

AUSTIN COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013

BEYER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

442 WEST OAKLAWN
P.O. BOX 366 830/569-8781 FAX 830 569-6776
PLEASANTON, TEXAS 78064

111 NORTH ODEN
830/569-8781 FAX 830 569-6776
SINTON, TEXAS 78387

BEYER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

111 North Odem
Sinton, Texas 78387
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

July 11, 2014

To the Honorable Judge
and Commissioners' Court
Austin County, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Austin County, Texas for the year ended September 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 6, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Austin County, Texas are described in Note 1 to the financial statements. No new accounting policies were adopted, except SAS 122 thru 125; GASB 60 thru 63; and the 2011 Yellow Book; and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the Ad Valorem taxes receivable and uncollectible amounts of officer's fees receivable is based on historical data. We evaluated the key factors and assumptions used to develop the uncollectible amounts of Ad Valorem taxes receivable and uncollectible amounts of officer's fees receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

1. Deposits and Investments.
2. Long-term Debt.
3. Contingent Liability and Risk.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 11, 2014.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issue

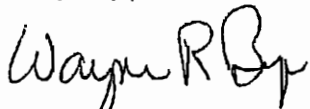
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses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

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Commissioners' Court and management of Austin County, Texas and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



BEYER & CO.
Certified Public Accountants
Pleasanton, Texas

AUSTIN COUNTY, TEXAS

Annual Financial Report

For the fiscal year ended

September 30, 2013

Austin County, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2013

TABLE OF CONTENTS

FINANCIAL SECTION

1. Independent Auditor's Report
3. Management's Discussion and Analysis

Basic Financial Statements:

Government-wide Financial Statements:

13. Statement of Net Position
14. Statement of Activities

Fund Financial Statements:

15. Balance Sheet - Governmental Funds
16. Reconciliation of the Government Funds
17. Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
18. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
19. Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - General Fund
21. Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Road and Bridge Fund
22. Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – F/M Lateral Fund
23. Statement of Net Position - Proprietary Funds
24. Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
25. Statement of Cash Flows - Proprietary Funds
27. Statement of Fiduciary Net Position - Fiduciary Funds
28. Notes to the Financial Statements

Required Supplementary Information:

50. Schedule of Funding Progress - Public Employees Retirement System

Combining and Individual Fund Statements and Schedules:

51. Combining Balance Sheet - Non-major Governmental Funds
53. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds

Agency Funds:

- 55. Combining Statement of Fiduciary Net Position
- 56. Combining Statement of Changes in Assets and Liabilities

Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

- 59. Indigent Health Care
- 60. Certificate of Obligation, Series 2007
- 61. Tax Road Bond Series 2009
- 62. County and Lateral Road Fund

FINANCIAL SECTION

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

111 North Odem
Sinton, Texas 78387
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

INDEPENDENT AUDITOR'S REPORT

To the Commissioners' Court
Austin County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Austin County, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Austin County, Texas, as of September 30, 2013, 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, the schedule of funding progress for the Public Employees Retirement System, and analysis and budgetary comparison information on pages 3-12, 50, and 59-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Austin County, Texas' basic financial statements. The combining and individual non-major 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 non-major 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 non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.



BEYER & CO.
Certified Public Accountants
Pleasanton, Texas
July 11, 2014

Management's Discussion and Analysis

As management of Austin County, Texas, we offer readers of Austin County, Texas' financial statements this narrative overview and analysis of the financial activities of Austin County, Texas for the fiscal year ended September 30, 2013.

Financial Highlights

- . The assets of Austin County, Texas, exceeded its liabilities at the close of the most recent fiscal year by \$28,896,039 (Net Position). Of this amount, \$9,619,314 or 33% (unrestricted Net Position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total Net Position increased by \$1,373,394. This increase is mainly attributable to the following: The charges for services increased by \$585,271, ad valorem taxes increased by \$320,933, and sales tax income increased by \$191,307. However, expenses decreased by \$807,907. The major decrease occurred in the transportation which decreased by \$1,329,089.
- . Austin County, Texas' total restricted Net Position at September 30, 2013 is \$6,292,236 or 22% of Net Position.
- . Austin County, Texas' total debt decreased by \$543,594 (5 percent) during the current fiscal year. The key factor is the payment of bond and capital lease principle of \$638,577.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Austin County, Texas' basic financial statements. Austin County, Texas' 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 themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Austin County, Texas' finances, in a manner similar to a private-sector business.

