

CORYELL COUNTY, TEXAS

FINANCIAL
STATEMENTS

AND

INDEPENDENT AUDITOR'S
REPORT

YEAR ENDED

SEPTEMBER 30, 2014

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CORYELL COUNTY, TEXAS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge and
Members of the Commissioners Court of
Coryell County, Texas:

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coryell 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

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Coryell County, Texas, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–8 and 27-28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Coryell County, Texas' basic financial statements. The other supplementary schedules on pages 29-39 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary schedules 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 my opinion, the other supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 20, 2015, on my consideration of the Coryell County, Texas' internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coryell County, Texas' internal control over financial reporting and compliance.



BECKY ROBERTS, CPA

Abilene, Texas
March 20, 2015

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

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

Financial Highlights

Government-Wide Financial Statements

- The assets of Coryell County exceeded its liabilities at the close of the most recent fiscal year by \$15,647,876 (net position). Of this amount, \$5,872,723 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. \$2,327,705 of the County's equity is restricted for debt service, capital improvement, and special revenue funds, and \$7,447,448 is invested in capital assets, net of related debt.
- The County's total debt outstanding at September 30, 2014 is \$1,274,036.
- The total net position (*equity*) of the County increased by \$545,291 during the 2014 fiscal year.

Fund Financial Statements

- As of the close of the current fiscal year, Coryell County's governmental funds reported combined ending fund balances of \$7,990,043. Approximately 68% of the total fund balance amount, \$5,463,693, is unassigned and available for spending at the government's discretion. The fund balance in the general fund reflects an increase of \$158,704 from the prior year.
- At the end of the current fiscal year, restricted fund balance for debt service, capital improvement and special revenue funds was \$2,297,771, which is an increase of \$216,083 from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The statement of net position presents information on all of Coryell 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 Coryell 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements reflect functions of Coryell County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Coryell County include general administration, judicial, legal, financial administration, public facilities, public safety, health and welfare, conservation, other supported services, and road and bridge. The government-wide financial statements can be found on pages 9-10 of this report.

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Fund Financial Statements

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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 on governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Coryell County has four governmental fund types which are the general fund, special revenue funds, debt service fund and capital projects fund. 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 and the debt service fund, which are considered to be major funds. Data from the other non-major governmental funds are combined into the aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 11-14 of this report.

Coryell County adopts an annual appropriated budget for its general fund, road and bridge fund, debt service fund, and various other special revenue funds. A budgetary comparison statement has been provided for the general fund and the debt service fund to demonstrate compliance with these budgets on pages 27-28.

Fiduciary funds. Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other governmental units. The County's fiduciary funds are all reported as Agency Funds. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's basic programs. The basic agency fund financial statement can be found on page 15, and the schedule of changes in the agency assets and liabilities can be found on pages 38-39 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-26 of this report.

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 29-36 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Coryell County, assets exceeded liabilities by \$15,647,876 at the close of the most recent fiscal year.

Coryell County's net position reflect its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is outstanding of \$7,447,448. Coryell County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Coryell County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Coryell County's Net Position

	Governmental Activities	
	2014	2013
Current assets	\$ 8,783,138	\$ 8,411,699
Capital assets	8,721,484	8,897,334
Total Assets	17,504,622	17,309,033
Current liabilities	582,710	595,406
Long-term liabilities	1,274,036	1,611,042
Total Liabilities	1,856,746	2,206,448
Net investment in capital assets	7,447,448	7,286,292
Restricted	2,327,705	2,106,240
Unrestricted	5,872,723	5,710,053
Total net position	\$ 15,647,876	\$ 15,102,585

The government's net position increased by \$545,291 during the current fiscal year.

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Coryell County's Changes in Net Position

	Governmental Activities	
	2014	2013
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,857,401	\$ 2,851,605
Operating Grants and Contributions	813,105	700,123
Capital Grants and Contributions		
General Revenues		
Property and Other Taxes	11,760,577	11,542,639
Investment Income	49,388	47,503
Gain (loss) on disposal of assets	5,910	
Miscellaneous Income	140,724	97,778
Total Revenues	15,627,105	15,239,648
Expenses		
General Administration	1,397,851	1,241,390
Judicial	1,989,905	1,836,154
Legal	991,526	945,371
Financial Administration	977,804	1,010,115
Public Facilities	2,634,749	3,015,991
Public Safety	2,931,333	2,871,438
Health and Welfare	922,019	916,475
Conservation	136,573	134,771
Other Supported Services	672,281	657,711
Road and Bridge	2,399,077	2,369,909
Interest on Long-term Debt	28,696	25,503
Total expenditures	15,081,814	15,024,828
Increase in net assets	545,291	214,820
Net Assets - Beginning of Year	15,102,585	14,887,765
Net Assets - End of Year	\$ 15,647,876	\$ 15,102,585

FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS

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

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

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

As of the end of the current fiscal year, Coryell County's governmental funds reported combined ending fund balances of \$7,990,043. Approximately 68 percent of this total amount, \$5,463,693 constitutes unassigned fund balance, which is available for spending at the government's discretion. Nonspendable fund balance for prepaid assets is \$228,579 at year end, and the remainder of fund balance is restricted for capital improvements, special revenue and debt service purposes to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the County. \$5,463,693 of the general fund's fund balance is unassigned. The unassigned fund balance represents 47% of the total general fund expenditures or approximately 5 1/2 months of operating equity.

Fund Budgetary Highlights

The amended budget for the General Fund reflects a deficit of \$1,048,352, which would draw upon the fund balance. Budget amendments to expenditures were made during the year within the general fund departments. The actual expenditures were \$1,177,716 less than the final budgeted amounts, and actual revenues were \$48,899 more than was budgeted. This resulted in a favorable budget variance of \$1,226,615 before other financing sources and uses.

In the Debt Service fund, the original and amended budgets reflect a decrease in fund balance of \$15,818. The actual expenditures were the same as the budgeted amounts, and actual revenues were \$3,887 more than was budgeted. This resulted in a favorable budget variance of \$3,887.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Coryell County's investment in capital assets for its governmental activities as of September 30, 2014, amounts to \$8,721,484 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, and infrastructure.

**Coryell County's Capital Assets
(net of depreciation)**

	Governmental Activities	
	2014	2013
Land	\$ 11,634	\$ 11,634
Buildings and improvements	4,066,711	4,097,525
Machinery and equipment	661,426	950,555
Vehicles	618,427	398,636
Infrastructure	3,363,286	3,438,984
Total	\$ 8,721,484	\$ 8,897,334

**CORYELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Capital Assets - Continued

Current year additions to capital outlays amounted to \$606,092 and \$263,788 of capital assets were disposed of. Depreciation expense was \$700,410 and 759,610 for the years ended September 30, 2014 and 2013, respectively.

