

**WILBARGER COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

# WILBARGER COUNTY, TEXAS

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### TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		1
Management's Discussion and Analysis (Required Supplementary Information)		3
<b>BASIC FINANCIAL STATEMENTS</b>		
Statement of Net Position	A-1	10
Statement of Activities	A-2	11
Balance Sheet – Governmental Funds	A-3	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-4	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	A-5	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	A-6	16
Statement of Net Position – Enterprise Fund	A-7	17
Statement of Revenues, Expenses and Changes in Fund Net Position - Enterprise Fund	A-8	18
Statement of Cash Flows – Enterprise Fund	A-9	19
Statement of Fiduciary Assets and Liabilities	A-10	20
Notes to the Financial Statements		21
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>		
Budgetary Comparison Schedule – General Fund	B-1	39
Budgetary Comparison Schedule – Road & Bridge Fund	B-2	41
Notes to Budgetary Comparison Schedules		42
Schedule of Funding Progress – Texas County and District Retirement System	B-3	43
Schedule of Funding Progress – Wilbarger County Retiree Health Care Plan	B-4	44
<b>COMBINING STATEMENTS AND BUDGET COMPARISONS AS SUPPLEMENTARY INFORMATION</b>		
Combining Balance Sheet – Nonmajor Governmental Funds	C-1	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	C-2	46
Budgetary Comparison Schedule – Jury Fund	C-3	47
Budgetary Comparison Schedule – Special Services Fund	C-4	48
Budgetary Comparison Schedule – Grant Fund	C-5	49
Budgetary Comparison Schedule – Juvenile Services Fund	C-6	50
Budgetary Comparison Schedule – Capital Projects Fund	C-7	51
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	C-8	52

*FINANCIAL SECTION*



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## Independent Auditor's Report

To The Honorable County Judge and County Commissioners  
Wilbarger County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wilbarger County, Texas, 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 of 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 the 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 accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wilbarger County, Texas as of September 30, 2014, and the respective changes in financial position thereof for the year then ended in conformity 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, the budgetary comparison information, and the schedules of funding progress be presented to supplement the basic financial statements. Such information, although not a required 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 Wilbarger County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Edgin, Parkman, Fleming & Fleming, PC*

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas  
May 5, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Wilbarger County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2014.

### Financial Highlights

- \_ The assets of the County exceeded its liabilities at the close of the fiscal year ended September 30, 2014, by \$14,558,669 (net position). Of this amount, \$5,038,496 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- \_ The County's fiscal year 2014 total net position decreased by \$407,311 compared to fiscal year 2013. The decrease is primarily due to an increase in general expenditures from fiscal 2013 to 2014.
- \_ The County's governmental funds reported combined ending fund balances of \$4,908,214, a decrease of \$231,147 in comparison to the previous year.
- \_ The unassigned portion of the General Fund balance at September 30, 2014 was \$2,710,605 or 51.68% of total FY 2014 General Fund Expenditures.
- \_ Government-wide long term liabilities increased by \$318,295. This amount is the net of scheduled note and lease payments plus additional leases acquired during the fiscal year.

### Overview of the Financial Statements

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of Wilbarger County's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent 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 cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide statements distinguish between governmental activities and business-type activities. Governmental activities basically account for those activities supported by taxes and intergovernmental revenues. On the other hand, business-type activities are basically supported by user fees and charges. Most County services are reported in governmental activities while business-type activities are reported in the Enterprise fund.

**Fund Financial Statements.** The County, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the County can be divided into two categories: governmental funds and proprietary funds.

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of 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 a government's near-term financing requirements.

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

The County maintains eight individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Road & Bridge Fund, and Capital Improvement Fund, all of which are considered to be major funds. Data from the other five funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

*Proprietary Funds.* The County maintains one type of proprietary fund, an enterprise fund. The Enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses the enterprise fund to account for its Airport operations.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail.

*Fiduciary Funds.* The County maintains funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support County programs.

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

*Other Information.* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found after the notes to the financial statements. The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information.

## Government-wide Financial Analysis

At the end of fiscal year 2014, the County's net position (assets exceeding liabilities) totaled \$14,558,669. This analysis focuses on the net position (Table 1) and changes in net position (Table 2).

**Net Position.** The largest portion of the County's net position, \$9,221,957 or 63.34 percent, reflects its net investment in capital assets (land and improvements, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$298,216 or 2.05%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$5,038,496, or 34.61%, may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1  
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	09-30-14	09-30-13	09-30-14	09-30-13	09-30-14	09-30-13
Current and other assets	\$5,803,548	\$5,939,097	\$118,732	\$290,361	\$5,922,280	\$6,229,458
Capital Assets	9,008,602	8,748,174	1,001,195	1,095,912	10,009,797	9,844,086
Total Assets	<u>14,812,150</u>	<u>14,687,271</u>	<u>1,119,927</u>	<u>1,386,273</u>	<u>15,932,077</u>	<u>16,073,544</u>
Long term Liabilities	825,418	507,123	63,794	75,428	889,212	582,551
Other Liabilities	478,477	390,043	5,719	134,970	484,196	525,013
Total Liabilities	<u>1,303,895</u>	<u>897,166</u>	<u>69,513</u>	<u>210,398</u>	<u>1,373,408</u>	<u>1,107,564</u>
Net Position:						
Net investment in capital assets	8,280,347	8,325,071	941,610	1,027,330	9,221,957	9,352,401
Restricted for: Special Services	296,752	258,814			296,752	258,814
Jury Duty	1,464	4,033			1,464	4,033
Unrestricted	<u>4,929,692</u>	<u>5,202,187</u>	<u>108,804</u>	<u>148,545</u>	<u>5,038,496</u>	<u>5,350,732</u>
Total Net Position	<u>\$13,508,255</u>	<u>\$13,790,105</u>	<u>\$1,050,414</u>	<u>\$1,175,875</u>	<u>\$14,558,669</u>	<u>\$14,965,980</u>

**Changes in Net Position:** The ending government-wide net position of the County for fiscal year 2014 was \$407,311 less than the ending net position from fiscal year 2013.

**Governmental Activities:** Governmental activities decreased the County's net position by \$281,850 from fiscal year 2013. The decrease is primarily due to an increase in general expenditures from 2013 to 2014.

**Business-type Activities:** Net position from business-type activities decreased by \$125,461 from fiscal 2013 due to an expected decrease in the amount of fuel sales during the year compared to the unusually high fuel sales in fiscal 2013.



Table 2  
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	09-30-14	09-30-13	09-30-14	09-30-13	09-30-14	09-30-13
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$1,976,532	\$2,084,060	\$469,055	\$746,113	\$ 2,445,587	\$ 2,830,173
Operating grants & contributions	183,519	175,308	7,102	19,002	190,621	194,310
Capital grants and contributions	--	429,679	--	--	--	429,679
<b>General Revenues:</b>						
Ad Valorem taxes	4,923,797	4,603,997	--	--	4,923,797	4,603,997
Sales Tax	661,130	698,585	--	--	661,130	698,585
Other taxes and fees	6,061	5,975	--	--	6,061	5,975
Investment earnings	29,805	390	261	328	30,066	718
Miscellaneous	274,665	259,637	5,955	13,668	280,620	273,305
<b>Total Revenues</b>	<b>8,055,509</b>	<b>8,257,631</b>	<b>482,373</b>	<b>779,111</b>	<b>8,537,882</b>	<b>9,036,742</b>
<b>Expenditures:</b>						
General Government	1,188,119	1,046,521	--	--	1,188,119	1,046,521
Judicial	945,753	873,175	--	--	945,753	873,175
Legal	209,276	191,897	--	--	209,276	191,897
Financial	496,395	477,048	--	--	496,395	477,048
Public Facilities	1,610,147	1,481,561	--	--	1,610,147	1,481,561
Public Safety	1,015,968	971,781	--	--	1,015,968	971,781
Health & Welfare	149,336	115,373	--	--	149,336	115,373
Conservation	159,122	137,951	--	--	159,122	137,951
Road & Bridge	2,547,717	2,316,473	--	--	2,547,717	2,316,473
Interest and Fiscal Charges	15,526	11,795	--	--	15,526	11,795
Airport Operations	--	--	607,834	825,676	607,834	825,676
<b>Total Expenditures</b>	<b>8,337,359</b>	<b>7,623,575</b>	<b>607,834</b>	<b>825,676</b>	<b>8,945,193</b>	<b>8,449,251</b>
<b>Increase (decrease) in net position</b>						
Before transfers	(281,850)	634,056	(125,461)	(46,565)	(407,311)	587,491
Transfers	--	(49,200)	--	49,200	--	--
<b>Net Position-Beginning of year</b>	<b>13,790,105</b>	<b>11,370,235</b>	<b>1,175,875</b>	<b>1,173,240</b>	<b>14,965,980</b>	<b>12,543,475</b>
<b>Prior Period Adjustments</b>	<b>--</b>	<b>1,835,014</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,835,014</b>
<b>Net Position-End of year</b>	<b>\$ 13,508,255</b>	<b>\$13,790,105</b>	<b>\$ 1,050,414</b>	<b>\$ 1,175,875</b>	<b>\$14,558,669</b>	<b>\$14,965,980</b>

**Governmental Activities.** Governmental activities decreased Wilbarger County's net position by \$281,850. Key elements of this decrease are as follows:

- The County experienced a significant revenue decrease of \$107,528 from total governmental activities charges for services over fiscal year 2013. These revenues are generated from fees charged in various fee offices of the County.
- Property Tax revenues for fiscal 2014 were \$319,800 more than in fiscal year 2013. The fiscal 2014 tax rate was lower than the fiscal 2013 tax rate. The increase in tax revenues resulted from the first year taxable value addition of the Blue Summit Wind Farm of approximately \$76.5 million.
- The County experienced a modest increase in investment earnings of \$29,415 compared to fiscal year 2013. Surplus cash previously housed in the local depository bank were transferred in February 2014 to a bank

money market account at First National Bank of Wichita Falls yielding .40%. Also, in October 2014 a modest amount of the County's surplus funds were invested in Federal Home Loan Mortgage bonds with 2% yields.

