | | | 190,312 |
| Net Position - Beginning | | | | 2,571,445 |
| Net Position - Ending | | | | \$ 2,761,757 |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
BALANCE SHEET
SEPTEMBER 30, 2014

| | <u>General</u> | <u>Road & Bridge</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------------|------------------------------|---|---|
| <u>ASSETS</u> | | | | |
| Cash | \$ 209,246 | \$ 277,276 | \$ 118,449 | \$ 604,971 |
| Certificates of Deposit | 909,162 | 118,542 | - | 1,027,704 |
| Due from Other Funds | 21,628 | - | 4,306 | 25,934 |
| Accounts Receivable | 15,291 | 3,411 | 100 | 18,802 |
| Delinquent Taxes Receivable | 246,376 | 91,801 | - | 338,177 |
| Allowance for Uncollectible Taxes | (128,367) | (44,254) | - | (172,621) |
| Total Assets | <u>1,273,336</u> | <u>446,776</u> | <u>122,855</u> | <u>1,842,967</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | 46,616 | 45,526 | 1,962 | 94,104 |
| Other Payables | 21,336 | - | - | 21,336 |
| Total Liabilities | <u>67,952</u> | <u>45,526</u> | <u>1,962</u> | <u>115,440</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable Resources - Property Taxes | 118,009 | 47,547 | - | 165,556 |
| Total Deferred Inflows of Resources | <u>118,009</u> | <u>47,547</u> | <u>-</u> | <u>165,556</u> |
| <u>FUND BALANCES</u> | | | | |
| Restricted | - | - | 46,061 | 46,061 |
| Committed | - | 353,703 | 74,832 | 428,535 |
| Unassigned | 1,087,375 | - | - | 1,087,375 |
| Total Fund Balances | <u>1,087,375</u> | <u>353,703</u> | <u>120,893</u> | <u>1,561,971</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 1,273,336</u> | <u>\$ 446,776</u> | <u>\$ 122,855</u> | <u>\$ 1,842,967</u> |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

| | |
|---|---------------------|
| Total fund balances of governmental funds | \$ 1,561,971 |
| Net capital assets used in governmental activities are not reported in the fund financial statements. | 1,569,799 |
| Net delinquent property taxes receivable are deferred in the fund financial statements. | 165,556 |
| Compensated absences payable are not reported in the fund financial statements. | (20,398) |
| Notes payable are not reported in the fund financial statements. | <u>(515,171)</u> |
| Total net position of governmental activities | <u>\$ 2,761,757</u> |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | General | Road & Bridge | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------|--------------------------------|--------------------------------|
| REVENUES | | | | |
| Taxes | \$ 2,176,516 | \$ 938,885 | \$ - | \$ 3,115,401 |
| Fees | 217,174 | 456,071 | 58,561 | 731,806 |
| Fines | 100,474 | - | - | 100,474 |
| Intergovernmental | 116,588 | 30,681 | - | 147,269 |
| Interest | 4,646 | 780 | 9 | 5,435 |
| Miscellaneous | 8,224 | 31,718 | - | 39,942 |
| Total Revenues | 2,623,622 | 1,458,135 | 58,570 | 4,140,327 |
| EXPENDITURES | | | | |
| General Government | 1,272,982 | - | 76,997 | 1,349,979 |
| Roads and Bridges | - | 1,432,790 | - | 1,432,790 |
| Justice System | 324,240 | - | 7,772 | 332,012 |
| Public Safety | 666,404 | - | - | 666,404 |
| Public Health and Welfare | 109,716 | - | - | 109,716 |
| Total Expenditures | 2,373,342 | 1,432,790 | 84,769 | 3,890,901 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 250,280 | 25,345 | (26,199) | 249,426 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 15,480 | 15,480 |
| Transfers Out | (7,144) | (8,336) | - | (15,480) |
| Total Other Financing Sources (Uses) | (7,144) | (8,336) | 15,480 | - |
| Net Change in Fund Balances | 243,136 | 17,009 | (10,719) | 249,426 |
| Fund Balances - Beginning | 844,239 | 336,694 | 131,612 | 1,312,545 |
| Fund Balances - Ending | \$ 1,087,375 | \$ 353,703 | \$ 120,893 | \$ 1,561,971 |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2014