Debt Administration

- **Notes Payable.** The County obtained \$207,558 in new debt during the current year to finance the purchase of sheriff vehicles. \$544,564 was paid during the year on the County's outstanding debt, and the balance of the County's notes payables at September 30, 2014 and 2013 was \$1,274,036 and \$1,611,042, respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The tax rate for the 2015 fiscal year was increased from the prior year rate of .4492 per \$100 valuation to .4592 per \$100 valuation.
- The County's 2015 fiscal year general fund budget proposed an increase in total budgeted revenues of approximately \$694,000 or a 6% increase, and the budgeted expenditures were also increased approximately \$630,000 or a 5% increase.

Requests for Information

This financial report is designed to provide a general overview of Coryell County's finances for 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 Coryell County Auditor, 800 E. Main, Suite A, Gatesville, Texas 76528.

BASIC FINANCIAL STATEMENTS

CORYELL COUNTY, TEXAS
STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS:	
Cash and cash investments	\$ 6,125,626
Investments	1,189,782
Receivables:	
Property tax, net	245,431
Sales tax	328,677
Fines, net	418,410
Intergovernmental	246,633
Prepaid insurance	228,579
Capital assets net of accumulated depreciation	<u>8,721,484</u>
 TOTAL ASSETS	 <u>17,504,622</u>
 LIABILITIES:	
Accounts payable	197,056
Deposits payable	154,717
Due to state	98,452
Compensated absences	120,241
Accrued interest payable	12,244
Noncurrent liabilities:	
Due in one year	360,149
Due in more than one year	<u>913,887</u>
 TOTAL LIABILITIES	 <u>1,856,746</u>
 NET POSITION:	
Net investment in capital assets	7,447,448
Restricted for debt service	55,248
Restricted for special revenue and capital improvements	2,272,457
Unrestricted	<u>5,872,723</u>
 TOTAL NET POSITION	 <u>\$ 15,647,876</u>

The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Function/Program	Expenses	Program Revenues		Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General administration	\$ 1,397,851	\$ 463,597	\$ 17,192	\$ (917,062)
Judicial	1,989,905	642,338	86,280	(1,261,287)
Legal	991,526	54,582	129,806	(807,138)
Financial administration	977,804	388,561	4,000	(585,243)
Public facilities	2,634,749	35,060		(2,599,689)
Public safety	2,931,333	229,069	109,186	(2,593,078)
Health and welfare	922,019		303,022	(618,997)
Conservation	136,573			(136,573)
Other supported services	672,281		127,660	(544,621)
Road and bridge	2,399,077	1,044,194	35,959	(1,318,924)
Interest on long-term debt	28,696			(28,696)
Total governmental activities	<u>15,081,814</u>	<u>2,857,401</u>	<u>813,105</u>	<u>(11,411,308)</u>
Total primary government	<u>\$ 15,081,814</u>	<u>\$ 2,857,401</u>	<u>\$ 813,105</u>	<u>\$ (11,411,308)</u>
General revenues:				
Property taxes				9,811,556
Sales tax				1,949,021
Investment income				49,388
Gain on disposal of assets				5,910
Miscellaneous income				140,724
Total general revenues				<u>11,956,599</u>
Change in net position				545,291
Net position - beginning of year				<u>15,102,585</u>
Net position - end of year				<u>\$ 15,647,876</u>

The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash investments	\$ 3,806,542	\$ 55,248	\$ 2,263,836	\$ 6,125,626
Investments	1,189,782			1,189,782
Receivables:				
Property tax, net	245,431			245,431
Sales tax	328,677			328,677
Fines, net	418,410			418,410
Intergovernmental	57,313		189,320	246,633
Prepaid insurance	198,645		29,934	228,579
TOTAL ASSETS	\$ 6,244,800	\$ 55,248	\$ 2,483,090	\$ 8,783,138
 LIABILITIES				
Accounts payable	\$ 86,423	\$	\$ 110,633	\$ 197,056
Deposits payable	54,717		100,000	154,717
Due to state	98,452			98,452
Compensated absences	120,241			120,241
TOTAL LIABILITIES	359,833		210,633	570,466
 DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	222,629			222,629
TOTAL DEFERRED INFLOWS	222,629			222,629
 FUND BLANCE				
Nonspendable for prepaids	198,645		29,934	228,579
Restricted for debt service		55,248		55,248
Restricted for special revenue and capital			2,242,523	2,242,523
Unassigned	5,463,693			5,463,693
TOTAL FUND BALANCE	5,662,338	55,248	2,272,457	7,990,043
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 6,244,800	\$ 55,248	\$ 2,483,090	\$ 8,783,138

The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

Total Fund Balances - Governmental Funds	\$ 7,990,043
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. The net effect is an increase in net position.	8,721,484
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Other long-term assets are not available to pay for current-period expenditures, therefore, are deferred in the governmental funds. Deferred revenue is recognized in the government-wide financial statements. This results in an increase in net position.	222,629
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The net effect is a decrease in net position.	<u>(1,286,280)</u>
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Net Position of Governmental Activities	<u>\$ 15,647,876</u>
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The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	\$ 7,488,799	\$ 563,071	\$ 1,758,117	\$ 9,809,987
Sales tax	1,949,021			1,949,021
Licenses and permits			990,908	990,908
Fees and charges for services	889,180		351,142	1,240,322
Intergovernmental	507,778		305,327	813,105
Investment earnings	49,009		379	49,388
Other miscellaneous	282,663		67,293	349,956
Fines, forfeitures and settlements	416,939			416,939
	11,583,389	563,071	3,473,166	15,619,626
EXPENDITURES:				
Current:				
General administration	1,153,712		137,300	1,291,012
Judicial	1,937,923		51,982	1,989,905
Legal	828,947		160,016	988,963
Financial administration	970,323		7,481	977,804
Public facilities	2,290,486		334,263	2,624,749
Public safety	2,448,720		186,959	2,635,679
Health and welfare	901,102		20,917	922,019
Conservation	136,573			136,573
Other supported services	661,614			661,614
Road and bridge			2,048,692	2,048,692
Debt service		575,657		575,657
Capital outlay	320,444		285,648	606,092
	11,649,844	575,657	3,233,258	15,458,759
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(66,455)	(12,586)	239,908	160,867
OTHER FINANCING SOURCES (USES):				
Transfers in	38,883		31,282	70,165
Transfers out	(21,282)		(48,883)	(70,165)
Proceeds from financing agreements	207,558			207,558
Proceeds from sale of property			11,744	11,744
Total Other Financing Sources (Uses)	225,159		(5,857)	219,302
CHANGE IN FUND BALANCE	158,704	(12,586)	234,051	380,169
FUND BALANCE - BEGINNING OF YEAR	5,503,634	67,834	2,038,406	7,609,874
FUND BALANCE - END OF YEAR	\$ 5,662,338	\$ 55,248	\$ 2,272,457	\$ 7,990,043