- Total expenditures increased by \$713,784 due to a combination of events. Among these were significant weather related repairs at two County facilities, a larger than normal employee payroll accrual, and a large amount of Road & Bridge Fund expenses for construction supplies and repairs as well as an increase in depreciation expense as a result of the new equipment purchases.
- There were no transfers to the Airport Fund in fiscal year 2014. Transfers to the Airport Fund are usually triggered by fuel purchases creating a cash flow timing issue.

**Business-type Activities.** Business-type activities decreased Wilbarger County's net position by \$125,461. The Airport Fund did not require any transfers in from other funds for fiscal 2014. By comparison, there was \$49,200 transferred in for fiscal 2013. The airport sold 86,102 gallons of fuel during fiscal year 2014, a 59,657 gallon decrease compared to fiscal year 2013. During fiscal year 2013 there was a substantial amount of gallons sold related to the increased helicopter activity used in the construction of new power lines in the County during the fiscal year.

#### **Financial Analysis of the Government's Funds**

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$4,908,214, which is a decrease of \$231,147 compared to fiscal year 2013.

The General Fund is the main operating fund of the County. At the end of fiscal year 2014, the General Fund unassigned fund balance was \$2,710,605 which is a decrease of \$430,487 compared to fiscal year 2013. Items of note concerning the General Fund are as follows.

- General Fund total revenues decreased by \$253,874 compared to FY 2013. The two most significant changes relate to:
  - Government wide property tax revenues experienced an increase of \$305,401 compared to fiscal 2013. The total County ad valorem tax rate was weighted more heavily to the Road & Bridge Fund for fiscal 2014. This resulted in a \$121,527 decrease of General Fund tax revenues for fiscal 2014 compared to fiscal 2013.
  - A decrease over the previous year for fees and commissions of \$102,201 was due to decreases in collections from the County's fee offices.
- General Fund total expenditures for FY 2014 were \$316,845 more than FY 2013. Weather related repairs at the auditorium and jail contributed heavily to this increase. Because of a State Comptroller's office audit, the County was required to repay to the comptroller's office \$64,000 of previously received sales tax receipts.

For the 2014 fiscal year, the Road & Bridge Fund had an increase in fund balance of \$99,077. Items to note relative to the Road & Bridge Fund are as follow:

- Total revenues increased by \$294,403 compared to FY 2013. Tax revenue collections for FY 2014 were \$426,928 more than in FY 2013. The 2013 Road & Bridge Fund adopted tax rate was \$.029 more than the

2012 rate. Although the County's total adopted tax rate was almost identical for 2013 and 2012, the amount of the total tax rate allocated to Road & Bridge was much greater in FY 2014 than it was in FY 2013.

- Road and Bridge total expenditures increased by \$1,484,309 from the prior year due to a significant increase in budgeted equipment purchases during FY 2014. Related capital asset equipment sales/trade in revenues were \$1,056,679 for FY 2014 compared to \$200,147 for FY 2013.
- Road & Bridge fund received \$469,450 in capital lease proceeds to finance equipment purchases and expended \$179,824 in lease/note payments during FY 2014.

The other non-major governmental funds recognized an increase in fund balance of \$23,626.

**Proprietary funds.** The County's proprietary fund provides the same type of information found in the government-wide statements, but in more detail.

**Budgetary Highlights.** Each year the County performs periodic reviews of the budget. State law prohibits increasing total budgeted expenditures except during an emergency, however, an amount budgeted for one line item can be transferred to another budgeted item without authorizing an emergency expenditure.

Notable budget variances include:

- Actual sales tax collections were \$68,870 less than budgeted. Combined property taxes collections were \$43,382 more than budgeted for General and Road & Bridge Funds together.
- General Fund fees and commissions revenues collected were \$175,531 less than budgeted. The following revenue items accounted for the vast majority of this unexpected shortfall: County Clerk fees, JP #1, and JP #2 fees.
- Investment returns for FY 2014 were \$56,229 below their budgeted revenues in the combined General and Road & Bridge Funds.
- The Road & Bridge Fund had a total positive budgeted expenditure variance of \$244,924.

#### Capital Assets and Debt Administration

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2014 amounts to \$10,009,797 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, machinery and equipment and infrastructure. The total increase in the County's investment in capital assets for the current year was 1.66% as restated. More detailed information on capital asset activity is available in the notes to the financial statements.

Table 3  
Capital Assets at Year End  
Net of Accumulated Depreciation

Assets	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 307,699	\$ 307,699	\$33,137	\$33,137	\$ 340,836	\$ 340,836
Bldgs & Improvmts	2,114,841	2,195,043	560,016	586,893	2,674,857	2,781,936
Mach & Equipment	3,726,620	2,989,671	123,637	119,154	3,850,257	3,108,825
Infrastructure	2,859,442	3,255,761	284,405	356,728	3,143,847	3,612,489
	<u>\$9,008,602</u>	<u>\$8,748,174</u>	<u>\$1,001,195</u>	<u>\$1,095,912</u>	<u>\$10,009,797</u>	<u>\$9,844,086</u>

*Debt Administration.* During fiscal year 2014 Wilbarger County entered into seven new three year capital leases for the purchases of seven pieces of road and bridge maintenance equipment. The total amount of these new leases was \$469,940. The addition of these new leases explains the increase in leases payable during fiscal year 2014.

Table 4

Outstanding Debt at Year End

Type of Debt	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Leases Payable	\$728,255	\$414,270	\$59,585	\$68,582	\$787,840	\$482,852
Notes Payable	0	8,833	0	0	0	8,833
Comp Absences	73,472	68,012	4,209	6,846	77,681	74,858
OPEB obligation	23,691	16,008	0	0	23,691	16,008
<b>Total</b>	<b>\$825,418</b>	<b>\$507,123</b>	<b>\$63,794</b>	<b>\$75,428</b>	<b>\$889,212</b>	<b>\$582,551</b>

Wilbarger County does not have a current bond rating from either Standard & Poor Corporation or Moody's Investor Service. More detailed information concerning debt activity is available in the notes to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The Wilbarger County economy remains relatively stable compared to the national economy. According to the Bureau of Labor Statistics Wilbarger County's unemployment rate as of September 30, 2014 was 4.8%, which is well below the state and national average. Fiscal year 2014 sales tax collections for Wilbarger County totaled \$661,130 which was a modest decrease of \$37,455 or 5.36% compared to fiscal 2013. Economic development initiatives are in progress and there is interest in Wilbarger County due to its central location between Amarillo, Fort Worth and Lubbock, Texas and Oklahoma City, Oklahoma. The City of Vernon is recognized as a Texas Main Street City.

During fiscal year 2014, unassigned fund balance in the General Fund decreased by \$430,487. The fiscal year 2015 adopted budget reflects a 4.56% increase in General Fund revenue and a 2.22% increase in General Fund expenditures compared to the fiscal year 2014 final amended budget.

The County ad valorem tax rate decreased for fiscal 2015 from fiscal 2014, the tax rate levied in October 2014 to fund the fiscal year 2015 budget decreased by \$0.0163, a 4% decrease. The County had a 95.87% General Fund collection rate of current taxes levied in October 2013, which was an increase over the General Fund collection rate of 95.04% for taxes levied in October 2012.

**Requests for Information**

This financial report is designed to provide a general overview of Wilbarger County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 1700 Wilbarger, Room 10, Vernon, Texas 76384.