| | |
|--|-------------------|
| Total net change in fund balances of governmental funds | \$ 249,426 |
| Capital outlays are capitalized in the government-wide financial statements. | 75,323 |
| Depreciation of capital assets is recognized in the government-wide financial statements. | (178,951) |
| Net delinquent property taxes receivable are not deferred in the government-wide financial statements. The current year decrease has been recognized in the Statement of Activities. | (519) |
| Compensated absences payable are reported in the government-wide financial statements. The current year increase has been recognized in the Statement of Activities. | (1,926) |
| Repayments of principal on notes payable are reported as a decrease in liabilities in the government-wide financial statements. | <u>46,959</u> |
| Change in net position of governmental activities | <u>\$ 190,312</u> |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|-------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Ad Valorem Taxes-Current | \$ 2,093,456 | \$ 2,093,456 | \$ 2,072,152 | \$ (21,304) |
| Ad Valorem Taxes-Delinquent | 50,000 | 69,201 | 69,201 | - |
| Penalty and Interest Taxes | 30,000 | 35,164 | 35,163 | (1) |
| Total Taxes | 2,173,456 | 2,197,821 | 2,176,516 | (21,305) |
| Fees | | | | |
| Crime Victims | - | 45 | 45 | - |
| Alcoholic Beverages | 3,000 | 5,395 | 5,395 | - |
| Law Library | 5,000 | 5,000 | 4,690 | (310) |
| Jury Fees | 350 | 350 | 210 | (140) |
| 9-1-95 to 8-31-97 Fees | - | 1 | - | (1) |
| Defensive Driving Fees | 1,200 | 1,200 | 1,004 | (196) |
| Bail Bond Fee | 200 | 240 | 240 | - |
| D.P.S. Arrest Fees | 2,000 | 2,376 | 2,376 | - |
| T.P.W. Arrest Fees | 3,300 | 3,300 | 560 | (2,740) |
| 9-1-01 to 12-31-03 Fees | - | 1 | 1 | - |
| Indigent Legal Services Fee | 100 | 100 | 58 | (42) |
| Judicial Support Fee | 400 | 507 | 507 | - |
| Time Payment Fee | 2,000 | 2,000 | 1,194 | (806) |
| Local Judicial Education | 200 | 205 | 205 | - |
| 1-1-04 Forward Fees | 3,000 | 3,524 | 3,524 | - |
| Drug Court Program | 200 | 200 | 191 | (9) |
| Indigent Defense Fee | 25 | 149 | 149 | - |
| Jury Reimbursement Fee | 1,000 | 1,000 | 326 | (674) |
| Justice Court-Indigent | 10 | 18 | 18 | - |
| EMS Trauma Fund | 200 | 240 | 239 | (1) |
| Local Traffic Fee | 2,000 | 2,000 | 1,636 | (364) |
| Probate-Indigent | 20 | 21 | 21 | - |
| County Court-Civil-Indigent | 20 | 20 | 11 | (9) |
| D. Court-Divorce-Indigent | 20 | 20 | 11 | (9) |
| District Court-Other Indigent | 100 | 100 | 41 | (59) |
| J.P. Dismissal Fee | 200 | 690 | 689 | (1) |
| State Traffic Fees | 700 | 769 | 768 | (1) |
| Criminal Indigent Fees | 10 | 10 | 5 | (5) |
| Tax Assessor-Collector Fees | 55,000 | 63,924 | 64,453 | 529 |
| District Clerk Fees | 20,000 | 20,000 | 16,270 | (3,730) |
| County Clerk Fees | 65,000 | 67,875 | 67,874 | (1) |
| Sheriff's Fees | 15,000 | 20,277 | 20,276 | (1) |
| County Judge Fees | 200 | 238 | 238 | - |
| County Attorney Fees | 900 | 900 | 725 | (175) |
| Constable Fees | 200 | 535 | 535 | - |
| Dist.Clerk-Atty.General Fees | 3,000 | 3,650 | 3,650 | - |
| Prisoner Transport Reimb. | 2,000 | 2,000 | - | (2,000) |
| Other Revenue-Elections | 8,000 | 8,000 | 7,914 | (86) |
| Septic System Permit Fees | 5,000 | 5,625 | 5,625 | - |
| Septic System Inspection Fees | 5,501 | 5,501 | 5,500 | (1) |
| Total Fees | 205,056 | 228,006 | 217,174 | (10,832) |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---------------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Fines | | | | |
| District Clerk-Fines | 20,000 | 20,963 | 20,963 | - |
| County Clerk-Fines | 20,000 | 20,000 | 16,079 | (3,921) |
| Justice of Peace Fines | 60,000 | 60,000 | 53,844 | (6,156) |
| Sheriff-Fines | 6,000 | 6,000 | 705 | (5,295) |
| Justice of Peace-Deferred Disposition | - | 8,879 | 8,878 | (1) |
| Moving Violation Fees | 1 | 6 | 5 | (1) |
| Total Fines | 106,001 | 115,848 | 100,474 | (15,374) |
| Intergovernmental | | | | |
| U.S. Treasury in Lieu of Taxes | 9,000 | 9,497 | 9,497 | - |
| State Salary Supplement | 12,000 | 12,000 | 75,000 | 63,000 |
| Tier Two Salary Supplement | 5,000 | 5,000 | 5,000 | - |
| Tier Three Salary Supplement | 5,000 | 5,000 | 5,000 | - |
| State Excess Contribution | 500 | 500 | 222 | (278) |
| State Juror Reimbursement | 3,300 | 4,380 | 4,380 | - |
| Indigent Defense Grant | 11,290 | 17,490 | 17,489 | (1) |
| Total Intergovernmental | 46,090 | 53,867 | 116,588 | 62,721 |
| Interest - Interest Earned | 5,000 | 5,000 | 4,646 | (354) |
| Miscellaneous | | | | |
| Oil and Gas Royalties | 100 | 100 | 22 | (78) |
| Tower Rental | 7,500 | 7,500 | 6,895 | (605) |
| Telephone Commission | - | 1,207 | 1,207 | - |
| Sale of Equipment | - | 100 | 100 | - |
| Voting Equipment Rental | 2,000 | 2,000 | - | (2,000) |
| Total Miscellaneous | 9,600 | 10,907 | 8,224 | (2,683) |
| Total Revenues | 2,545,203 | 2,611,449 | 2,623,622 | 12,173 |
| EXPENDITURES | | | | |
| General Government | | | | |
| Non-Departmental | 588,204 | 594,470 | 527,368 | 67,102 |
| Tax Assessor-Collector | 98,376 | 98,675 | 94,027 | 4,648 |
| District Clerk | 86,106 | 87,745 | 74,511 | 13,234 |
| County Clerk | 98,562 | 100,144 | 99,505 | 639 |
| County Judge | 70,636 | 72,925 | 70,227 | 2,698 |
| Commissioners Court | 19,000 | 21,369 | 19,472 | 1,897 |
| County Treasurer | 71,586 | 72,385 | 64,826 | 7,559 |
| Veterans Service Officer | 17,818 | 17,824 | 17,066 | 758 |
| County Extension Office | 106,348 | 109,981 | 108,447 | 1,534 |
| Courthouse and Jail Buildings | 97,450 | 101,962 | 91,953 | 10,009 |
| Elections | 20,000 | 24,485 | 23,655 | 830 |
| Permanent Improvements | 202,000 | 202,000 | 81,925 | 120,075 |
| Total General Government | 1,476,086 | 1,503,965 | 1,272,982 | 230,983 |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| Justice System | | | | |
| County Attorney | 115,577 | 117,407 | 112,244 | 5,163 |
| District Attorney | 15,300 | 16,873 | 14,922 | 1,951 |
| Justice of Peace | 67,286 | 69,615 | 67,587 | 2,028 |
| Adult Probation | 5,600 | 5,635 | 5,635 | - |
| Juvenile Probation | 6,500 | 6,500 | 6,359 | 141 |
| District Court | 119,560 | 128,495 | 116,564 | 11,931 |
| Permanent Improvements | 2,000 | 2,000 | 929 | 1,071 |
| Total Justice System | 331,823 | 346,525 | 324,240 | 22,285 |
| Public Safety | | | | |
| Sheriff | 578,438 | 662,622 | 640,158 | 22,464 |
| Constable | 14,848 | 14,848 | 14,248 | 600 |
| Permanent Improvements | 30,000 | 30,000 | 11,998 | 18,002 |
| Total Public Safety | 623,286 | 707,470 | 666,404 | 41,066 |
| Public Health and Welfare | | | | |
| Donations | 148,650 | 151,197 | 97,326 | 53,871 |
| Welfare | 12,700 | 12,900 | 12,390 | 510 |
| Total Public Health and Welfare | 161,350 | 164,097 | 109,716 | 54,381 |
| Total Expenditures | 2,592,545 | 2,722,057 | 2,373,342 | 348,715 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers Out | (10,714) | (10,714) | (7,144) | 3,570 |
| Net Change in Fund Balance | (58,056) | (121,322) | 243,136 | 364,458 |
| Fund Balance - Beginning | 844,239 | 844,239 | 844,239 | - |
| Fund Balance - Ending | \$ 786,183 | \$ 722,917 | \$ 1,087,375 | \$ 364,458 |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2014