The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Net Change in Fund Balances - Governmental Funds	\$	380,169
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Amounts reported for governmental activities in the statement of net position are different because:

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays net of disposals is to increase net position.		600,258
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Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of current year depreciation expense is to decrease net position.		(776,108)
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Revenue from property taxes and court fines recognized in the fund financial statements on the modified accrual basis but are recognized on the accrual basis in the government-wide financial statements. The net effect is to increase net position.		1,569
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Current year payments on long-term debt are expenditures in the fund financial statements, but are shown as reductions of the debt in the government-wide financial statements. The net effect is to increase net position.		546,961
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Current year proceeds from issuance of debt is not shown as revenue in the government-wide financial statements. The net effect is to decrease net position.		<u>(207,558)</u>
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Change in Net Position of Governmental Activities	\$	<u><u>545,291</u></u>
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The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS
BALANCE SHEET
FIDUCIARY FUNDS

SEPTEMBER 30, 2014

ASSETS	Agency Funds
Cash and cash investments held by:	
County Clerk	\$ 44,344
District Clerk	136,380
Justice of the Peace Pct #1	200
Justice of the Peace Pct #2	200
Justice of the Peace Pct #3	0
Justice of the Peace Pct #4	0
Jail	3,278
Sheriff	54,142
Tax Assessor Collector	600,068
Hot check fund	0
Investments held by:	
County Clerk	128,462
District Clerk	207,054
TOTAL ASSETS	\$ 1,174,128
LIABILITIES	
Due to others	\$ 1,174,128
TOTAL LIABILITIES	\$ 1,174,128

The accompanying notes are an integral part of this statement.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The authority of county governments and their specific functions and responsibilities are created by and dependent upon laws and legal regulations of the Texas State Constitution and Vernon's Annotated Civil Statutes. The County was established on March 15, 1854 and operates under a county judge/commissioners' court type government as provided by state statute. The Commissioners' Court has governance responsibilities over all activities related to Coryell County, Texas. The County is not included in any other governmental reporting entity, and there are no component units included within the reporting entity.

The County provides the following services to its citizens: public safety, public transportation (roads and bridges), health and welfare, recreation facilities, judicial and legal, and general administrative services.

The financial and reporting policies of the County conform to U.S. generally accepted accounting principles ("GAAP") applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB and those principles prescribed by the American Institute of Certified Public Accountants. The following is a summary of the more significant practices used by the County.

Government-Wide and Fund Financial Statements

Government-wide financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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

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

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. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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, fines, interest revenue, and revenue received from various governmental entities associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the state at year-end on behalf of the County also are recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

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

Additionally, the government reports the following nonmajor governmental fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

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

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. Formal budgetary accounting is not required for fiduciary funds. Since by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide statements.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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*. Likewise, general revenues include all taxes.

In the fund financial statements, governmental special revenue and debt service funds report restrictions of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: 1) restricted; 2) committed; 3) assigned; and 4) unassigned.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from those estimates.

Budget Policies

The County follows these procedures in establishing budgetary data reflected in the financial statements:

Public hearings are conducted at the Coryell County Courthouse to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through adoption of an order by the Commissioners' Court. Budgets are adopted for the general fund, debt service fund, and most special revenue funds. All budget amendments are approved by the Commissioners' Court.

The budgeted amounts presented in these statements are as originally adopted and as amended by the Commissioners' Court during the year ended September 30, 2014. All appropriations lapse at year end.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Assets, Liabilities, and Net position or Equity

Deposits and Investments

Policies and legal and contractual provisions governing deposits: The County’s funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County’s agent bank, approved pledged securities in an amount sufficient to protect county funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (FDIC).

Custodial credit risk: Deposits in financial institutions are carried at cost which approximates fair value. At September 30, 2014, the County had cash and cash investments, which represents cash on hand, demand deposits and savings accounts at federally insured local banks. At September 30, 2014, the County was fully insured by federal depository insurance and pledged securities held by the County’s agent bank.

Statutes authorize the County to invest in 1) obligations of the U.S. Treasury or 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 is required by Governmental Code Chapter 2256, Public Funds Investment Act (PFIA), to adopt, implement, and publicize an investment policy. That policy must address the following areas: 1) safety or principal and liquidity, 2) portfolio diversification, 3) allowable investments, 4) acceptable risk levels, 5) expected rates of return, 6) maximum allowable stated maturity of portfolio investments, 7) maximum average dollar weighted maturity allowed based on the stated maturity date for the portfolio, 8) investment staff quality and capabilities, and 9) bid solicitation preferences for certificates of deposit.

Interest rate risk: For short term liquidity investment requirements, the County utilizes money market accounts with its depository bank.

Credit Risk: State law and County policy limits investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2014, the County did not have any investments in public fund investment pools.

Concentration of credit risk: The County’s investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

As of September 30, 2014, Coryell County had the following investments:

	<u>Cost Basis</u>	<u>Fair Value</u>
Money Markets-Primary Government	\$ 5,436,910	\$ 5,436,910
Certificates of Deposit-Primary Government	1,189,782	1,189,782
Money Markets-Fiduciary Funds	68,083	68,083
Certificates of Deposit-Fiduciary Funds	335,516	335,516

CORYELL COUNTY, TEXAS

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 non-current portion of interfund loans).

Property taxes are levied on October 1 in conformity with Subtitle E, Texas Property Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1. Property taxes attach as an enforceable lien as of January 1 to secure the payment of all taxes, penalties, and interest ultimately imposed. The Coryell Central Appraisal District assesses the property taxes for the County and the Coryell County Tax Assessor Collector collects the property taxes for the County. The County is permitted by the Municipal Finance Law of the State to levy taxes up to \$1.20 per \$100 of appraised valuation for general services, permanent improvements, lateral road, and jury fund purposes other than the payment of principal established by the Attorney General of the State of Texas. The tax rate for the year ended September 30, 2014 was \$.4492 per \$100 valuation.