*BASIC FINANCIAL STATEMENTS*

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 1,774,803	\$ 43,474	\$ 1,818,277
Investments	3,029,149	-	3,029,149
Receivables, net:			
Property taxes	190,365	-	190,365
Accounts	1,040	13,159	14,199
Fines	226,492	-	226,492
Intergovernmental	142,527	4,890	147,417
Other	116,351	-	116,351
Due from fiduciaries	179,441	-	179,441
Inventories	54,272	51,340	105,612
Prepaid items	89,108	5,869	94,977
Capital assets, net	9,008,602	1,001,195	10,009,797
Total assets	<u>14,812,150</u>	<u>1,119,927</u>	<u>15,932,077</u>
<b>Liabilities</b>			
Accounts payable	276,686	2,160	278,846
Salaries payable	170,592	3,559	174,151
Unearned revenue	31,199	-	31,199
Long-term liabilities:			
Due within one year	224,362	13,883	238,245
Due in more than one year	601,056	49,911	650,967
Total liabilities	<u>1,303,895</u>	<u>69,513</u>	<u>1,373,408</u>
<b>Net Position</b>			
Net investment in capital assets	8,280,347	941,610	9,221,957
Restricted for:			
Special services	296,752	-	296,752
Jury duty	1,464	-	1,464
Unrestricted	4,929,692	108,804	5,038,496
Total net position	<u>\$ 13,508,255</u>	<u>\$ 1,050,414</u>	<u>\$ 14,558,669</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
General government	\$ 1,188,119	\$ 346,386	\$ 20,326
Judicial	945,753	351,117	57,574
Legal	209,276	86,450	23,333
Financial	496,395	247,814	-
Public facilities	1,610,147	73,285	-
Public safety	1,015,968	333,018	34,380
Health and welfare	149,336	-	28,204
Conservation	159,122	-	-
Road and bridge	2,547,717	538,462	19,702
Interest and fiscal charges	15,526	-	-
Total governmental activities	<u>8,337,359</u>	<u>1,976,532</u>	<u>183,519</u>
Business-type Activities:			
Airport	<u>607,834</u>	<u>469,055</u>	<u>7,102</u>
Total primary government	<u>\$ 8,945,193</u>	<u>\$ 2,445,587</u>	<u>\$ 190,621</u>

General revenues:

Property taxes, levied for general purposes  
Sales taxes  
Other taxes  
Investment earnings  
Miscellaneous  
Special item - gain on sale of capital assets  
Total general revenues and special item

Change in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (821,407)	\$ -	\$ (821,407)
(537,062)	-	(537,062)
(99,493)	-	(99,493)
(248,581)	-	(248,581)
(1,536,862)	-	(1,536,862)
(648,570)	-	(648,570)
(121,132)	-	(121,132)
(159,122)	-	(159,122)
(1,989,553)	-	(1,989,553)
(15,526)	-	(15,526)
<u>(6,177,308)</u>	<u>-</u>	<u>(6,177,308)</u>
-	(131,677)	(131,677)
<u>(6,177,308)</u>	<u>(131,677)</u>	<u>(6,308,985)</u>
4,923,797	-	4,923,797
661,130	-	661,130
6,061	-	6,061
29,805	261	30,066
38,507	5,955	44,462
236,158	-	236,158
<u>5,895,458</u>	<u>6,216</u>	<u>5,901,674</u>
(281,850)	(125,461)	(407,311)
<u>13,790,105</u>	<u>1,175,875</u>	<u>14,965,980</u>
<u>\$ 13,508,255</u>	<u>\$ 1,050,414</u>	<u>\$ 14,558,669</u>



**WILBARGER COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**

	General Fund	Road & Bridge	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 749,369	\$ 633,455	\$ 391,979	\$ 1,774,803
Investments	2,019,434	1,009,715	-	3,029,149
Receivables, net:				
Property taxes	126,355	64,010	-	190,365
Accounts	1,040	-	-	1,040
Fines	217,598	-	8,894	226,492
Intergovernmental	136,560	5,967	-	142,527
Other	115,137	1,214	-	116,351
Due from other funds	130,319	45,520	10,693	186,532
Inventories	16,473	37,799	-	54,272
Prepaid items	71,716	17,392	-	89,108
Total assets	<u>\$ 3,584,001</u>	<u>\$ 1,815,072</u>	<u>\$ 411,566</u>	<u>\$ 5,810,639</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 203,551	\$ 72,580	\$ 555	\$ 276,686
Salaries payable	127,249	43,343	-	170,592
Due to other funds	3,709	3,052	330	7,091
Unearned revenue	31,199	-	-	31,199
Total liabilities	<u>365,708</u>	<u>118,975</u>	<u>885</u>	<u>485,568</u>
Deferred inflows of resources:				
Unavailable revenues	<u>343,953</u>	<u>64,010</u>	<u>8,894</u>	<u>416,857</u>
Fund balances:				
Nonspendable	88,189	55,191	-	143,380
Restricted	-	-	298,216	298,216
Committed	-	1,576,896	103,571	1,680,467
Assigned	75,546	-	-	75,546
Unassigned	2,710,605	-	-	2,710,605
Total fund balances	<u>2,874,340</u>	<u>1,632,087</u>	<u>401,787</u>	<u>4,908,214</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,584,001</u>	<u>\$ 1,815,072</u>	<u>\$ 411,566</u>	<u>\$ 5,810,639</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

Total fund balances - governmental funds (Exhibit A-3)		\$ 4,908,214
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (Exhibit A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:		
Gross capital assets	\$ 23,931,599	
Related accumulated depreciation	<u>14,922,997</u>	9,008,602
Property tax receivables and fines receivables are not available to pay for current period expenditures and therefore are deferred in the funds.		416,857
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Capital leases payable	728,255	
Accrued compensated absences	73,472	
Net other post-employment benefit obligation	<u>23,691</u>	<u>(825,418)</u>
Total net position - governmental activities (Exhibit A-1)		<u>\$ 13,508,255</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	General Fund	Road & Bridge	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 2,920,777	\$ 1,994,948	\$ -	\$ 4,915,725
Sales taxes	661,130	-	-	661,130
Fees and commissions	874,819	538,462	88,055	1,501,336
Fines and forfeitures	146,235	-	59,390	205,625
Intergovernmental	146,486	19,702	220,585	386,773
Investment return	19,397	9,374	1,034	29,805
Miscellaneous	109,227	2,566	-	111,793
Total revenues	<u>4,878,071</u>	<u>2,565,052</u>	<u>369,064</u>	<u>7,812,187</u>
<b>Expenditures</b>				
Current				
General government	1,036,410	15,218	116,288	1,167,916
Judicial	914,704	-	21,759	936,463
Legal	202,087	-	7,354	209,441
Financial	495,835	-	-	495,835
Public facilities	1,514,098	-	-	1,514,098
Public Safety	789,256	-	197,194	986,450
Health and welfare	145,701	-	-	145,701
Conservation	146,673	-	-	146,673
Road and bridge	-	3,797,062	-	3,797,062
Debt service:				
Principal	-	172,294	-	172,294
Interest and fiscal charges	-	7,530	-	7,530
Total expenditures	<u>5,244,764</u>	<u>3,992,104</u>	<u>342,595</u>	<u>9,579,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(366,693)</u>	<u>(1,427,052)</u>	<u>26,469</u>	<u>(1,767,276)</u>
Other sources (uses):				
Transfers in	8,008	-	5,000	13,008
Transfers out	(5,165)	-	(7,843)	(13,008)
Proceeds from capital leases	-	469,450	-	469,450
Sale of capital assets	10,000	1,056,679	-	1,066,679
Total other sources (uses)	<u>12,843</u>	<u>1,526,129</u>	<u>(2,843)</u>	<u>1,536,129</u>
Net change in fund balances	(353,850)	99,077	23,626	(231,147)
Fund balances, beginning of year	<u>3,228,190</u>	<u>1,533,010</u>	<u>378,161</u>	<u>5,139,361</u>
Fund balances, end of year	<u>\$ 2,874,340</u>	<u>\$ 1,632,087</u>	<u>\$ 401,787</u>	<u>\$ 4,908,214</u>

The accompanying notes are an integral part of this statement.