| | <u>General</u> |
|---------------------------|--------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 157,305 |
| Certificates of Deposit | <u>41,204</u> |
| Total Assets | <u><u>198,509</u></u> |
| <u>LIABILITIES</u> | |
| Due to Other Funds | 25,934 |
| Due to Others | <u>172,575</u> |
| Total Liabilities | <u><u>\$ 198,509</u></u> |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
Notes to the Financial Statements
September 30, 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Coleman County (“the County”) is a political subdivision of the State of Texas and is governed by the Commissioner’s Court, a five member group consisting of an elected County Judge and four County Commissioners elected from individual precincts. Services provided by the County include public transportation through roads and bridges, justice system, public safety, public health and welfare, as well as general administrative and support services. There are no component units included within the reporting entity.

Government-Wide and Fund Financial Statements – The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities include programs supported primarily by taxes, grants, and other intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges for services – payments from parties that purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment of the County and (2) grants and contributions – payments from organizations outside the County that are restricted to meeting the operational or capital requirements of a particular function or segment of the County. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

All interfund transactions between governmental funds are eliminated in the government-wide financial statements. Interfund activities between governmental funds and fiduciary funds remain as interfund receivables and payables on the government-wide statement of net position.

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. All remaining governmental funds are aggregated and reported as other funds.

Measurement Focus and Basis of Accounting – Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The government-wide financial statements are presented using the economic resources, measurement focus, as well as the fiduciary fund financial statements. The fund financial statements are reported using the current financial resources measurement focus.