All receivables are shown net of an allowance for uncollectibles.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. The County’s policy is to capitalize assets costing \$5,000 or more and having an estimated life of two years or more. All capital assets are valued at their historical cost or estimated historical cost if actual historical cost is not available.

Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments which materially extend the useful lives of the capital assets are capitalized. Depreciable capital assets are depreciated using the straight-line method over the asset’s estimated useful life as follows:

Buildings and improvements	10-50 years
Infrastructure	50-60 years
Machinery and equipment	5-7 years
Vehicles	5-7 years

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the governmental activities. The long-term debt of the County includes notes payable.

Compensated Absences

The County’s policy does not permit employees to accumulate earned but unused vacation. Unused sick time can be accumulated; however, there is no liability for unpaid accumulated sick leave as the County does not have a policy to pay unused sick time when employees separate from service. Certain employees can accrue compensated time off for overtime worked. The amount accrued at September 30, 2014 is \$120,241 and is considered a short-term liability of the County.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 2: CAPITAL ASSET ACTIVITY

The changes in capital assets for the year ended September 30, 2014 are as follows:

Capital Assets	Balance October 1, 2013	Additions	Retirements	Balance September 30, 2014
Land (not depreciated)	\$ 11,634	\$	\$	\$ 11,634
Buildings and improvements	7,268,726	162,137		7,430,863
Machinery and equipment	4,149,292	25,990	(25,495)	4,149,787
Vehicles	2,835,586	417,965	(238,293)	3,015,258
Infrastructure	18,317,951			18,317,951
Total capital assets	<u>32,583,189</u>	<u>606,092</u>	<u>(263,788)</u>	<u>32,925,493</u>
Less accumulated depreciation for:				
Buildings and improvements	3,171,201	192,951		3,364,152
Machinery and equipment	3,198,737	315,119	(25,495)	3,488,361
Vehicles	2,436,950	192,340	(232,459)	2,396,831
Infrastructure	14,878,967	75,698		14,954,665
Total accumulated depreciation	<u>23,685,855</u>	<u>776,108</u>	<u>(257,954)</u>	<u>24,204,009</u>
Governmental activities capital assets	<u>\$ 8,897,334</u>	<u>\$ (170,016)</u>	<u>\$ (5,834)</u>	<u>\$ 8,721,484</u>

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

Governmental Activities	
General administration	\$ 106,839
Public safety	295,654
Legal	2,563
Public facilities	10,000
Other supporting services	10,667
Road and bridge	350,385
	<u>\$ 776,108</u>

NOTE 3: DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported in the governmental funds as unavailable revenues are as follows:

Net tax revenue	\$ 222,629
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CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 4: LONG-TERM DEBT

A summary of changes in long-term debt at September 30, 2014 is as follows:

	Balance October 1, 2013	Additions	Retirements	Balance September 30, 2014
Note 251 Road & Bridge Equipment	\$ 81,522	\$	\$ 81,522	\$ -
Note 253 Fire Truck for Copperas Cove	43,000		43,000	-
Note 254 Komatsu Loader	65,900		32,950	32,950
Note 255 Sheriff Vehicles	34,358		34,358	-
Note 256 Road & Bridge Equipment	25,697		25,697	-
Note 257 Fire Truck for Gatesville VFD	149,741		49,913	99,828
Note 258 Road & Bridge Equipment	52,358		52,358	-
Note 259 Sheriff Vehicles	69,057		34,214	34,843
Note 260 Jail Security Equipment	210,100		42,020	168,080
Note 261 Sheriff Vehicles	120,309		40,103	80,206
Note 262 Extraco Bank Building	759,000		108,429	650,571
Note 263 Sheriff Vehicles		207,558		207,558
Total long-term debt	<u>\$ 1,611,042</u>	<u>\$ 207,558</u>	<u>\$ 544,564</u>	<u>\$ 1,274,036</u>

Current maturities of the outstanding long-term debt at September 30, 2014 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 360,149	\$ 24,190	\$ 384,339
2016	292,355	17,227	309,582
2017	202,339	11,628	213,967
2018	202,338	7,839	210,177
2019	108,429	4,055	112,484
2020	108,426	2,027	110,453
	<u>\$ 1,274,036</u>	<u>\$ 66,966</u>	<u>\$ 1,341,002</u>

Notes payable at September 30, 2014 are comprised of the following:

Note 254 in the amount of \$164,750 was issued April 30, 2010 and was used to purchase Road and Bridge equipment. The note is due in annual installments on April 30, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due April 30, 2015. The principal balance at September 30, 2014 is \$32,950.

Note 257 in the amount of \$249,568 was issued May 3, 2011 and was used to purchase a fire truck for the Gatesville fire department. The note is due in annual installments on May 3, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due May 3, 2016. The principal balance at September 30, 2014 is \$99,828.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2014

NOTE 4: LONG-TERM DEBT - continued

Note 259 in the amount of \$102,633 was issued October 21, 2011 and was used to purchase Sheriff vehicles. The note is due in annual installments on October 21, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due October 21, 2014. The principal balance at September 30, 2014 is \$34,843.

Note 260 in the amount of \$210,100 was issued October 24, 2012 and was used to purchase jail security equipment. The note is due in annual installments on October 24, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due October 24, 2017. The principal balance at September 30, 2014 is \$168,080.

Note 261 in the amount of \$120,309 was issued December 6, 2012 and was used to purchase Sheriff vehicles. The note is due in annual installments on December 6, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due December 6, 2015. The principal balance at September 30, 2014 is \$80,206.

Note 262 in the amount of \$759,000 was issued June 27, 2013 and was used to purchase the Extraco bank building. The note is due in annual installments on June 27, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due June 27, 2020. The principal balance at September 30, 2014 is \$650,571.

Note 263 in the amount of \$207,558 was issued December 10, 2013 and was used to purchase Sheriff vehicles. The note is due in annual installments on December 10, with an annually adjusted interest rate of 1.38 points below prime. The final interest and principal payment is due December 10, 2017. The principal balance at September 30, 2014 is \$207,558.

There are a number of limitations and restrictions contained in the debt agreements. Management has indicated that the County is in compliance with all significant limitations and restrictions at September 30, 2014.

NOTE 5: RETIREMENT PLAN

Coryell 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, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 5: RETIREMENT PLAN-continued

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

The County has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 10.40% and 10.15% for the 2014 and 2013 years, respectively.