The statement of Net Position presents information on all of Austin County, Texas' 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 Austin County, Texas 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 and earned but unused vacation leave).

The government-wide financial statements distinguish functions of Austin County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Austin County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Austin County, Texas include the Internal Service Fund.

The government-wide financial statements include only Austin County, Texas itself (known as the primary government).

The government-wide financial statements can be found on pages 13-14 of this report.

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. Austin County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Austin County, Texas can be divided into three categories: governmental funds, fiduciary 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 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 financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Austin County, Texas maintains forty-three (43) 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 F/M and lateral fund, the tax road bond series 2009 fund, and the road and bridge fund each of which are considered to be major funds. Data from the other thirty-nine (39) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Austin County, Texas adopts an annual appropriated budget for its general fund, the F/M and lateral fund, and the road and bridge fund. A budgetary comparison statement has been provided for the general fund, road and bridge fund, and all the other special revenue funds for which budgets were adopted. The basic governmental fund financial statements can be found on pages 15-22 of this report.

Proprietary funds: Austin County maintains one type of proprietary fund. The Internal Service Fund for Austin County, Texas, consists solely of the Employee Insurance Fund. This fund was created to provide coverage for employee health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 23-26 of this report.

Austin County, Texas also has seven agency funds which are fiduciary fund types. The fiduciary fund types can be found on page 27 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 28-49 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Austin County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 50 of this report.

The combining statements referred to earlier in connection with the non-major governmental funds, and the fiduciary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 51-54 and on pages 55-58 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 59-62 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 Austin County, Texas, assets exceeded liabilities by \$28,896,039 at the close of the most recent fiscal year.

AUSTIN COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2013	2012	2013	2012
Current and Other Assets	\$16,888,329	\$15,446,850	\$16,888,329	\$15,446,850
Capital Assets:	22,150,735	22,986,541	22,150,735	22,986,541
Total Assets	39,039,064	38,433,391	39,039,064	38,433,391
Long-Term Liabilities	9,586,366	10,129,960	9,586,366	10,129,960
Other Liabilities	556,659	780,786	556,659	780,786
Total Liabilities	10,143,025	10,910,746	10,143,025	10,910,746
Invested in Capital Assets, Net of Related Debt	12,984,489	13,253,940	12,984,489	13,253,940
Restricted	6,292,236	6,423,220	6,292,236	6,423,220
Unrestricted	9,619,314	7,845,485	9,619,314	7,845,485
Total Net Position	\$28,896,039	\$27,522,645	\$28,896,039	\$27,522,645

A portion of Austin County, Texas' Net Position (33 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted Net Position* (\$9,619,314) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Austin County, Texas is able to report positive balances in all three categories of Net Position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's total Net Position increased by \$1,373,394. This increase is mainly attributable to the following: The charges for services increased by \$585,271, ad valorem taxes increased by \$320,933, and sales tax income increased by \$191,307. However, expenses decreased by \$807,907. The major decrease occurred in the transportation which decreased by \$1,329,089.

Governmental activities: There were no business-type activities so any analysis regarding governmental activities will be the same as the analysis of the Government-wide Financial Analysis.

**AUSTIN COUNTY, TEXAS
CHANGE IN NET POSITION**

	Governmental Activities		Total	
	2013	2012	2013	2012
Revenues:				
Program Revenues:				
Charges for Services	\$3,926,163	\$3,340,892	\$3,926,163	\$3,340,892
Operating Grants and Contributions	756,125	990,501	756,125	990,501
General Revenues:				
Maintenance and Operations Taxes	13,004,423	12,683,490	13,004,423	12,683,490
Sales Taxes	1,414,954	1,223,647	1,414,954	1,223,647
Other Taxes	8,042	8,866	8,042	8,866
Unrestricted Investment Earnings	50,827	46,784	50,827	46,784
Miscellaneous	1,098,989	1,023,871	1,098,989	1,023,871
Total Revenue	<u>20,259,523</u>	<u>19,318,051</u>	<u>20,259,523</u>	<u>19,318,051</u>
Expenses:				
General Administration	3,658,956	3,600,490	3,658,956	3,600,490
Legal	335,119	333,841	335,119	333,841
Judicial	1,393,089	1,387,987	1,393,089	1,387,987
Financial Administration	532,745	496,828	532,745	496,828
Public Facilities	704,865	512,247	704,865	512,247
Public Safety	6,244,949	6,084,087	6,244,949	6,084,087
Public Transportation	5,093,431	6,422,520	5,093,431	6,422,520
Culture and Recreation	132,312	114,200	132,312	114,200
Health and Welfare	220,015	156,172	220,015	156,172
Environmental Protection	28,364	30,866	28,364	30,866
Conservation - Agriculture	152,734	136,248	152,734	136,248
Interest and Fiscal Charges	389,550	418,550	389,550	418,550
Total Expenses	<u>18,886,129</u>	<u>19,694,036</u>	<u>18,886,129</u>	<u>19,694,036</u>
Increase in Net Position Before Transfers and Special Items	1,373,394	(375,985)	1,373,394	(375,985)
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase in Net Position	1,373,394	(375,985)	1,373,394	(375,985)
Net Position at 9/30/2012 - Restated	<u>27,522,645</u>	<u>27,898,630</u>	<u>27,522,645</u>	<u>27,898,630</u>
Net Position at 9/30/2013	<u>\$28,896,039</u>	<u>\$27,522,645</u>	<u>\$28,896,039</u>	<u>\$27,522,645</u>