COUNTY OF COLEMAN
Notes to the Financial Statements - Continued
September 30, 2014

Measurement Focus and Basis of Accounting - Continued

Governmental funds utilize a current financial resources measurement focus. Current financial assets and liabilities are generally the only items included on their balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. Fund balance is used to measure available spendable financial resources at the end of the period.

Basis of Accounting – The government-wide financial statements use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues 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 use the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property tax revenues are recognized under the “susceptible to accrual” concept, that is, when they are both measurable and available. The County considers them “available” if they will be collected within 60 days of the end of the year. Other revenues are recorded when collected by the various County officials.

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting.

The government reports the following major governmental funds:

General Fund – This Fund is the general operating fund of the County. It is used to account for all revenues except those required to be accounted for in other funds.

Road and Bridge Fund – This fund is a special revenue fund and is used to account for revenues for the road and bridge precincts.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2014

Measurement Focus and Basis of Accounting – Continued

Additionally, the government reports the following fund type;

Fiduciary Funds – These funds are used to account for resources which are collected by the County in a trustee capacity or as an agent for individual, private organizations, other governments, or other County funds.

Interfund Receivables and Payables – Activity between individual funds may result in amounts owed between funds which are classified as due to and from other funds. Other than amounts due to or from fiduciary funds these balances are eliminated in the statement of net position.

Capital Assets - In the government-wide financial statements, capital assets arising from modified accrual transactions are reported in the statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. These capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 15-20 |
| Machinery and Equipment | 5-10 |

In the fund financial statements, capital assets arising from modified accrual transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

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

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2014

Compensated Absences – County employees are entitled to vacation and sick leave based upon their length of employment. Sick leave is earned at a rate of 10 days per year and can be accumulated up to 45 days but must be used and is not payable at termination. Vacation pay is earned after one year of employment at various levels depending upon the length of employment. This pay is payable upon termination and has been reflected in the government-wide financial statements.

Fund Equity – In the fund financial statements, governmental funds report fund balances in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. The *nonspendable* classification represents assets that will be consumed or must be maintained intact and therefore will never convert to cash, such as inventories of supplies or prepaid amounts. Provisions of laws, contracts, and grants specify how fund resources can be used in the *restricted* classification. The nature of these two classifications precludes a need for a policy from the county commissioners. However, the commissioners do develop a policy for the three unrestricted classifications – *committed*, *assigned*, and *unassigned*.

From time to time, the county commissioners may commit fund balances by a majority vote in a scheduled meeting. The commissioners' commitment may be modified or rescinded by a majority vote in a scheduled meeting. Commissioners' commitments cannot exceed the amount of fund balance that is greater than the sum of *nonspendable* and *restricted* fund balances since that practice would commit funds that the county does not have. Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions (rainy day funds), and other purposes determined by the Commissioners.

The Commissioners may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The Commissioners may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the Commissioners by a majority vote in a scheduled meeting.

When the county makes expenditures that can be made from either restricted or unrestricted balances, the expenditure should be charged to restricted balances. When the county incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditure should be charged to committed if directly associated with the specific commitment, to assigned if directly associated with the specific assignment, and to unassigned.

Property Tax Revenues – Property taxes are assessed on January 1 of each year at which time a tax lien attaches to the property to secure the payment of taxes. Property taxes are levied on October 1 of each year. The taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the following year at which time they become subject to penalties and interest. Property taxes are recognized as revenues when they are collected.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2014

Interfund Transfers – Permanent relocations of resources between funds of the reporting entity are classified as interfund transfers. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Note 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget – The County prepares and adopts a budget for governmental funds prior to the beginning of each fiscal year. The County holds public meetings for the purpose of obtaining comments from citizens prior to adopting the budget. Once a budget is approved, it can be amended only by approval of a majority of the members of the Commissioners' Court. The budget was amended during the year.

Budgets for the General Fund and Special Revenue Funds are adopted on a modified accrual basis and cover a one-year period. Appropriations lapse at year end.

Note 3 – DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

Deposits and Investments – The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2014

Deposits and Investments – Continued

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk – Deposits and Investments: In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits and investments in certificates of deposit may not be returned to it. The County's policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following: The State of Texas requires that a financial institution secure deposits and investments made by state and local governments by pledging securities in excess of the highest cash balance of the government. The County is not exposed to custodial credit risk for its deposits and investments in certificates of deposit, since they are covered by depository insurance and pledged securities held by a third party in the County's name.

Concentration of Credit Risk: The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the total entity investments represent a concentration risk. At September 30, 2014, all of the County's investments are in certificates of deposit with its depository bank. The certificates of deposit are completely covered by pledged securities as described in the preceding paragraph.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At September 30, 2014, was not significantly exposed to credit risk.

Interest Rate Risk: The County's investment policy limits its investment portfolio to maturities of one year or less as a means of limiting its exposure to fair value losses arising from fluctuating interest rates.

Foreign Currency Risk: Not applicable.