**WILBARGER 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, 2014**

Net change in fund balances - total governmental funds (Exhibit A-5) \$ (231,147)

Amounts reported for *governmental activities* in the Statement of Activities (Exhibit A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. The net difference between the two is as follows:

Capital outlay during the year	\$ 1,894,142	
Depreciation expense for the year	<u>803,193</u>	1,090,949

Proceeds from the sale of capital assets are recorded as revenues when received in the governmental funds. In the Statement of Activities, the difference between the proceeds and the book value of the capital asset is reported as a gain (loss) from sale. (830,521)

Because property tax and fines receivables will not be collected for several months after the County's fiscal year ends, they are not considered 'available' revenues and are deferred in the governmental funds. Unearned revenues increased by this amount this year. 7,164

Proceeds from the issuance of debt are recorded as other sources when received in the governmental funds. In the Statement of Net Position, the proceeds are recorded as a liability. The amount of capital lease proceeds during the year was: (469,940)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. The long-term debt principal paid during the year was as follows:

Capital leases	155,955	
Notes payable	<u>8,833</u>	164,788

Included in long-term debt are obligations for accrued vacation and sick leave. The changes in this obligation are not included in the governmental fund financial statements, but are included in the government-wide financial statements. The change in this long-term obligation was: (5,460)

Included in long-term liabilities is the net other post-employment benefit obligation related to the County's retiree health care plan. The increase in this obligation was: (7,683)

Change in net position of governmental activities (Exhibit A-2) \$ (281,850)

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**ENTERPRISE FUND**  
**SEPTEMBER 30, 2014**

	Enterprise Fund <u>Airport</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 43,474
Receivables, net:	
Accounts	13,159
Intergovernmental	4,890
Inventories	51,340
Prepaid items	5,869
Total current assets	<u>118,732</u>
Capital assets, net	1,001,195
Total assets	<u>1,119,927</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	2,160
Salaries payable	3,559
Compensated absences - current portion	4,209
Capital lease payable - current portion	9,674
Total current liabilities	<u>19,602</u>
Noncurrent liabilities:	
Capital lease payable - net of current portion	49,911
Total noncurrent liabilities	<u>49,911</u>
Total liabilities	<u>69,513</u>
<b>Net Position</b>	
Net investment in capital assets	941,610
Unrestricted	108,804
Total net position	<u>\$ 1,050,414</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION - ENTERPRISE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Enterprise Fund <u>Airport</u>
<b>OPERATING REVENUES:</b>	
Sale of fuel	\$ 415,438
Hangar rentals	50,152
Other revenues	3,465
Total Operating Revenues	<u>469,055</u>
<b>OPERATING EXPENSES:</b>	
Salaries and related costs	88,221
Other supplies and charges	334,908
Repairs and maintenance	43,504
Insurance	11,146
Utilities	23,112
Depreciation	104,716
Total Operating Expenses	<u>605,607</u>
Operating Loss	<u>(136,552)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
Intergovernmental revenue	7,102
Farmland lease	5,955
Interest revenue	261
Interest expense	(2,227)
Total Non-operating Revenues (Expenses)	<u>11,091</u>
Change in net position	(125,461)
Net position, beginning of year	<u>1,175,875</u>
Net position, end of year	<u>\$ 1,050,414</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Enterprise Fund <u>Airport</u>
<b>Cash Flows from Operating Activities:</b>	
Cash Received From Customers	\$ 498,780
Cash Payments to Employees for Services	(90,266)
Cash Payments to Other Suppliers for Goods and Services	(536,599)
Net Cash Used by Operating Activities	<u>(128,085)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
Intergovernmental Grants	18,265
Net Cash Provided by Non-capital Financing Activities	<u>18,265</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Purchase of Capital Assets	(10,000)
Interest Paid	(2,227)
Principal Paid	(14,324)
Net Cash Used by Capital & Related Financing Activities	<u>(26,551)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest on Investments	<u>261</u>
Net Decrease in Cash and Cash Equivalents	(136,110)
Cash and Cash Equivalents at Beginning of Year	179,584
Cash and Cash Equivalents at End of Year	<u>\$ 43,474</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</b>	
Operating Loss	\$ (136,552)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	104,716
Change in Assets and Liabilities:	
Decrease (Increase):	
Accounts Receivables	29,725
Inventories	6,208
Prepaid Expenses	(294)
Increase (Decrease):	
Accounts Payable	(28,171)
Salaries Payable	592
Compensated Absences	(2,637)
Unearned Revenues	(101,672)
Total Adjustments	<u>8,467</u>
Net Cash Used by Operating Activities	<u>\$ (128,085)</u>

The accompanying notes are an integral part of this statement.

**WILBARGER COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**SEPTEMBER 30, 2014**

	Agency Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 1,643,643
Investments	189,470
Due from other funds	20,050
Total assets	<u>\$ 1,853,163</u>
<b>Liabilities</b>	
Accounts payable	\$ 2,748
Due to other funds	199,491
Due to other governments	651,082
Due to others	999,842
Total liabilities	<u>\$ 1,853,163</u>

The accompanying notes are an integral part of this statement.



**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Reporting Entity

The County, a political subdivision of the State of Texas is governed by an elected judge and four county commissioners which comprise the Commissions' Court. The County's operational activities include general administrative services, judicial, public safety, the construction and maintenance of roads, health and welfare assistance, permanent records preservation, and conservation.

The accounting policies of Wilbarger County, Texas (County) conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board which is the recognized financial accounting standards setting body for governmental entities. The notes to the financial statements are an integral part of the County's basic financial statements.

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statements No. 39 and No. 61, in that the financial statements include all organizations, activities, functions and component units for which the County (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the County's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the County.

There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the basic financial statements present the County only.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the non-fiduciary activities of the County. For the most part, the effects of interfund activity have been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are 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 associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fines and permits, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The County reports the following major governmental funds:

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

The *Road and Bridge Fund* accounts for the activities of the Road and Bridge department.

*Other Governmental Funds* are a summarization of all the nonmajor governmental funds.

The County reports the following major proprietary fund:

The *Airport Fund* accounts for the operations of the County's airport.

Additionally, the County reports the following fund types:

*Agency Funds* are used to account for assets held by the government as an agent for individuals, private organizations, and/or other agency funds.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. Assets, Liabilities, and Net Position or Equity

a. Deposits and Investments

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

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or secured by obligations that are described above; or (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the County, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices.

b. 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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

Property taxes are levied on October 1 by the County based on the January 1 property values as appraised by the Wilbarger County Central Appraisal District. Taxes are due without penalty until January 31 of the next calendar year. After January 31 the County has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the County.

c. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the governmental activities 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 two years. 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 time received.

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings	30 - 40 years
Infrastructure	20 - 45 years
Machinery and Equipment	5 - 10 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the year ended September 30, 2014, the County has no items that qualify for reporting in this category.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category, property taxes receivable and fines and fees receivable. Property taxes receivable (\$190,365) and fines and fees receivable (\$226,492) are unavailable and therefore cannot be recognized as revenue in the governmental funds until they are received.

7. **Compensated Absences**

Employees accumulate earned but unused vacation and compensatory time. All vacation and compensatory pay is accrued when incurred in the government-wide statements. A liability is reported for these amounts in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. **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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed in the period the bonds are issued.

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.

9. **Fund Balances – Governmental Funds**

Fund balances of the governmental funds are classified as follows:

**Nonspendable Fund Balance** – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

**Restricted Fund Balance** – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

**Committed Fund Balance** – represents amounts that can only be used for a specific purpose because of a formal action by the County's Commissioners' Court. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

Assigned Fund Balance – represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District 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.

10. Transactions Between Funds

Outstanding balances between funds are reported as "due to/from other funds." Nonrecurring or non-routine transfers of equity between funds are accounted for as transfers.

**B. COMPLIANCE AND ACCOUNTABILITY**

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", there were no violations of finance-related legal and contractual provisions required to be reported.

2. Deficit Fund Balance or Fund Net position of Individual Funds

The County has no funds with a deficit fund balance or fund net position.

**C. DEPOSITS AND INVESTMENTS**

1. Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$1,818,277, excluding Agency Funds. All of the bank balance was covered by federal deposit insurance and collateralized by the pledging financial institution's trust department in the County's name.

2. Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act (Act) to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, maturity and the quality and capability of investment management; include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The County's investments at September 30, 2014 are shown below:

<u>Investment or Investment Type</u>	<u>Weighted Maturity (Months)</u>	<u>Fair Value</u>
Money Market Savings Accounts	N/A	\$ 753,133
Certificates of Deposit	27	1,822,130
Government-backed Security – FHLMC	204	<u>453,886</u>
 Total Investments		 <u>\$3,029,149</u>

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. 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 year end, the County was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was exposed to interest rate risk due to the long-term nature of some of its investments.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

4. Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

**D. PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1 of the prior year. Taxes are levied on October 1 and do not begin to accrue interest until February 1. The County is permitted by the Municipal Finance Law of the State of Texas to levy taxes (exclusive of those amounts levied to service long-term debt) up to \$.80 per \$100 of assessed valuation for general services, permanent improvements, road and bridge and jury fund purposes. The combined tax rate to finance general government (exclusive of long-term debt service and Special Road & Bridge) for the year ended September 30, 2014, was \$0.26885 per \$100 valuation.

An additional ad valorem tax may be levied and collected for further maintenance of public roads, provided that a majority of the qualified property taxpaying voters shall vote such tax, not to exceed fifteen cents (.15) per \$100 valuation. Wilbarger County has such a tax and the levy for 2014 was \$0.01612. The total tax rate for Wilbarger County for fiscal year 2014 also includes a Farm to Market Right of Way with a tax rate of \$0.17013. The total tax rate for Wilbarger County for fiscal year 2014 was \$0.45510.

Allowances for uncollectible tax receivables within the General and Road & Bridge Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

At September 30, 2014, net property taxes receivable is calculated as follows:

Gross property taxes receivable	\$297,907
Allowance for uncollectible taxes	( 107,542)
Net property taxes receivable	<u>\$190,365</u>

Of the \$190,365 of property taxes receivable at September 30, 2014, the County expects to collect approximately \$70,000 within a year. This is similar to the delinquent taxes received in previous years.



**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

**E. FINES RECEIVABLE**

Fines receivable represent amounts due to the County for outstanding citations.