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$3,658,956	\$391,412	\$374,198	\$0
Legal	335,119	42,110		
Judicial	1,393,089	640,439	23,004	
Financial Administration	532,745	197,408		
Public Facilities	704,865			
Public Safety	6,244,949	1,291,574	278,029	
Public Transportation	5,093,431	955,953	59,949	
Culture and Recreation	132,312			
Health and Welfare	220,015	389,940	20,945	
Environmental Protection	28,364	17,327		
Conservation - Agriculture	152,734			
Interest and Fiscal Charges	389,550			
Total Government Activities	18,886,129	3,926,163	756,125	0
Total Primary Government	\$18,886,129	\$3,926,163	\$756,125	\$0

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$3,926,163	19%
Operating Grants and Contributions	756,125	4%
Capital Grants and Contributions	0	0%
Maintenance and Operations Taxes	13,004,423	64%
Sales Taxes	1,414,954	7%
Other Taxes	8,042	0%
Unrestricted Investment Earnings	50,827	0%
Miscellaneous	1,098,989	5%
	\$20,259,523	100%

For the most part, the increases and decreases in expenses closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Government's Funds

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

Governmental funds: The focus of Austin County, Texas' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Austin County, Texas' 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.

As of the end of the current fiscal year, Austin County, Texas' governmental funds reported combined ending fund balances of \$12,057,791, an increase of \$1,704,060 in comparison with the prior year. Approximately 47% of this total amount (\$5,700,424) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved or committed*.

The general fund is the chief operating fund of Austin County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,779,902, while total fund balance reached a balance of \$5,807,585. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total unassigned fund balance represents 55 percent of total general fund expenditures, while total fund balance represents 56 percent of that same amount.

The fund balance of the general fund increased by \$1,799,651 during the current fiscal year. This is a result of revenues increasing by \$569,029 and careful budget management.

At the end of the current fiscal year, restricted fund balance of the road and bridge fund was \$1,853,854, while total fund balance reached a balance of \$1,859,528. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 82 percent of total road and bridge fund expenditures, while total fund balance represents 82 percent of that same amount.

The fund balance of the road and bridge fund increased by \$43,707 during the current fiscal year. Key factors in this increase are as follows:

The revenues remained approximately the same and expenditures increased slightly.

At the end of the current fiscal year, restricted fund balance of the F/M and Lateral fund was \$2,695,349, while total fund balance reached a balance of \$2,695,349. As a measure of the F/M and Lateral fund's liquidity, it may be useful to compare both restricted fund balance and total fund balance to total fund expenditures. Unrestricted balance represents 0 percent of total F/M and Lateral fund expenditures, while total fund balance represents 140 percent of that same amount.

The fund balance of the F/M and Lateral Fund increased by \$50,210 during the current fiscal year. Key factors in this increase are as follows:

- . The revenues remained approximately the same and transportation expenditures increased by \$257,308.

The Tax Road Bond Series 2009 fund balance declined by \$269,589 during the year. This is a result of monies being spent of road construction and maintenance. This fund is a capital projects fund and therefore no further analysis is necessary.

Budgetary Highlights:

Differences between the original budget and the final amended budget in the general fund were an increase of \$383,725 in appropriations. This increase is ratable amongst the departments. Overall, actual expenditures of \$10,353,100 were less than the budgeted expenditures of \$11,248,950 by \$895,850.