The carrying amount of the County's cash and temporary investments at September 30, 2014, approximates fair value and consisted of the following:

| | <u>Governmental Funds</u> | <u>Fiduciary Funds</u> | <u>Total</u> |
|---|-------------------------------|----------------------------|----------------------------|
| Cash on Hand and in Bank | \$ 604,971 | \$ 157,305 | \$ 762,276 |
| Certificates of Deposit | 1,027,704 | 41,204 | 1,068,908 |
| Total Cash and Temporary Investments | <u>\$ 1,632,675</u> | <u>\$ 198,509</u> | <u>\$ 1,831,184</u> |

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2014

Interfund Transfers and Balances – During the year ended September 30, 2014, the General Fund and the Road & Bridge Fund made transfers totaling \$15,480 to various other nonmajor governmental funds.

The following is a summary of amounts due from and due to other funds as of September 30, 2014:

| <u>Due From</u> | <u>Due To</u> | <u>Amount</u> | <u>Purpose</u> |
|-----------------|--------------------------|------------------|-----------------|
| Fiduciary Funds | General Fund | \$ 21,628 | Unremitted Fees |
| Fiduciary Funds | Road & Bridge Fund | 0 | Unremitted Fees |
| Fiduciary Funds | Other Governmental Funds | <u>4,306</u> | Unremitted Fees |
| Total | | <u>\$ 25,934</u> | |

All amounts due are expected to be repaid within one year.

Capital Assets – Capital asset activity for the year ended September 30, 2014, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|-------------------------------|------------------------------|---------------------|------------------|---------------------------|
| Capital Assets | | | | |
| General Road & Bridge | \$ 132,679 | \$ 7,500 | \$ 0 | \$ 140,179 |
| Precinct One | 507,658 | 7,500 | (21,500) | 493,658 |
| Precinct Two | 396,580 | 21,270 | 0 | 417,850 |
| Precinct Three | 775,193 | 0 | 0 | 775,193 |
| Precinct Four | 581,527 | 0 | 0 | 584,527 |
| Sheriff | 190,446 | 11,998 | (27,500) | 174,944 |
| Courthouse | 207,421 | 27,055 | (26,555) | 207,921 |
| 911 Equipment | <u>73,638</u> | <u>0</u> | <u>0</u> | <u>73,638</u> |
| Total Capital Assets | \$ 2,868,142 | \$ 75,323 | \$ (75,555) | \$ 2,867,910 |
| Less Accumulated Depreciation | <u>(1,194,715)</u> | <u>(178,951)</u> | <u>75,555</u> | <u>(1,298,111)</u> |
| Capital Assets, Net | <u>\$ 1,673,427</u> | <u>\$ (103,628)</u> | <u>\$ 0</u> | <u>\$ 1,569,779</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|-------------------------|-------------------|
| General Government | \$ 16,248 |
| Road and Bridges | 128,765 |
| Justice System | 3,650 |
| Public Safety | 25,379 |
| Public Health & Welfare | <u>4,909</u> |
| Total | <u>\$ 178,951</u> |

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2014

Compensated Absences Payable – Compensated absences payable consists of an accrual of earned vacation leave that has not been taken as of September 30, 2014 and is payable to employees at that date. Below is a summary of the activity for the year.

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|----------------------|------------------------------|------------------|------------------|---------------------------|
| Compensated Absences | \$ 18,472 | \$ 1,926 | \$ 0 | \$ 20,398 |

Notes & Capital Leases Payable – Notes and capital leases payable as of September 30, 2014 consist of the following:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--|------------------------------|--------------------|-------------------------|---------------------------|
| 3.2% capital lease payable to a finance company with monthly payments of \$1,831 maturing June 7, 2017 | \$ 141,163 | \$ 0 | \$ 16,212 | \$ 124,951 |
| 3.2% capital lease payable to a finance company with monthly payments of \$1,626 maturing June 7, 2017 | 155,172 | 0 | 13,518 | 141,654 |
| 3.2% capital lease payable to a finance company with monthly payments of \$539.42 maturing on 12-27-17 | 117,128 | 0 | 2,531 | 114,597 |
| 3.2% capital lease payable to a finance company with monthly payments of \$474.05 maturing on 7-19-18 | 52,667 | 0 | 4,062 | 48,605 |
| 2.9% capital lease payable to a finance company with monthly payments of \$1,187.27 maturing on 11-14-18 | <u>96,000</u> | <u>0</u> | <u>10,636</u> | <u>85,364</u> |
| Total | <u>\$ 562,130</u> | <u>\$ 0</u> | <u>\$ 46,959</u> | <u>\$ 515,171</u> |

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2014

Notes & Capital Leases Payable - Continued

Combined debt service requirements on notes and capital leases payable is as follows:

| <u>Y/E Sept 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|------------------|-------------------|
| 2015 | \$ 52,412 | \$ 15,481 | \$ 67,893 |
| 2016 | 54,077 | 13,816 | 67,893 |
| 2017 | 218,786 | 10,279 | 229,065 |
| 2018 | 154,395 | 2,897 | 157,292 |
| 2019 | 35,501 | 86 | 35,587 |
| Totals | <u>\$ 515,171</u> | <u>\$ 42,559</u> | <u>\$ 557,730</u> |

Note 4 – OTHER INFORMATION

Retirement Plan

Plan Description – The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 656 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 option 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 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits 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 deposits 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 deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2014

Retirement Plan – Continued

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 6.68% for the months those months ending December 31, 2013 and a rate of 7.27% was used for the months ending September 30, 2014.