The allowance for uncollectible fines receivable within the funds is based upon historical experience collecting fines. Uncollectible fines are periodically written off.

At September 30, 2014, net fines receivable is calculated as follows:

Gross fines receivable	\$2,740,794
Allowance for uncollectible fines	<u>( 2,514,302)</u>
Net fines receivable	<u>\$ 226,492</u>

Of the \$226,492 of net fines receivable at September 30, 2014, the County expects to collect approximately \$100,000 within a year. This is similar to the delinquent fines receivable collected in the current year.

**F. CAPITAL ASSETS**

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

<b>Governmental Activities:</b>	Balance <u>10/1/2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>9/30/2014</u>
Capital assets not being depreciated:				
Land	\$ 307,699	\$ -	\$ -	\$ 307,699
Capital assets being depreciated:				
Buildings and improvements	4,194,549	9,000	-	4,203,549
Infrastructure	13,234,266		-	13,234,266
Machinery and equipment	<u>5,946,868</u>	<u>1,885,142</u>	<u>( 1,645,925)</u>	<u>6,186,085</u>
Total capital assets being depreciated	<u>23,375,683</u>	<u>1,894,142</u>	<u>( 1,645,925)</u>	<u>23,623,900</u>
Less accumulated depreciation for:				
Buildings and improvements	1,999,506	89,202	-	2,088,708
Infrastructure	10,239,812	135,012	-	10,374,824
Machinery and equipment	<u>2,695,890</u>	<u>578,979</u>	<u>( 815,404)</u>	<u>2,459,465</u>
Total accumulated depreciation	<u>14,935,208</u>	<u>803,193</u>	<u>( 815,404)</u>	<u>14,922,997</u>
Total capital assets being depreciated, net	<u>8,440,475</u>	<u>1,090,949</u>	<u>( 830,521)</u>	<u>8,700,903</u>
Governmental activities capital assets, net	<u>\$ 8,748,174</u>	<u>\$1,090,949</u>	<u>(\$ 830,521)</u>	<u>\$ 9,008,602</u>

At September 30, 2014, machinery and equipment with a cost of \$2,089,344 and accumulated depreciation of \$278,893 is financed under capital leases.

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

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

Governmental activities:	
General government	\$ 28,254
Judicial	8,630
Financial	2,695
Public facilities	106,266
Public safety	52,252
Health and welfare	3,182
Conservation	7,629
Road and bridge	<u>594,285</u>

Total governmental depreciation \$803,193

Business-Type Activities:	Balance <u>10/1/2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>9/30/2014</u>
Capital assets not being depreciated:				
Land	\$ 33,137	\$ -	\$ -	\$ 33,137
Capital assets being depreciated:				
Buildings and improvements	1,077,614	-	-	1,077,614
Infrastructure	2,012,302	-	-	2,012,302
Machinery and equipment	<u>390,508</u>	<u>10,000</u>	-	<u>400,508</u>
Total capital assets being depreciated	<u>3,480,424</u>	<u>10,000</u>	-	<u>3,490,424</u>
Less accumulated depreciation for:				
Buildings and improvements	490,722	26,876	-	517,598
Infrastructure	1,677,590	50,307	-	1,727,897
Machinery and equipment	<u>249,338</u>	<u>27,533</u>	-	<u>276,871</u>
Total accumulated depreciation	<u>2,417,650</u>	<u>104,716</u>	-	<u>2,522,366</u>
Total capital assets being depreciated, net	<u>1,062,775</u>	( 94,716)	-	<u>968,058</u>
Business-type activities capital assets, net	<u>\$1,095,912</u>	(\$ 94,716)	\$ -	<u>\$1,001,195</u>

At September 30, 2014, machinery and equipment with a cost of \$114,500 and accumulated depreciation of \$38,167 is financed under capital leases.

**G. INTERFUND RECEIVABLES, PAYABLES, ADVANCES, AND TRANSFERS**

Balances due to and from other funds at September 30, 2014 were as follows:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Payable</u>	<u>Reason</u>
General Fund	Agency Funds	\$130,319	Short-term loan
Road & Bridge Fund	Agency Funds	45,520	Short-term loan
Other Governmental Funds	Agency Funds	10,693	Short-term loan
Agency Funds	Agency Funds	12,959	Short-term loan
Agency Funds	General Fund	3,709	Short-term loan
Agency Funds	Road & Bridge Fund	3,052	Short-term loan
Agency Funds	Other Governmental Funds	<u>330</u>	Short-term loan
	Total	<u>\$206,582</u>	

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

All of the above amounts are expected to be repaid within one year.

Interfund transfers during the year ended September 30, 2014 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Other Governmental Funds	\$ 5,000	Supplement other resources
General Fund	General Fund	165	Supplement other resources
Other Governmental Funds	General Fund	<u>7,843</u>	Supplement other resources
	Total	<u>\$13,008</u>	

**H. LONG-TERM LIABILITIES**

The County issues general obligation bonds, certificates of obligation bonds, notes payable and capital lease obligations to provide funds for the acquisition and construction of major capital facilities. These issues are direct obligations and pledge the full faith and credit of the County.

**Governmental Activities**

Changes in long-term liabilities for the year ended September 30, 2014 were as follows:

Governmental Activities:	Balance <u>10/1/2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>09/30/2014</u>	Due Within <u>One Year</u>
Capital lease obligations	\$414,270	\$469,940	\$155,955	\$728,255	\$150,890
Note payable	8,833	-	8,833	-	-
Compensated absences	68,012	85,963	80,503	73,472	73,472
Net other post-employment benefit obligation	<u>16,008</u>	<u>7,683</u>	<u>-</u>	<u>23,691</u>	<u>-</u>
Total long-term liabilities – governmental activities	<u>\$507,123</u>	<u>\$563,586</u>	<u>\$245,291</u>	<u>\$825,418</u>	<u>\$224,362</u>

For the governmental activities, compensated absences and other post-employment benefit obligations are generally liquidated by the General Fund.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

Capital Lease Obligations

Capital lease obligations at September 30, 2014 are as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Date of Lease</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/2014</u>
Excavator – Precinct #3	\$131,363	2/18/14	2/15/17	2.25%	\$ 97,472
Excavator – Precinct #1	73,876	2/18/14	2/15/17	2.25%	54,837
Wheel Loader – Precinct #4	105,942	2/18/14	12/15/17	2.25%	106,006
Mack Truck – Precinct #1	50,000	5/30/14	5/30/17	2.25%	50,000
Wheel Loader – Precinct #1	118,065	8/08/14	8/08/17	2.50%	118,065
Motor Grader – Precinct #1	46,315	8/08/14	8/08/17	2.50%	46,315
Motor Grader – Precinct #3	79,065	9/15/14	9/15/17	2.55%	79,065
Motor Grader – Precinct #3	79,065	9/15/14	9/15/17	2.55%	79,065
Motor Grader – Precinct #3	71,065	9/15/14	9/15/17	2.55%	71,065
Track Loader – Precinct #1	26,365	5/30/14	5/30/17	2.25%	<u>26,365</u>
<b>Total Capital Lease Obligations</b>					<u><b>\$728,255</b></u>

Capital lease obligation debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$150,890	\$11,678	\$162,568
2016	148,619	13,949	162,568
2017	401,460	11,584	413,044
2018	<u>27,286</u>	<u>614</u>	<u>27,900</u>
<b>Totals</b>	<u><b>\$728,255</b></u>	<u><b>\$37,825</b></u>	<u><b>\$766,080</b></u>

**Business-Type Activities**

Changes in long-term liabilities for the year ended September 30, 2014 were as follows:

	<u>Balance 10/1/2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 9/30/2014</u>	<u>Due Within One Year</u>
Capital lease obligation	\$ 68,582	\$ -	\$ 8,997	\$59,585	\$ 9,674
Compensated absences	<u>6,846</u>	<u>523</u>	<u>3,160</u>	<u>4,209</u>	<u>4,209</u>
<b>Total long-term liabilities – business-type activities</b>	<u><b>\$ 75,428</b></u>	<u><b>\$ 523</b></u>	<u><b>\$12,157</b></u>	<u><b>\$63,794</b></u>	<u><b>\$13,883</b></u>

Capital Lease Obligation

Capital lease obligation at September 30, 2014 is as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Date of Lease</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/2014</u>
Fuel Truck - Airport	\$ 59,585	2/18/14	11/15/19	2.25%	<u>\$59,585</u>

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

Capital lease obligation debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 9,674	\$ 992	\$10,666
2016	9,543	1,123	10,666
2017	9,758	908	10,666
2018	9,977	689	10,666
2019	10,202	464	10,666
2020	<u>10,431</u>	<u>235</u>	<u>10,666</u>
Total	<u>\$59,585</u>	<u>\$4,411</u>	<u>\$63,996</u>

**I. RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

**J. CONTINGENT LIABILITIES AND COMMITMENTS**

Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation

The County periodically is a defendant in various lawsuits. At September 30, 2014, the County is not aware of any pending litigation.