The contribution rate payable by the employee members for 2014 and 2013 was 7.0% as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

For the County’s year ending September 30, 2014, the annual pension cost for the TCDRS plan for its employees was \$596,195, and the actual employee contributions were \$406,439.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance based on the actuarial valuations as of December 31, 2013, the basis for determining the contribution rate for calendar year 2014. The December 31, 2013 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/13</u>
Actuarial valuation date	entry age	entry age	entry age
Actuarial cost method	level percentage	level percentage	level percentage
Amortization method	of payroll, closed	of payroll, closed	of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10 yr	SAF: 10 yr	SAF: 5 yr
	Smoothed value	smoothed value	smoothed value
	ESF: Fund value	ESF: Fund value	ESF: Fund value
Actuarial Assumptions:			
Investment return*	8.0%	8.0%	8.0%
Projected salary increases*	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.0%
Cost of living adjustments	0.0%	0.0%	0.0%

*Includes inflation at the stated rate

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 5: RETIREMENT PLAN-continued

Trend Information
for the Retirement Plan for the Employees of Coryell County

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2012	\$ 552,390	100%	- 0 -
September 30, 2013	\$ 562,210	100%	- 0 -
September 30, 2014	\$ 596,195	100%	- 0 -

Schedule of Funding Progress for the Retirement Plan
for the Employees of Coryell County

	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/11	14,515,626	16,834,414	2,318,788	86.23%	6,261,553	37.03%
12/31/12	15,553,773	18,052,914	2,499,141	86.16%	6,337,479	39.43%
12/31/13	16,503,331	18,680,666	2,177,335	88.34%	6,419,486	33.92%

As of December 31, 2013, the most recent actuarial valuation date, the plan was 88.34 percent funded. The actuarial accrued liability for benefits was \$18,680,666, and the actuarial value of assets was \$16,503,331, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,177,335. The covered payroll (annual payroll of active employees covered by the plan) was \$6,419,486, and the ratio of the UAAL to the covered payroll was 33.92 percent.

The schedule of funding progress presented above presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 6: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and natural disasters. During fiscal year 2014, the County purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

CORYELL COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2014

NOTE 7: *FUND BALANCE*

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This statement defines the different classifications of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance classifications listed below:

1. Nonspendable fund balance includes amounts not in spendable form, such as inventory, prepaid assets, or property held for resale.
2. Restricted fund balance includes amounts constrained for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance includes amounts constrained for specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned fund balance includes amounts intended to be used by the government for specific purposes but does not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund which includes all spendable amounts not contained in the other classifications. In other funds, the unassigned fund balance is used only to report a deficit balance resulting from overspending from specific purposes for which amounts had been restricted, committed, or assigned.

NOTE 8: *FINANCIAL INSTRUMENTS*

The County has estimated that the fair value of all financial instruments (none of which is held for trading purposes) at September 30, 2014, does not differ materially from their aggregate carrying values recorded in the accompanying statement of financial position. The estimate is based on the assumption that fair value approximates carrying values due to short initial maturities. Financial instruments consist of cash, accounts receivables, prepaid expenses, accounts payable, and payroll liabilities.

NOTE 9: *UPCOMING AUTHORITATIVE PRONOUNCEMENTS*

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. This Statement requires governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as a liability on the statement of net position and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement will require entities to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the TCDRS plan. The Statement requires the use of the entry age normal method to be used with each period's service cost determined as a level percentage of pay and requires certain other changes to compute the pension liability and expense. The Statement also requires revised and new note disclosures and required supplementary information (RSI) to be reported by employers. The provisions of this Statement are effective for periods beginning after June 15, 2014.

REQUIRED SUPPLEMENTAL INFORMATION

CORYELL COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budget			Variance Favorable (Unfavorable)
	Original	Amended	Actual	
REVENUES:				
Property taxes	\$ 7,433,565	\$ 7,433,565	\$ 7,488,799	\$ 55,234
Sales tax	1,863,000	1,863,000	1,949,021	86,021
Fees and charges for services	939,300	939,300	889,180	(50,120)
Intergovernmental	540,125	540,125	507,778	(32,347)
Investment earnings	52,000	52,000	49,009	(2,991)
Other miscellaneous	260,500	278,500	282,663	4,163
Fines, forfeitures and settlements	428,000	428,000	416,939	(11,061)
	<u>11,516,490</u>	<u>11,534,490</u>	<u>11,583,389</u>	<u>48,899</u>
EXPENDITURES:				
Current:				
General administration	1,261,743	1,249,082	1,153,712	95,370
Judicial	2,176,638	2,173,887	1,937,923	235,964
Legal	851,803	852,160	828,947	23,213
Financial administration	982,151	982,210	970,323	11,887
Public facilities	2,619,705	2,615,562	2,290,486	325,076
Public safety	2,630,594	2,646,531	2,448,720	197,811
Health and welfare	1,017,669	1,017,673	901,102	116,571
Conservation	143,696	145,321	136,573	8,748
Other supported services	795,236	814,809	661,614	153,195
Capital outlay	330,325	330,325	320,444	9,881
	<u>12,809,560</u>	<u>12,827,560</u>	<u>11,649,844</u>	<u>1,177,716</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(1,293,070)	(1,293,070)	(66,455)	1,226,615
OTHER FINANCING SOURCES (USES):				
Transfers in			38,883	38,883
Transfers out	(21,282)	(21,282)	(21,282)	
Proceeds from financing agreements	256,000	256,000	207,558	(48,442)
Proceeds from sale of property	10,000	10,000		(10,000)
Total Other Financing Sources (Uses)	<u>244,718</u>	<u>244,718</u>	<u>225,159</u>	<u>(19,559)</u>
CHANGE IN FUND BALANCE	(1,048,352)	(1,048,352)	158,704	1,207,056
FUND BALANCE - BEGINNING OF YEAR	<u>5,503,634</u>	<u>5,503,634</u>	<u>5,503,634</u>	
FUND BALANCE - END OF YEAR	<u>\$ 4,455,282</u>	<u>\$ 4,455,282</u>	<u>\$ 5,662,338</u>	<u>\$ 1,207,056</u>