The deposit rate payable by the employee members for fiscal year 2014 is the rate of 7% as adopted by the governing body of the employer. The employee deposit rate and employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost – The required contribution was determined as part of the December 31, 2013 actuarial cost method. The actuarial assumptions at December 31, 2013 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.9 percent. Both (a) and (b) included an inflation component of 3 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market valued of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2013 was 20 years. For the employer's accounting year ended September 30, 2014, the pension cost for the TCDRS plan for its employees was \$222,371, and the actual contribution was \$222,371.

The December 31, 2013 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

| Actuarial Valuation Date | 12-31-11 | 12-31-12 | 12-31-13 |
|------------------------------|---|---|--|
| Actuarial Cost Method | Entry Age | Entry Age | Entry Age |
| Amortization Method | Level Percentage Of Payroll, Closed | Level Percentage Of Payroll, Closed | Level Percentage Of Payroll, Closed |
| Amortization Period in Years | 20 | 20 | 20 |
| Asset Valuation Method | SAF: 10-Year Smoothed Value ESF: Fund Value | SAF: 10-Year Smoothed Value ESF: Fund Value | SAF: 5-Year Smoothed Value ESF: Fund Value |
| Actuarial Assumptions: | | | |
| Investment Return | 8.0% | 8.0% | 8.0% |
| Projected Salary Increases | 5.4% | 5.4% | 4.9% |
| Inflation | 3.5% | 3.5% | 3.0% |
| Cost-of-Living Adjustments | 0.0% | 0.0% | 0.0% |

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2014

Retirement Plan- Continued

**Schedule of Funding Progress for the Retirement Plan
for the Employees of Coleman County**

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Annual Covered Payroll (Actuarial) | UAAL as a Percentage Of Covered Payroll |
|--------------------------------|---------------------------------|--|---------------------------|-----------------|---|--|
| | (a) | (b) | (b-a) | (a/b) | (c) | ((b-a)/c) |
| 12-31-07 | \$3,014,785 | \$3,007,457 | \$ (7,328) | 100.24% | \$1,238,769 | (0.59)% |
| 12-31-08 | \$2,962,370 | \$3,158,184 | \$ 195,814 | 93.80% | \$1,343,292 | 14.58% |
| 12-31-09 | \$3,331,889 | \$3,469,986 | \$ 138,097 | 96.02% | \$1,440,013 | 9.59% |
| 12-31-10 | \$3,276,255 | \$3,461,851 | \$ 185,596 | 94.64% | \$1,456,273 | 12.74% |
| 12-31-11 | \$3,117,897 | \$3,354,214 | \$ 236,317 | 92.95% | \$1,482,917 | 15.94% |
| 12-31-12 | \$3,239,273 | \$3,566,275 | \$ 327,002 | 90.83% | \$1,490,489 | 21.94% |
| 12-31-13 | \$3,499,021 | \$3,824,261 | \$ 325,240 | 91.50% | \$1,542,202 | 21.09% |