Trust Funds

The District Clerk has invested trust funds at various financial institutions in accordance with court orders. The County has a fiduciary responsibility over these funds until their final disposition.

TxDOT Grant

The County applied and was awarded the Texas Department of Transportation (TxDOT) grant under the County Transportation Infrastructure Fund Grant Program (Program), which was created by the 83rd Legislature in Senate Bill 1747, and is being administered by TxDot during the year ended September 30, 2014. The Program is for the planning for, administration of, construction of, reconstruction of or maintenance of transportation infrastructure, including roads, bridges and culverts, intended to alleviate degradation caused by the exploration, development or production of oil or gas. The grant award is \$684,931, of which the County will match \$136,986. The projects pursuant to this Program must be completed within two years from the approval of the projects by TxDot.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

**K. RETIREMENT PLAN**

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

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

2. Funding Policy

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 11.82% for the months of the accounting year in 2013, and 12.13% for the months of the accounting year in 2014.

The contribution rate payable by the employee members for calendar year 2014 is the rate of 7% as adopted by the Commissioners' Court of the County. The employee contribution rate and the County contribution rate may be changed by the Commissioners' Court of the County within the options available in the TCDRS Act.

3. Annual Pension Cost

The required contribution was determined as part of the December 31, 2013 actuarial valuation using the entry age 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 3.0 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 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.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

The County's annual pension cost and actual contributions for the years ended September 30, 2014, 2013 and 2012 were \$424,525, \$396,315 and \$365,546, respectively. The County did not have a Net Pension Obligation (NPO) at the end of any of those years.

4. Funding Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 81.71 percent funded. The actuarial accrued liability for benefits was \$12,010,813, and the actuarial value of assets was \$9,814,166, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,196,647. The covered payroll (annual payroll of active employees covered by the plan) was \$3,501,755, and the ratio of the UAAL to the covered payroll was 62.73 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

The County administers the Wilbarger County Retiree Health Care Plan for retired employees.

1. Plan Description

Any employee who meets the retirement eligibility requirements of the Texas County and District Retirement System, and who leaves the employ of the County may, upon retirement, elect to remain on the County's group medical. The retired employee may continue coverage for dependents as well. Premiums for the retired employee and any dependents are paid by the retired employee. Premiums are determined annually by estimating the amount needed to cover projected claims. The benefit is subject to annual appropriations by the Commissioners' Court.

2. Normal Retirement Benefits

Retirement benefits are a defined benefit plan under TCDRS (see note K). Members are eligible to retire under TCDRS at age 60 or more with 8 years of vested service, at any time with a minimum of 30 years of vested service, or any age plus years of service equaling 75.

3. Early Retirement Benefits

Members retiring under early retirement conditions (non-vested) are not eligible for retiree healthcare benefits.

4. Deferred Retirement Benefits

Members who may be vested and terminate employment, but do not apply for retirement benefits, are not eligible for retiree health care benefits.

5. Benefits for Spouses / Children of Retired Employees

Wilbarger County retirees who continue health care insurance coverage with the County may also continue to cover their eligible dependents should they choose to do so. Children of retirees are eligible to continue to receive health care benefits until age 26, meeting the qualifications of dependent children described in the County's health care plan. Premiums for the retired employee's spouse / children will be paid by the retired employee.

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

6. Disability Retirement Benefits

If a member has 8 years or more of service and becomes disabled, the employee may be eligible for disability retirement. If a member has less than 8 years of service and the disability is work-related, the member may be eligible for disability retirement.

7. Funding Policy and Annual OPEB Cost

The County's annual other post-employment benefits (OPEB) cost is based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The County had its first OPEB actuarial valuation performed as required by GASB for the year ended September 30, 2010 and was updated for the years ended September 30, 2011 and 2012. The County's OPEB cost for the years ended September 30, 2011, 2012, and 2013 was as follows:

	<u>9/30/12</u>	<u>9/30/13</u>	<u>9/30/14</u>
Annual Required Contribution	\$ 8,090	\$ 8,824	\$ 8,947
Interest on prior year OPEB obligation	317	529	720
Amortization of prior year OPEB obligation	( 422)	( 706)	( 961)
Annual OPEB cost (expense) end of year	7,985	8,647	8,706
Net estimated retiree cost	( 3,265)	( 4,393)	( 1,023)
Increase (decrease) in net OPEB obligation	4,720	4,254	7,683
Net OPEB obligation – beginning of year	<u>7,034</u>	<u>11,754</u>	<u>16,008</u>
Net OPEB obligation – end of year	<u>\$11,754</u>	<u>\$16,008</u>	<u>\$23,691</u>

8. Schedule of Actuarial Liabilities and Funding Status

Actuarial Valuation Date	9/30/14
Actuarial Value of Assets	\$ -
Actuarial Accrued Liabilities	\$80,204
Unfunded Actuarial Accrued Liability (UAAL)	\$80,204
Funded Ratio	0.00%
Annual Covered Payroll	N/A *
UAAL as a Percentage of Annual Covered Payroll	N/A *

\* Actuarial valuation was not prepared for September 30, 2014.

9. Actuarial Methods and Assumptions

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



**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

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

Investment Rate of Return	4.5%, net of expenses
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level dollar
Amortization Period	Open 30 year period
Medical Trend	Level 5.0%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the profitability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**M. FUND BALANCES**

The Governmental Funds' fund balances consisted of the following at September 30, 2014:

	General Fund	Road & Bridge	Other Governmental Funds	Total
Nonspendable:				
Inventories	\$ 16,473	\$ 37,799	\$ -	\$ 54,272
Prepaid items	<u>71,716</u>	<u>17,392</u>	<u>-</u>	<u>89,108</u>
Total nonspendable	<u>88,189</u>	<u>55,191</u>	<u>-</u>	<u>143,380</u>
Restricted:				
Special services	-	-	296,752	296,752
Jury duty	<u>-</u>	<u>-</u>	<u>1,464</u>	<u>1,464</u>
Total restricted	<u>-</u>	<u>-</u>	<u>298,216</u>	<u>298,216</u>
Committed:				
Road and bridge	-	1,576,896	-	1,576,896
Capital projects	<u>-</u>	<u>-</u>	<u>103,571</u>	<u>103,571</u>
Total committed	<u>-</u>	<u>1,576,896</u>	<u>103,571</u>	<u>1,680,467</u>
Assigned:				
Deficit budget for 2014-15	<u>75,546</u>	<u>-</u>	<u>-</u>	<u>75,546</u>
Unassigned	<u>2,710,605</u>	<u>-</u>	<u>-</u>	<u>2,710,605</u>
Total fund balances	<u>\$2,874,340</u>	<u>\$1,632,087</u>	<u>\$401,787</u>	<u>\$4,908,214</u>

**WILBARGER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)**  
**SEPTEMBER 30, 2014**

**N. SUBSEQUENT EVENT**

The County applied for and was awarded a TxDot grant for reconstructing and/or rehabilitating the existing pavements at the airport, add a connecting taxiway, and replacing and upgrading the runway lights and navigation aids. The grant award is \$5,429,700, of which the County will match \$542,970. The various projects pursuant to this grant are anticipated to be completed within three years.

**O. NEW PRONOUNCEMENT**

In June 2012, GASB issued Statement No. 68 to amend Statements 27 and 50. The statement is effective for fiscal years beginning after June 15, 2014 and addresses accounting and financial reporting for pensions that are provided to the employees of state and local government employers. This statement will affect the County's reporting of its governmental activities on the government-wide statements as of and for the year ended September 30, 2015, although the impact of applying the statement is unknown.

## *REQUIRED SUPPLEMENTARY INFORMATION*

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**WILBARGER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 2,895,959	\$ 2,895,959	\$ 2,920,777	\$ 24,818
Sales taxes	730,000	730,000	661,130	(68,870)
Fees and commissions	1,050,350	1,050,350	874,819	(175,531)
Fines and forfeitures	150,000	150,000	146,235	(3,765)
Intergovernmental	151,363	151,363	146,486	(4,877)
Investment return	60,000	60,000	19,397	(40,603)
Miscellaneous	110,600	105,600	109,227	3,627
Total revenues	<u>5,148,272</u>	<u>5,143,272</u>	<u>4,878,071</u>	<u>(265,201)</u>
<b>Expenditures</b>				
Current:				
General government:				
County Judge	203,240	213,240	192,664	20,576
County Clerk	262,556	262,556	252,109	10,447
Veterans service	11,800	11,800	10,557	1,243
Non-departmental	497,625	556,625	581,080	(24,455)
Total General government	<u>975,221</u>	<u>1,044,221</u>	<u>1,036,410</u>	<u>7,811</u>
Judicial:				
Law library	3,635	25,721	26,244	(523)
Justice of the Peace #1	101,428	108,928	109,472	(544)
Justice of the Peace #2	118,768	126,268	127,234	(966)
District Attorney	210,290	210,290	211,073	(783)
District Clerk	158,955	188,955	183,987	4,968
District Court	273,320	273,320	256,694	16,626
Total Judicial	<u>866,396</u>	<u>933,482</u>	<u>914,704</u>	<u>18,778</u>
Legal:				
County Attorney	<u>201,707</u>	<u>203,707</u>	<u>202,087</u>	<u>1,620</u>
Financial:				
Tax Collector	281,820	281,820	277,047	4,773
Treasurer	73,438	73,438	69,810	3,628
County Auditor	156,704	156,704	148,978	7,726
Total Financial	<u>511,962</u>	<u>511,962</u>	<u>495,835</u>	<u>16,127</u>
Public facilities:				
Courthouse	176,935	195,935	196,426	(491)
Jail	804,785	844,785	794,187	50,598
Auditorium	321,670	321,670	350,181	(28,511)
Exhibit building	24,500	26,500	26,360	140
Arena	126,840	144,340	146,944	(2,604)
Total Public facilities	<u>1,454,730</u>	<u>1,533,230</u>	<u>1,514,098</u>	<u>19,132</u>