CORYELL COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budget			Variance
	Original	Amended	Actual	Favorable (Unfavorable)
REVENUES:				
Property taxes	\$ 558,682	\$ 559,184	\$ 563,071	\$ 3,887
Total Revenues	558,682	559,184	563,071	3,887
EXPENDITURES:				
Debt service	575,155	575,657	575,657	
Total Expenditures	575,155	575,657	575,657	
CHANGE IN FUND BALANCE	(16,473)	(16,473)	(12,586)	3,887
FUND BALANCE - BEGINNING OF YEAR	67,834	67,834	67,834	
FUND BALANCE - END OF YEAR	\$ 51,361	\$ 51,361	\$ 55,248	\$ 3,887

ADDITIONAL INFORMATION

CORYELL COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	Road and Bridge	Law Library	Records Management	Courthouse Security
ASSETS				
Cash and cash investments	\$ 439,704	\$ 6,422	\$ 364,347	\$ 30,401
Intergovernmental receivable	36,313			
Prepaid insurance	29,934			
Total Assets	\$ 505,951	\$ 6,422	\$ 364,347	\$ 30,401
LIABILITIES				
Accounts payable	\$ 20,475	\$	\$	\$
Deposits payable				
Total Liabilities	20,475			
FUND EQUITY				
Nonspendable for prepaids	29,934			
Restricted fund balances	455,542	6,422	364,347	30,401
Total Fund Balance	485,476	6,422	364,347	30,401
Total Liabilities and Fund Balance	\$ 505,951	\$ 6,422	\$ 364,347	\$ 30,401

<u>Court Reporter Service</u>	<u>LEOSE Training</u>	<u>Justice Court Technology</u>	<u>Child Abuse Prevention</u>	<u>Fire Department</u>	<u>Pre-Trial Diversion</u>	<u>Bail Bond Board</u>
6,196 \$	7,531 \$	11,787 \$	6,325 \$	1,681 \$	103,509 \$	111,437
<u>6,196</u>	<u>7,531</u>	<u>11,787</u>	<u>6,325</u>	<u>1,681</u>	<u>103,509</u>	<u>111,437</u>
\$	\$	\$	\$	\$	\$	\$
						100,000
						100,000
<u>6,196</u>	<u>7,531</u>	<u>11,787</u>	<u>6,325</u>	<u>1,681</u>	<u>103,509</u>	<u>11,437</u>
<u>6,196</u>	<u>7,531</u>	<u>11,787</u>	<u>6,325</u>	<u>1,681</u>	<u>103,509</u>	<u>11,437</u>
<u><u>6,196</u></u>	<u><u>7,531</u></u>	<u><u>11,787</u></u>	<u><u>6,325</u></u>	<u><u>1,681</u></u>	<u><u>103,509</u></u>	<u><u>111,437</u></u>

CORYELL COUNTY, TEXAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - Continued

SEPTEMBER 30, 2014

	<u>Hot Check</u>	<u>Vehicle Inventory Tax Interest</u>	<u>Seized\ Forfeiture</u>	<u>District Attorney Supplement</u>
ASSETS				
Cash and cash investments	\$ 24,475	\$ 899	\$ 21,901	\$ 10,393
Intergovernmental receivable				
Prepaid insurance				
Total Assets	<u>\$ 24,475</u>	<u>\$ 899</u>	<u>\$ 21,901</u>	<u>\$ 10,393</u>
LIABILITIES				
Accounts payable	\$	\$	\$ 2,136	\$
Deposits payable				
Total Liabilities			<u>2,136</u>	
FUND EQUITY				
Nonspendable for prepaids				
Restricted fund balances	<u>24,475</u>	<u>899</u>	<u>19,765</u>	<u>10,393</u>
Total Fund Balance	<u>24,475</u>	<u>899</u>	<u>19,765</u>	<u>10,393</u>
Total Liabilities and Fund Balance	<u>\$ 24,475</u>	<u>\$ 899</u>	<u>\$ 21,901</u>	<u>\$ 10,393</u>

<u>Crime Victims CJD Grant</u>	<u>HOT Auto Theft Task Force</u>	<u>Crime Victims Attorney General Grant</u>	<u>Mental Health Deputy</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>Capital Improvement Fund</u>	<u>Total Nonmajor Governmenta Funds</u>
\$ 2,129	\$ (29,312) 30,371	\$ (4,192) 4,198	\$ (30,416) 118,438	\$ 1,085,217 189,320 29,934	\$ 1,178,619	\$ 2,263,836 189,320 29,934
<u>\$ 2,129</u>	<u>\$ 1,059</u>	<u>\$ 6</u>	<u>\$ 88,022</u>	<u>\$ 1,304,471</u>	<u>\$ 1,178,619</u>	<u>\$ 2,483,090</u>
\$	\$	\$	\$ 88,022	\$ 110,633 100,000	\$	\$ 110,633 100,000
			<u>88,022</u>	<u>210,633</u>		<u>210,633</u>
<u>2,129</u>	<u>1,059</u>	<u>6</u>		29,934 <u>1,063,904</u>	<u>1,178,619</u>	29,934 <u>2,242,523</u>
<u>2,129</u>	<u>1,059</u>	<u>6</u>		<u>1,093,838</u>	<u>1,178,619</u>	<u>2,272,457</u>
<u>\$ 2,129</u>	<u>\$ 1,059</u>	<u>\$ 6</u>	<u>\$ 88,022</u>	<u>\$ 1,304,471</u>	<u>\$ 1,178,619</u>	<u>\$ 2,483,090</u>

CORYELL COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Road and Bridge	Law Library	Records Management	Courthouse Security
REVENUES:				
Property taxes	\$ 989,070	\$	\$	\$
Licenses and permits	990,908			
Fees and charges for services		19,410	165,097	20,071
Intergovernmental	35,959			
Investment earnings				
Other miscellaneous	53,286			
Total Revenues	2,069,223	19,410	165,097	20,071
EXPENDITURES:				
Current:				
Salaries and benefits	1,072,504	3,900		16,329
Supplies	804,394			
Repairs	142,742			
Other operating	29,052	12,996	137,300	9,468
Capital outlay	25,990			
Total Expenditures	2,074,682	16,896	137,300	25,797
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(5,459)	2,514	27,797	(5,726)
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out				
Proceeds from financing agreements				
Proceeds from sale of property	11,744			
Total Other Financing Sources (Uses)	11,744			
NET CHANGE IN FUND BALANCE	6,285	2,514	27,797	(5,726)
FUND BALANCE - BEGINNING OF YEAR	479,191	3,908	336,550	36,127
FUND BALANCE - END OF YEAR	\$ 485,476	\$ 6,422	\$ 364,347	\$ 30,401