There were no differences between the original budget and the final amended budget in the road and bridge fund.

Differences between the original budget and the final amended budget in the F/M and Lateral fund were an increase of \$2,000 in appropriations. This increase is immaterial.

Capital Asset and Debt Administration

Capital assets:

Austin County, Texas' investment in capital assets for its governmental activities as of September 30, 2013, amounts to \$22,150,735 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, and park facilities. The total decrease in Austin County, Texas' investment in capital assets for the current fiscal year was 4 percent.

The County had several bridge projects during the current fiscal year.

AUSTIN COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Total	
	2013	2012	2013	2012
Land	\$305,462	\$225,462	\$305,462	\$225,462
Construction in Progress	231,367	0	231,367	0
Building and Improvements	5,525,443	5,604,344	5,525,443	5,604,344
Machinery and Equipment	3,327,342	3,674,726	3,327,342	3,674,726
Infrastructure	12,752,214	13,471,321	12,752,214	13,471,321
Intangible	8,907	10,688	8,907	10,688
Total	\$22,150,735	\$22,986,541	\$22,150,735	\$22,986,541

Additional information on Austin County, Texas' capital assets can be found in note IV C on page 40 of this report.

Long-term debt:

At the end of the current fiscal year, Austin County, Texas had the following bonded debt.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>						
General Obligation Bonds	\$9,175,000	\$0	\$515,000	\$8,660,000	\$540,000	\$8,120,000
	<u>9,175,000</u>	<u>0</u>	<u>515,000</u>	<u>8,660,000</u>	<u>540,000</u>	<u>8,120,000</u>
 Grand Total	 <u>\$9,175,000</u>	 <u>\$0</u>	 <u>\$515,000</u>	 <u>\$8,660,000</u>	 <u>\$540,000</u>	 <u>\$8,120,000</u>

Austin County, Texas' total bonded debt decreased by \$515,000 (6 percent) during the current fiscal year. The key factor in this decrease was the payment of bonds of \$515,000.

Additional information on Austin County, Texas' long-term debt can be found in note IV F on pages 42-44 of this report.

Future Outlook

The County expects its finances to remain approximately the same as in the past. Inflation will play a factor but will affect both revenues and expenditures equally. There are no major events planned in the future.

Requests for Information

This financial report is designed to provide our citizen's taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If questions are encountered regarding this report; contact the Austin County Judge's Office, Austin County Courthouse, One East Main Street, Bellville, Texas 77418-1521, or (979) 865-5911.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Governmental	
	Activities	Total
ASSETS		
Cash and Cash Equivalents	\$12,917,385	\$12,917,385
Receivables (net of allowance for uncollectibles)	3,937,587	3,937,587
Prepaid Items	33,357	33,357
Capital assets not being depreciated:		
Land	305,462	305,462
Construction in Progress	231,367	231,367
Total Capital assets being depreciated, net		
Building and Improvements	5,525,443	5,525,443
Machinery and Equipment	3,327,342	3,327,342
Infrastructure	12,752,214	12,752,214
Intangible	8,907	8,907
Total Assets	<u>\$39,039,064</u>	<u>\$39,039,064</u>
LIABILITIES:		
Accounts Payable	\$214,354	\$214,354
Accrued Wages	297,394	297,394
Accrued Interest Payable	44,911	44,911
Noncurrent Liabilities:		
Due within one year	871,964	871,964
Due in more than one year	8,714,402	8,714,402
Total Liabilities	<u>10,143,025</u>	<u>10,143,025</u>
NET POSITION		
Invested In Capital Assets, Net of Related Debt	12,984,489	12,984,489
Restricted		
Administrative	57,381	57,381
Archives	84,245	84,245
Construction	174,660	174,660
Debt Service	552,659	552,659
Environmental Protection	3,415	3,415
Health	96,364	96,364
Judicial	128,957	128,957
Public Safety	645,352	645,352
Public Transportation	4,549,203	4,549,203
Unrestricted	9,619,314	9,619,314
Total Net Position	<u>\$28,896,039</u>	<u>\$28,896,039</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