**WILBARGER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Public Safety:				
Constable #1	65,525	65,525	66,249	(724)
Constable #2	57,402	60,402	60,832	(430)
Juvenile probation	30,633	30,332	29,803	529
Sheriff	605,031	605,031	613,033	(8,002)
Civil defense	20,000	20,000	16,259	3,741
Department of Public Safety	2,500	3,100	3,077	23
Community supervision	1,000	1,000	3	997
Total Public Safety	<u>782,091</u>	<u>785,390</u>	<u>789,256</u>	<u>(3,866)</u>
Health and Welfare:				
Health and welfare	91,935	99,935	105,724	(5,789)
Outreach services	46,205	46,205	39,977	6,228
Total Health and Welfare	<u>138,140</u>	<u>146,140</u>	<u>145,701</u>	<u>439</u>
Conservation:				
Extension service	145,559	145,559	146,673	(1,114)
Total expenditures	<u>5,075,806</u>	<u>5,303,691</u>	<u>5,244,764</u>	<u>58,927</u>
Excess of revenues over (under) expenditures	<u>72,466</u>	<u>(160,419)</u>	<u>(366,693)</u>	<u>(206,274)</u>
Other sources (uses):				
Transfers in	-	-	8,008	(8,008)
Transfers out	(100,000)	(41,000)	(5,165)	(35,835)
Proceeds from sale of capital assets	-	-	10,000	(10,000)
Total other sources (uses)	<u>(100,000)</u>	<u>(41,000)</u>	<u>12,843</u>	<u>(53,843)</u>
Net change in fund balances	(27,534)	(201,419)	(353,850)	(152,431)
Fund balances, beginning of year	<u>3,228,190</u>	<u>3,228,190</u>	<u>3,228,190</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,200,656</u>	<u>\$ 3,026,771</u>	<u>\$ 2,874,340</u>	<u>\$ (152,431)</u>

**WILBARGER COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 1,976,384	\$ 1,976,384	\$ 1,994,948	\$ 18,564
Fees and commissions	555,000	555,000	538,462	(16,538)
Intergovernmental	20,000	20,000	19,702	(298)
Investment return	25,000	25,000	9,374	(15,626)
Miscellaneous	10,000	10,000	2,566	(7,434)
Total revenues	<u>2,586,384</u>	<u>2,586,384</u>	<u>2,565,052</u>	<u>(21,332)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Road and bridge administration	47,900	47,900	15,218	32,682
Total General government	<u>47,900</u>	<u>47,900</u>	<u>15,218</u>	<u>32,682</u>
Road and Bridge:				
Precinct Number One	741,425	1,150,375	1,107,416	42,959
Precinct Number Two	719,485	784,485	759,150	25,335
Precinct Number Three	675,958	1,404,958	1,348,492	56,466
Precinct Number Four	668,540	668,540	582,004	86,536
Total Road and Bridge	<u>2,805,408</u>	<u>4,008,358</u>	<u>3,797,062</u>	<u>211,296</u>
Debt service:				
Principal	166,825	166,825	172,294	(5,469)
Interest	13,945	13,945	7,530	6,415
Total Debt Service	<u>180,770</u>	<u>180,770</u>	<u>179,824</u>	<u>946</u>
Total expenditures	<u>3,034,078</u>	<u>4,237,028</u>	<u>3,992,104</u>	<u>244,924</u>
Excess of revenues over (under) expenditures	<u>(447,694)</u>	<u>(1,650,644)</u>	<u>(1,427,052)</u>	<u>223,592</u>
Other financing sources (uses):				
Proceeds from capital leases	-	469,750	469,450	(300)
Sale of capital assets	371,000	1,009,200	1,056,679	47,479
Total other financing sources (uses)	<u>371,000</u>	<u>1,478,950</u>	<u>1,526,129</u>	<u>47,179</u>
Net change in fund balances	(76,694)	(171,694)	99,077	270,771
Fund balances - beginning	1,533,010	1,533,010	1,533,010	-
Fund balances - ending	<u>\$ 1,456,316</u>	<u>\$ 1,361,316</u>	<u>\$ 1,632,087</u>	<u>\$ 270,771</u>

**WILBARGER COUNTY, TEXAS**  
**NOTES TO BUDGETARY COMPARISON SCHEDULES**  
**YEAR ENDED SEPTEMBER 30, 2014**

**A. BUDGETARY INFORMATION**

Annual budgets are adopted on the GAAP basis of accounting for all governmental funds except capital project funds. Project-length budgets were adopted for all capital projects funds. All annual appropriations lapse at fiscal year end.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available fund balance.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. No amendments may be made without Commissioners' Court approval to the total budget for each department within a fund. Thus, the legal level of budgetary control is at the department level. No supplemental appropriations were required during the year.

Encumbrance accounting is not employed by the County because it is not considered necessary to assure effective budgetary control.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended September 30, 2014, expenditures exceeded appropriations in the following:

General Fund:	
Non-departmental	\$24,455
Law library	523
Justice of the Peace #1	544
Justice of the Peace #2	966
District Attorney	783
Courthouse	491
Auditorium	28,511
Arena	2,604
Constable #1	724
Constable #2	430
Sheriff	8,002
Health and Welfare	5,789
Extension Service	1,114
Road and Bridge Fund:	
Debt Service – Principal	5,469

These over-expenditures were funded by available fund balance.

**WILBARGER COUNTY, TEXAS**  
**SCHEDULE OF FUNDING PROGRESS -**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$ 8,316,497	\$ 10,392,166	\$ 2,075,669	80.03%	\$ 3,310,321	62.70%
12/31/2012	8,847,287	11,027,163	2,179,876	80.23%	3,428,852	63.57%
12/31/2013	9,814,166	12,010,813	2,196,647	81.71%	3,501,755	62.73%



**WILBARGER COUNTY, TEXAS**  
**SCHEDULE OF FUNDING PROGRESS -**  
**WILBARGER COUNTY RETIREE HEALTH CARE PLAN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
9/30/2011	\$ -	\$ 71,680	\$ 71,680	0.00%	\$ 3,329,470	2.15%
9/30/2012	-	80,956	80,956	0.00%	3,383,011	2.39%

Note: The actuarial analysis is only prepared every third year; therefore, the above information for 9/30/2013 and 9/30/2014 are not available.

***COMBINING STATEMENTS AND BUDGET COMPARISONS  
AS SUPPLEMENTARY INFORMATION***

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Jury Fund – This fund is used to account for the cost of providing jury service for county and district courts.

Special Services Fund – This fund is used to account for special fees with specific purposes as set out by state legislation. Funding is provided by those specific fees.

Grant Fund – This fund is used to account for various individual grants received by Wilbarger County.

Juvenile Services Fund – This fund is used to account for the services of the 46th Juvenile Justice District and the related reimbursements received from the state. This fund is not budgeted.

### **CAPITAL PROJECTS FUND**

Capital Projects Fund – This fund is used to account for the accumulation of resources for, and the payment of capital projects.