<u>Court Reporter Service</u>	<u>LEOSE Training</u>	<u>Justice Court Technology</u>	<u>Child Abuse Prevention</u>	<u>Fire Department</u>	<u>Pre-Trial Diversion</u>	<u>Bail Bond Board</u>
\$	\$	\$	\$	\$ 330,963	\$	\$
15,710	6,139	10,943	3,976		96,176	1,515
<u>15,710</u>	<u>6,139</u>	<u>10,943</u>	<u>3,976</u>	<u>330,963</u>	<u>96,176</u>	<u>1,515</u>
					125,116	
					4,015	101
17,102	2,060	7,500	779	333,263	13,303	
<u>17,102</u>	<u>2,060</u>	<u>7,500</u>	<u>779</u>	<u>333,263</u>	<u>142,434</u>	<u>101</u>
(1,392)	4,079	3,443	3,197	(2,300)	(46,258)	1,414
					(48,883)	
					<u>(48,883)</u>	
(1,392)	4,079	3,443	3,197	(2,300)	(95,141)	1,414
7,588	3,452	8,344	3,128	3,981	198,650	10,023
<u>\$ 6,196</u>	<u>\$ 7,531</u>	<u>\$ 11,787</u>	<u>\$ 6,325</u>	<u>\$ 1,681</u>	<u>\$ 103,509</u>	<u>\$ 11,437</u>

CORYELL COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
NONMAJOR GOVERNMENTAL FUNDS - continued

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Hot Check</u>	<u>Vehicle Inventory Tax Interest</u>	<u>Seized\ Forfeiture</u>	<u>District Attorney Supplement</u>
REVENUES:				
Property taxes	\$	\$	\$	\$
Licenses and permits				
Fees and charges for services	12,105			
Intergovernmental				18,120
Investment earnings		379		
Other miscellaneous			13,693	
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>12,105</u>	<u>379</u>	<u>13,693</u>	<u>18,120</u>
EXPENDITURES:				
Current:				
Salaries and benefits				20,874
Supplies	57		2,985	
Repairs				
Other operating	1,425		4,496	
Capital outlay				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>1,482</u>	<u> </u>	<u>7,481</u>	<u>20,874</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	10,623	379	6,212	(2,754)
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out				
Proceeds from financing agreements				
Proceeds from sale of property				
Total Other Financing Sources (Uses)	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	10,623	379	6,212	(2,754)
FUND BALANCE - BEGINNING OF YEAR	<u>13,852</u>	<u>520</u>	<u>13,553</u>	<u>13,147</u>
FUND BALANCE - END OF YEAR	\$ <u>24,475</u>	\$ <u>899</u>	\$ <u>19,765</u>	\$ <u>10,393</u>

<u>Crime Victims CJD Grant</u>	<u>HOT Auto Theft Task Force</u>	<u>Crime Victims Attorney General Grant</u>	<u>Mental Health Deputy</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>Capital Improvement Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$	\$	\$	\$	\$ 1,320,033	\$ 438,084	\$ 1,758,117
				990,908		990,908
				351,142		351,142
	91,124	41,686	118,438	305,327		305,327
				379		379
314				67,293		67,293
<u>314</u>	<u>91,124</u>	<u>41,686</u>	<u>118,438</u>	<u>3,035,082</u>	<u>438,084</u>	<u>3,473,166</u>
9,628	111,347	40,426	3,783	1,403,907		1,403,907
		297	16,909	828,758		828,758
				142,742		142,742
1,271		963	225	571,203	1,000	572,203
			97,521	123,511	162,137	285,648
<u>10,899</u>	<u>111,347</u>	<u>41,686</u>	<u>118,438</u>	<u>3,070,121</u>	<u>163,137</u>	<u>3,233,258</u>
(10,585)	(20,223)			(35,039)	274,947	239,908
10,000	21,282			31,282		31,282
				(48,883)		(48,883)
				11,744		11,744
<u>10,000</u>	<u>21,282</u>			<u>(5,857)</u>		<u>(5,857)</u>
(585)	1,059			(40,896)	274,947	234,051
2,714		6		1,134,734	903,672	2,038,406
<u>\$ 2,129</u>	<u>\$ 1,059</u>	<u>\$ 6</u>	<u>\$</u>	<u>\$ 1,093,838</u>	<u>\$ 1,178,619</u>	<u>\$ 2,272,457</u>

CORYELL COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budget</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	
REVENUES:				
Property taxes	\$ 978,927	\$ 978,927	\$ 989,070	\$ 10,143
Licenses and permits	962,000	962,000	990,908	28,908
Intergovernmental	29,000	29,000	35,959	6,959
Other miscellaneous	13,000	13,000	53,286	40,286
Total Revenues	<u>1,982,927</u>	<u>1,982,927</u>	<u>2,069,223</u>	<u>86,296</u>
EXPENDITURES:				
Current:				
Road and bridge	2,250,051	2,250,751	2,048,692	202,059
Capital outlay	52,000	51,300	25,990	25,310
Total Expenditures	<u>2,302,051</u>	<u>2,302,051</u>	<u>2,074,682</u>	<u>227,369</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(319,124)	(319,124)	(5,459)	313,665
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property			11,744	11,744
Total Other Financing Sources (Uses)			<u>11,744</u>	<u>11,744</u>
CHANGE IN FUND BALANCE	(319,124)	(319,124)	6,285	325,409
FUND BALANCE - BEGINNING OF YEAR	<u>479,191</u>	<u>479,191</u>	<u>479,191</u>	
FUND BALANCE - END OF YEAR	<u>\$ 160,067</u>	<u>\$ 160,067</u>	<u>\$ 485,476</u>	<u>\$ 325,409</u>