SUPPLEMENTAL INFORMATION

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - ROAD & BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Taxes-Lateral Road and FM | \$ 815,985 | \$ 815,985 | \$ 807,369 | \$ (8,616) |
| Taxes-Flood Control | 90,665 | 90,665 | 89,708 | (957) |
| Delinquent Ad Valorem Taxes | 22,000 | 27,730 | 27,729 | (1) |
| Penalty and Interest-Taxes | 11,000 | 14,080 | 14,079 | (1) |
| Total Taxes | <u>939,650</u> | <u>948,460</u> | <u>938,885</u> | <u>(9,575)</u> |
| Fees | | | | |
| Vehicle Registration | 375,000 | 375,000 | 366,431 | (8,569) |
| Vehicle Registration-Supple. | 85,000 | 88,110 | 89,640 | 1,530 |
| Total Fees | <u>460,000</u> | <u>463,110</u> | <u>456,071</u> | <u>(7,039)</u> |
| Intergovernmental | | | | |
| U.S. Treasury in Lieu of Taxes | 5,000 | 5,000 | 4,191 | (809) |
| State Lateral Road & FM Funds | 26,000 | 26,490 | 26,490 | - |
| Total Intergovernmental | <u>31,000</u> | <u>31,490</u> | <u>30,681</u> | <u>(809)</u> |
| Interest - Interest Earned | <u>1,320</u> | <u>1,320</u> | <u>780</u> | <u>(540)</u> |
| Miscellaneous | | | | |
| Other Revenue | 30,000 | 30,000 | 27,278 | (2,722) |
| Sale of Equipment | 27,500 | 27,800 | 4,440 | (23,360) |
| Total Miscellaneous | <u>57,500</u> | <u>57,800</u> | <u>31,718</u> | <u>(26,082)</u> |
| Total Revenues | <u>1,489,470</u> | <u>1,502,180</u> | <u>1,458,135</u> | <u>(44,045)</u> |
| EXPENDITURES | | | | |
| General Road & Bridge | | | | |
| Salaries Commissioners | 152,672 | 152,672 | 152,672 | - |
| Salaries-Other | 27,794 | 27,794 | 27,794 | - |
| Social Security Taxes | 41,891 | 41,891 | 41,686 | 205 |
| Retirement | 77,334 | 82,477 | 76,901 | 5,576 |
| Health Insurance | 105,981 | 112,385 | 112,384 | 1 |
| Tax Appraisal District | 36,000 | 36,000 | 35,578 | 422 |
| Other Expenses | 3,000 | 5,609 | 5,608 | 1 |
| Insurance | 17,000 | 20,878 | 20,878 | - |
| General Precinct Expenses | 30,000 | 30,000 | 27,183 | 2,817 |
| Outside Audit | 4,000 | 4,000 | 4,000 | - |
| Capital Purchases | 40,000 | 40,000 | 7,500 | 32,500 |
| Flood Control-Repairs | 10,000 | 10,000 | - | 10,000 |
| Flood Control-S.W.C.D. | 11,000 | 11,000 | 11,000 | - |
| Total General Road & Bridge | <u>556,672</u> | <u>574,706</u> | <u>523,184</u> | <u>51,522</u> |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - ROAD & BRIDGE FUND - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|-------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Precinct 1 | | | | |
| Operators Salaries Precinct 1 | 83,382 | 83,382 | 83,382 | - |
| Capital Purchases | 30,000 | 30,000 | 9,514 | 20,486 |
| Equipment Maintenance | 30,000 | 37,920 | 37,919 | 1 |
| Pickup Allowance | 8,400 | 8,400 | 8,400 | - |
| Fuel | 36,000 | 36,000 | 35,266 | 734 |
| Supplies | 25,000 | 27,831 | 27,831 | - |
| Other Precinct Expenses | 3,500 | 3,500 | 2,480 | 1,020 |
| Total Precinct 1 | <u>216,282</u> | <u>227,033</u> | <u>204,792</u> | <u>22,241</u> |
| Precinct 2 | | | | |
| Operators Salaries Precinct 2 | 83,382 | 83,382 | 82,313 | 1,069 |
| Capital Purchases | 200,000 | 200,000 | 21,270 | 178,730 |
| Equipment Maintenance | 35,000 | 72,935 | 72,935 | - |
| Pickup Allowance | 8,400 | 8,400 | 8,400 | - |
| Fuel | 40,000 | 42,007 | 42,006 | 1 |
| Supplies | 30,000 | 30,000 | 20,408 | 9,592 |
| Other Precinct Expenses | 4,000 | 4,037 | 4,037 | - |
| Total Precinct 2 | <u>400,782</u> | <u>440,761</u> | <u>251,369</u> | <u>189,392</u> |
| Precinct 3 | | | | |
| Operators Salaries Precinct 3 | 83,382 | 83,382 | 81,778 | 1,604 |
| Debt Service | 6,853 | 6,853 | 33,197 | (26,344) |
| Capital Purchases | 150,000 | 150,000 | - | 150,000 |
| Equipment Maintenance | 30,000 | 41,938 | 41,938 | - |
| Pickup Allowance | 8,400 | 8,400 | 8,400 | - |
| Fuel | 40,000 | 47,867 | 47,866 | 1 |
| Supplies | 25,000 | 25,000 | 18,833 | 6,167 |
| Other Precinct Expenses | 3,000 | 3,000 | 2,863 | 137 |
| Total Precinct 3 | <u>346,635</u> | <u>366,440</u> | <u>234,875</u> | <u>131,565</u> |
| Precinct 4 | | | | |
| Operators Salaries Precinct 4 | 83,382 | 83,382 | 83,382 | - |
| Debt Service | 10,134 | 10,134 | 29,513 | (19,379) |
| Capital Purchases | 10,000 | 10,000 | - | 10,000 |
| Equipment Maintenance | 20,000 | 28,783 | 28,783 | - |
| Pickup Allowance | 8,400 | 8,400 | 8,400 | - |
| Fuel | 31,000 | 34,720 | 34,720 | - |
| Supplies | 35,000 | 35,000 | 30,310 | 4,690 |
| Other Precinct Expenses | 6,000 | 6,000 | 3,462 | 2,538 |
| Total Precinct 4 | <u>203,916</u> | <u>216,419</u> | <u>218,570</u> | <u>(2,151)</u> |
| Total Expenditures | <u>1,724,287</u> | <u>1,825,359</u> | <u>1,432,790</u> | <u>392,569</u> |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL - ROAD & BRIDGE FUND - CONTINUED
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | <u>Budget Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-----------------------|-----------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers Out | (12,500) | (12,500) | (8,336) | 4,164 |
| Net Other Financing Sources (Uses) | (12,500) | (12,500) | (8,336) | 4,164 |
| Net Change in Fund Balance | (247,317) | (335,679) | 17,009 | (432,450) |
| Fund Balance - Beginning | 336,694 | 336,694 | 336,694 | - |
| Fund Balance - Ending | <u>\$ 89,377</u> | <u>\$ 1,015</u> | <u>\$ 353,703</u> | <u>\$ 352,688</u> |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|----------------|----------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fees | | | | |
| Hot Check Fees | \$ 5,000 | \$ 5,000 | \$ 4,333 | \$ (667) |
| Courthouse Security Fee | 7,000 | 7,000 | 6,575 | (425) |
| Justice Court Technology Fund | 3,900 | 3,900 | 2,864 | (1,036) |
| District Clerk Fees | 2,800 | 2,800 | 2,139 | (661) |
| County Clerk Fees | 1,000 | 1,000 | 729 | (271) |
| Law Enforcement Education Fund-Sheriff | 1,350 | 1,350 | 1,294 | (56) |
| Law Enforcement Education Fund-Constable | 650 | 650 | - | (650) |
| PVS Funds | 650 | 650 | 596 | (54) |
| County Clerk Archive Fees | 12,500 | 17,815 | 17,814 | (1) |
| District Clerk Criminal Technology Fees | 500 | 500 | 114 | (386) |
| County Clerk Criminal Technology Fees | 500 | 500 | 120 | (380) |
| Dist Clerk Civil Record Preservation Fees | 1,800 | 1,800 | 1,470 | (330) |
| Cty Clerk Civil Record Preservation Fees | 600 | 630 | 630 | - |
| District Clerk Archive Fees | 900 | 1,195 | 1,195 | - |
| County Clerk Records Management Fees | 14,000 | 17,864 | 17,863 | (1) |
| Supplemental Guardianship Fees | 1,000 | 1,000 | 820 | (180) |
| District Clerk Records Management Fees | - | - | 5 | 5 |
| Total Fees | 54,150 | 63,654 | 58,561 | (5,093) |
| Interest - Interest Earned | 50 | 50 | 9 | (41) |
| Miscellaneous | | | | |
| Cookbook Sales | 500 | 500 | - | (500) |
| Depot Renovation Receipts | 1,500 | 1,500 | - | (1,500) |
| Seized Funds Received | 5,000 | 5,000 | - | (5,000) |
| Total Miscellaneous | 7,000 | 7,000 | - | (7,000) |
| Total Revenues | 61,200 | 70,704 | 58,570 | (12,134) |
| EXPENDITURES | | | | |
| General Government | | | | |
| Workers Compensation Fund | 25,000 | 25,000 | 21,779 | 3,221 |
| Records Management Fund | 24,750 | 24,750 | 21,124 | 3,626 |
| Historical Society Fund | 2,000 | 2,000 | - | 2,000 |
| District Clerk Records Management Fund | 2,500 | 2,500 | 770 | 1,730 |
| Preservation of Vital Statistics Fund | 2,000 | 2,000 | - | 2,000 |
| County Clerk Archive Fund | 12,000 | 15,378 | 15,377 | 1 |
| District Clerk Criminal Technology Fund | 500 | 500 | - | 500 |
| County Clerk Criminal Technology Fund | 500 | 500 | - | 500 |
| District Clerk Civil Records Preserv Fund | 3,500 | 3,500 | 3,250 | 250 |
| County Clerk Civil Records Preserv Fund | 600 | 600 | - | 600 |
| District Clerk Archive Fund | 2,000 | 2,000 | - | 2,000 |
| County Clerk Record Management Fund | 17,000 | 18,773 | 14,697 | 4,076 |
| Supplemental Guardianship Fund | 800 | 800 | - | 800 |
| Forfeiture and Seizure Fund | 5,000 | 5,000 | - | 5,000 |
| Total General Government | 98,150 | 103,301 | 76,997 | 26,304 |