**WILBARGER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
	Jury Fund	Special Services Fund	Grant Fund	Juvenile Services Fund		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,464	\$ 286,944	\$ -	\$ -	\$ 103,571	\$ 391,979
Receivables (net of allowances for uncollectibles):						
Fines	-	8,894	-	-	-	8,894
Intergovernmental	-	-	-	-	-	-
Due from other funds	-	10,693	-	-	-	10,693
Total assets	<u>\$ 1,464</u>	<u>\$ 306,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,571</u>	<u>\$ 411,566</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 555	\$ -	\$ -	\$ -	\$ 555
Due to other funds	-	330	-	-	-	330
Total liabilities	<u>-</u>	<u>885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>885</u>
Deferred inflows of resources:						
Unavailable revenues	-	8,894	-	-	-	8,894
Fund balances:						
Restricted	1,464	296,752	-	-	-	298,216
Committed	-	-	-	-	103,571	103,571
Total fund balances	<u>1,464</u>	<u>296,752</u>	<u>-</u>	<u>-</u>	<u>103,571</u>	<u>401,787</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,464</u>	<u>\$ 306,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,571</u>	<u>\$ 411,566</u>

**WILBARGER COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit A-5)
	Jury Fund	Special Services Fund	Grant Fund	Juvenile Services Fund		
<b>Revenues</b>						
Fees and commissions	\$ -	\$ 88,055	\$ -	\$ -	\$ -	\$ 88,055
Fines and forfeitures	-	59,390	-	-	-	59,390
Intergovernmental	1,632	-	21,759	197,194	-	220,585
Investment return	7	728	-	-	299	1,034
Total revenues	<u>1,639</u>	<u>148,173</u>	<u>21,759</u>	<u>197,194</u>	<u>299</u>	<u>369,064</u>
<b>Expenditures</b>						
Current:						
General government	-	116,288	-	-	-	116,288
Judicial	-	-	21,759	-	-	21,759
Legal	7,354	-	-	-	-	7,354
Public safety	-	-	-	197,194	-	197,194
Total expenditures	<u>7,354</u>	<u>116,288</u>	<u>21,759</u>	<u>197,194</u>	<u>-</u>	<u>342,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,715)</u>	<u>31,885</u>	<u>-</u>	<u>-</u>	<u>299</u>	<u>26,469</u>
Other sources (uses):						
Transfers in	5,000	-	-	-	-	5,000
Transfers out	-	(7,843)	-	-	-	(7,843)
Total other sources (uses)	<u>5,000</u>	<u>(7,843)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,843)</u>
Net change in fund balances	(715)	24,042	-	-	299	23,626
Fund balances, beginning of year	2,179	272,710	-	-	103,272	378,161
Fund balances, end of year	<u>\$ 1,464</u>	<u>\$ 296,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,571</u>	<u>\$ 401,787</u>

**WILBARGER COUNTY, TEXAS**  
**JURY FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,500	\$ 1,500	\$ 1,632	\$ 132
Investment return	50	50	7	(43)
Total revenues	<u>1,550</u>	<u>1,550</u>	<u>1,639</u>	<u>89</u>
<b>Expenditures</b>				
Current:				
Legal	<u>15,900</u>	<u>15,900</u>	<u>7,354</u>	<u>8,546</u>
Excess of revenues over (under) expenditures	(14,350)	(14,350)	(5,715)	8,635
Other source:				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>5,000</u>	<u>(5,000)</u>
Net change in fund balances	(4,350)	(4,350)	(715)	3,635
Fund balances, beginning of year	2,179	2,179	2,179	-
Fund balances, end of year	<u>\$ (2,171)</u>	<u>\$ (2,171)</u>	<u>\$ 1,464</u>	<u>\$ 3,635</u>

**WILBARGER COUNTY, TEXAS**  
**SPECIAL SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees and commissions	\$ 71,000	\$ 71,000	\$ 88,055	\$ 17,055
Investment return	1,000	1,000	59,390	58,390
Miscellaneous	-	-	728	728
Total revenues	<u>72,000</u>	<u>72,000</u>	<u>148,173</u>	<u>76,173</u>
<b>Expenditures</b>				
Current:				
General government	<u>91,000</u>	<u>91,000</u>	<u>116,288</u>	<u>(25,288)</u>
Excess of revenues over (under) expenditures	(19,000)	(19,000)	31,885	50,885
Other use:				
Transfers out	<u>-</u>	<u>-</u>	<u>(7,843)</u>	<u>(7,843)</u>
Net change in fund balances	(19,000)	(19,000)	24,042	43,042
Fund balances, beginning of year	272,710	272,710	272,710	-
Fund balances, end of year	<u>\$ 253,710</u>	<u>\$ 253,710</u>	<u>\$ 296,752</u>	<u>\$ 43,042</u>

**WILBARGER COUNTY, TEXAS**  
**GRANT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 21,759	\$ 6,759
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>21,759</u>	<u>6,759</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	15,000	15,000	21,759	(6,759)
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>21,759</u>	<u>(6,759)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**WILBARGER COUNTY, TEXAS**  
**JUVENILE SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 189,167	\$ 189,167	\$ 197,194	\$ 8,027
Total revenues	<u>189,167</u>	<u>189,167</u>	<u>197,194</u>	<u>8,027</u>
<b>Expenditures</b>				
Current:				
Public safety	189,167	189,167	197,194	(8,027)
Total expenditures	<u>189,167</u>	<u>189,167</u>	<u>197,194</u>	<u>(8,027)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WILBARGER COUNTY, TEXAS**  
**CAPITAL PROJECTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment return	\$ 300	\$ 300	\$ 299	\$ (1)
Total revenues	<u>300</u>	<u>300</u>	<u>299</u>	<u>(1)</u>
<b>Expenditures</b>				
Current:				
Public facilities	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	300	300	299	(1)
Fund balances, beginning of year	103,272	103,272	103,272	-
Fund balances, end of year	<u>\$ 103,572</u>	<u>\$ 103,572</u>	<u>\$ 103,571</u>	<u>\$ (1)</u>

## FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, or other governments.

Tax Assessor/Collector Agency – This fund is used to account for receipts of the tax assessor/collector pending disposition to individuals and entities, the County and other governments.

County Clerk Agency – This fund is used to account for receipts of the county clerk pending disposition to individuals and entities, the County or other governments.

Sheriff Agency – This fund is used to account for receipts of the sheriff pending disposition to individuals and entities, the County or other governments.

County Attorney Agency – This fund is used to account for receipts of the county attorney pending disposition to individuals and entities, the County or other governments.

Justice of the Peace Fee Account Agency – This fund is used to account for receipts of fines and court costs by two justices of the peace pending disposition to individuals and entities, the County or other governments.

District Clerk Agency – This fund is used to account for receipts of the District Clerk pending disposition to individuals and entities, the County or other governments.

District Attorney Agency – This fund is used to account for receipts of the District Attorney pending disposition to individuals and entities, the County or other governments.

Constable #1 Agency – This fund is used to account for training funds of Constable #1 pending disposition to individuals and others.

Constable #2 Agency – This fund is used to account for training funds of Constable #2 pending disposition to individuals and others.

State Tax Agency – This fund is used to account for receipts for state court costs and fees pending disposition to individuals and entities, the County or other governments.

Jail Commissary Agency – This fund is used to account for the activity of the jail commissary.

Christmas Club Account Agency – This fund is used as a savings account for the receipts withheld from employees' regular paychecks and held pending yearly distribution to the employees from which it was withheld.

Juvenile Probation Account – This fund is used to account for funds held related to juvenile probation.

Historical Commission Account – This fund is used to account for funds held related to the Historical Commission.

**WILBARGER COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2014**

	Tax Assessor/ Collector Agency	County Clerk Agency	Sheriff Agency	County Attorney Agency	Justice of the Peace Fee Account
<b>ASSETS</b>					
Cash and cash equivalents	\$ 706,063	\$ 63,342	\$ 17,677	\$ 27,603	\$ 35,777
Investments	-	35,629	-	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 706,063</b>	<b>\$ 98,971</b>	<b>\$ 17,677</b>	<b>\$ 27,603</b>	<b>\$ 35,777</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	110,459	33,643	1,071	-	34,910
Due to other governments	595,604	-	-	-	-
Due to others	-	65,328	16,606	27,603	867
<b>Total liabilities</b>	<b>\$ 706,063</b>	<b>\$ 98,971</b>	<b>\$ 17,677</b>	<b>\$ 27,603</b>	<b>\$ 35,777</b>

<u>District Clerk Agency</u>	<u>District Attorney</u>	<u>Constable #1</u>	<u>Constable #2</u>	<u>State Tax Agency</u>	<u>Jail Commissary</u>
\$ 421,162	\$ 11,689	\$ 420	\$ 1,210	\$ 44,367	\$ 122
153,841	-	-	-	-	-
-	-	-	-	20,050	-
<u>\$ 575,003</u>	<u>\$ 11,689</u>	<u>\$ 420</u>	<u>\$ 1,210</u>	<u>\$ 64,417</u>	<u>\$ 122</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,748	\$ -
9,777	3,095	100	-	6,191	245
-	-	-	-	55,478	-
565,226	8,594	320	1,210	-	(123)
<u>\$ 575,003</u>	<u>\$ 11,689</u>	<u>\$ 420</u>	<u>\$ 1,210</u>	<u>\$ 64,417</u>	<u>\$ 122</u>

**WILBARGER COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2014**

	Christmas Club Account Agency	Juvenile Probation Account	Historical Commission	Total Agency Funds (See Exhibit A-10)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 83,012	\$ 213,420	\$ 17,779	\$ 1,643,643
Investments	-	-	-	189,470
Due from other funds	-	-	-	20,050
Total assets	<u>\$ 83,012</u>	<u>\$ 213,420</u>	<u>\$ 17,779</u>	<u>\$ 1,853,163</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,748
Due to other funds	-	-	-	199,491
Due to other governments	-	-	-	651,082
Due to others	83,012	213,420	17,779	999,842
Total liabilities	<u>\$ 83,012</u>	<u>\$ 213,420</u>	<u>\$ 17,779</u>	<u>\$ 1,853,163</u>