CORYELL COUNTY, TEXAS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS

SEPTEMBER 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
COUNTY CLERK				
Assets:				
Cash and cash investments	\$ 45,111	\$ 1,055,484	\$ 1,056,251	\$ 44,344
Investments	183,894	14,144	69,576	128,462
Total Assets	<u>\$ 229,005</u>	<u>\$ 1,069,628</u>	<u>\$ 1,125,827</u>	<u>\$ 172,806</u>
Liabilities:				
Due to others	\$ 229,005	\$ 1,069,628	\$ 1,125,827	\$ 172,806
Total Liabilities	<u>\$ 229,005</u>	<u>\$ 1,069,628</u>	<u>\$ 1,125,827</u>	<u>\$ 172,806</u>
 DISTRICT CLERK				
Assets:				
Cash and cash investments	\$ 94,015	\$ 690,940	\$ 648,575	\$ 136,380
Investments	339,749	3,090	135,785	207,054
Total Assets	<u>\$ 433,764</u>	<u>\$ 694,030</u>	<u>\$ 784,360</u>	<u>\$ 343,434</u>
Liabilities:				
Due to others	\$ 433,764	\$ 694,030	\$ 784,360	\$ 343,434
Total Liabilities	<u>\$ 433,764</u>	<u>\$ 694,030</u>	<u>\$ 784,360</u>	<u>\$ 343,434</u>
 JUSTICE OF THE PEACE #1				
Assets:				
Cash and cash investments	\$ 200	\$ 73,753	\$ 73,753	\$ 200
Total Assets	<u>\$ 200</u>	<u>\$ 73,753</u>	<u>\$ 73,753</u>	<u>\$ 200</u>
Liabilities:				
Due to others	\$ 200	\$ 73,753	\$ 73,753	\$ 200
Total Liabilities	<u>\$ 200</u>	<u>\$ 73,753</u>	<u>\$ 73,753</u>	<u>\$ 200</u>
 JUSTICE OF THE PEACE #2				
Assets:				
Cash and cash investments	\$ 200	\$ 148,457	\$ 148,457	\$ 200
Total Assets	<u>\$ 200</u>	<u>\$ 148,457</u>	<u>\$ 148,457</u>	<u>\$ 200</u>
Liabilities:				
Due to others	\$ 200	\$ 148,457	\$ 148,457	\$ 200
Total Liabilities	<u>\$ 200</u>	<u>\$ 148,457</u>	<u>\$ 148,457</u>	<u>\$ 200</u>
 JUSTICE OF THE PEACE #3				
Assets:				
Cash and cash investments	\$	\$ 116,968	\$ 116,968	\$
Total Assets	<u>\$</u>	<u>\$ 116,968</u>	<u>\$ 116,968</u>	<u>\$</u>
Liabilities:				
Due to others	\$	\$ 116,968	\$ 116,968	\$
Total Liabilities	<u>\$</u>	<u>\$ 116,968</u>	<u>\$ 116,968</u>	<u>\$</u>
 JUSTICE OF THE PEACE #4				
Assets:				
Cash and cash investments	\$	\$ 75,079	\$ 75,079	\$
Total Assets	<u>\$</u>	<u>\$ 75,079</u>	<u>\$ 75,079</u>	<u>\$</u>
Liabilities:				
Due to others	\$	\$ 75,079	\$ 75,079	\$
Total Liabilities	<u>\$</u>	<u>\$ 75,079</u>	<u>\$ 75,079</u>	<u>\$</u>

CORYELL COUNTY, TEXAS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS

SEPTEMBER 30, 2014

	<u>Balance</u> October 1, 2013	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> September 30, 2014
JAIL				
Assets:				
Cash and cash investments	\$ 7,462	\$ 185,182	\$ 189,366	\$ 3,278
Total Assets	<u>\$ 7,462</u>	<u>\$ 185,182</u>	<u>\$ 189,366</u>	<u>\$ 3,278</u>
Liabilities:				
Due to others	\$ 7,462	\$ 185,182	\$ 189,366	\$ 3,278
Total Liabilities	<u>\$ 7,462</u>	<u>\$ 185,182</u>	<u>\$ 189,366</u>	<u>\$ 3,278</u>
 SHERIFF				
Assets:				
Cash and cash investments	\$ 23,142	\$ 42,607	\$ 11,607	\$ 54,142
Total Assets	<u>\$ 23,142</u>	<u>\$ 42,607</u>	<u>\$ 11,607</u>	<u>\$ 54,142</u>
Liabilities:				
Due to others	\$ 23,142	\$ 42,607	\$ 11,607	\$ 54,142
Total Liabilities	<u>\$ 23,142</u>	<u>\$ 42,607</u>	<u>\$ 11,607</u>	<u>\$ 54,142</u>
 TAX ASSESSOR COLLECTOR				
Assets:				
Cash and cash investments	\$ 675,298	\$ 62,478,294	\$ 62,553,524	\$ 600,068
Total Assets	<u>\$ 675,298</u>	<u>\$ 62,478,294</u>	<u>\$ 62,553,524</u>	<u>\$ 600,068</u>
Liabilities:				
Due to others	\$ 675,298	\$ 62,478,294	\$ 62,553,524	\$ 600,068
Total Liabilities	<u>\$ 675,298</u>	<u>\$ 62,478,294</u>	<u>\$ 62,553,524</u>	<u>\$ 600,068</u>
 HOT CHECK FUND				
Assets:				
Cash and cash investments	\$ _____	\$ 66,349	\$ 66,349	\$ _____
Total Assets	<u>\$ _____</u>	<u>\$ 66,349</u>	<u>\$ 66,349</u>	<u>\$ _____</u>
Liabilities:				
Due to others	\$ _____	\$ 66,349	\$ 66,349	\$ _____
Total Liabilities	<u>\$ _____</u>	<u>\$ 66,349</u>	<u>\$ 66,349</u>	<u>\$ _____</u>
 TOTAL ALL AGENCY FUNDS				
Assets:				
Cash and cash investments	\$ 845,428	\$ 64,933,113	\$ 64,939,929	\$ 838,612
Investments	523,643	17,234	205,361	335,516
Total Assets	<u>\$ 1,369,071</u>	<u>\$ 64,950,347</u>	<u>\$ 65,145,290</u>	<u>\$ 1,174,128</u>
Liabilities:				
Due to others	<u>1,369,071</u>	<u>64,950,347</u>	<u>65,145,290</u>	<u>1,174,128</u>
Total Liabilities	<u>\$ 1,369,071</u>	<u>\$ 64,950,347</u>	<u>\$ 65,145,290</u>	<u>\$ 1,174,128</u>

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

To the Honorable County Judge and
Members of the Commissioners Court of
Coryell County, Texas

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coryell County, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Coryell County, Texas' basic financial statements, and have issued my report thereon dated March 20, 2015.

Internal Control Over Financial Reporting

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

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

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

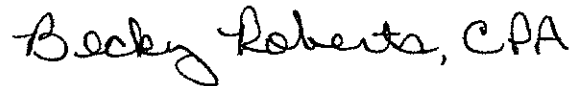
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coryell County, Texas' financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an

objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Becky Roberts, CPA". The signature is written in a cursive, flowing style.

BECKY ROBERTS, CPA

Abilene, Texas
March 20, 2015