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - OTHER GOVERNMENTAL FUNDS - CONTINUED
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | Budget Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| <u>EXPENDITURES - CONTINUED</u> | | | | |
| Justice System | | | | |
| Law Enforcement Education Fund | 2,000 | 2,000 | - | 2,000 |
| Courthouse Security Fund | 25,000 | 25,000 | - | 25,000 |
| Justice Court Technology Fund | 7,500 | 7,500 | 2,489 | 5,011 |
| County Attorney Hot Check Fund | 11,050 | 11,050 | 5,283 | 5,767 |
| Total Justice System | <u>45,550</u> | <u>45,550</u> | <u>7,772</u> | <u>37,778</u> |
| Total Expenditures | <u>143,700</u> | <u>148,851</u> | <u>84,769</u> | <u>64,082</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers In | <u>23,214</u> | <u>23,214</u> | <u>15,480</u> | <u>(7,734)</u> |
| Net Change in Fund Balance | (59,286) | (54,933) | (10,719) | (83,950) |
| Fund Balance - Beginning | <u>102,437</u> | <u>102,437</u> | <u>131,612</u> | <u>29,175</u> |
| Fund Balance - Ending | <u>\$ 43,151</u> | <u>\$ 47,504</u> | <u>\$ 120,893</u> | <u>\$ (54,775)</u> |

The accompanying notes are an integral part of this financial statement.