AUSTIN COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	General Fund	Road and Bridge	F/M and Lateral Fund	Tax Road Bond Ser. 2009	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$6,108,262	\$1,878,056	\$2,763,899	\$171,920	\$1,419,850	\$12,341,987
Receivables (net of allowance for uncollectibles)	382,182	101,028	63,326		288,812	835,348
Prepaid Items	27,683	5,674				33,357
Due from Other Funds				2,740		2,740
Total Assets	\$6,518,127	\$1,984,758	\$2,827,225	\$174,660	\$1,708,662	\$13,213,432
LIABILITIES AND FUND BALANCES:						
Liabilities						
Accounts Payable	\$112,340	\$8,157	\$73,431		\$20,426	\$214,354
Accrued Wages	251,002	46,392				297,394
Due to Other Funds					2,740	2,740
Bank Overdraft					164,827	164,827
Unearned Revenues	347,200	70,681	58,445			476,326
Total Liabilities	710,542	125,230	131,876	0	187,993	1,155,641
Fund Balances:						
Non-Spendable						
Prepaid Items	27,683	5,674				33,357
Restricted						
Administrative					57,381	57,381
Archives					84,245	84,245
Construction				174,660		174,660
Debt Service					552,659	552,659
Environmental Protection					3,415	3,415
Health					96,364	96,364
Judicial					128,957	128,957
Public Safety					645,352	645,352
Public Transportation		1,853,854	2,695,349			4,549,203
Committed						
Culture and Recreation					31,774	31,774
Unassigned	5,779,902				(79,478)	5,700,424
Total Fund Balance	5,807,585	1,859,528	2,695,349	174,660	1,520,669	12,057,791
Total Liabilities and Fund Balances	\$6,518,127	\$1,984,758	\$2,827,225	\$174,660	\$1,708,662	\$13,213,432

The accompanying notes are an integral part of this statement.

AUSTIN COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2013

Total Fund Balances - governmental funds balance sheet	\$12,057,791
Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	22,150,735
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	3,102,239
Internal Service funds are used by management to account for funds for Self-Insurance. The assets and liabilities of Internal service funds are included in governmental activities in the Statement of Net Position.	740,225
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	476,326
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(9,631,277)
Net Position of governmental activities - statement of Net Position	<u>\$28,896,039</u>

The accompanying notes are an integral part of this statement.

AUSTIN COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2013

	General Fund	Road and Bridge	F/M and Lateral Fund	Tax Road Bond Ser. 2009	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$8,558,892	\$1,597,332	\$1,927,952		\$904,132	\$12,988,308
Sales	1,414,954					1,414,954
Other	8,042					8,042
Intergovernmental	450,210		30,053		275,862	756,125
Licenses and Permits	53,944	775,385				829,329
Charges for Services	834,440				369,879	1,204,319
Fines and Forfeitures	1,232,745	126,624				1,359,369
Interest	34,664	5,036	6,448	753	2,088	48,989
Miscellaneous	659,194	97,193	5,496		257,106	1,018,989
Total Revenues	13,247,085	2,601,570	1,969,949	753	1,809,067	19,628,424
EXPENDITURES						
Current:						
General Administration	1,700,860				44,442	1,745,302
Legal	278,382				56,737	335,119
Judicial	1,493,189				56,986	1,550,175
Financial Administration	513,155					513,155
Public Facilities	671,619					671,619
Public Safety	5,396,348				523,246	5,919,594
Public Transportation		2,228,103	1,871,307	270,342	29,896	4,399,648
Culture and Recreation	113,005				16,661	129,666
Health and Welfare	45,679				174,336	220,015
Environmental Protection					28,364	28,364
Conservation - Agriculture	151,461					151,461
Debt Service						
Principal Retirement	57,757	24,496	41,324		515,000	638,577
Interest Retirement	5,653	5,264	7,108		377,652	395,677
Total Expenditures	10,427,108	2,257,863	1,919,739	270,342	1,823,320	16,698,372
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,819,977	343,707	50,210	(269,589)	(14,253)	2,930,052
OTHER FINANCING SOURCES (USES):						
Other Financing Sources - Capital lease	74,008					74,008
Operating Transfers In	29,416				123,750	153,166
Operating Transfers Out	(1,123,750)	(300,000)			(29,416)	(1,453,166)
Total Other Financing Sources (Uses)	(1,020,326)	(300,000)	0	0	94,334	(1,225,992)
Net Changes in Fund Balances	1,799,651	43,707	50,210	(269,589)	80,081	1,704,060
Fund Balances - Beginning	4,007,934	1,815,821	2,645,139	444,249	1,440,588	10,353,731
Fund Balances - Ending	5,807,585	1,859,528	2,695,349	174,660	1,520,669	12,057,791

The accompanying notes are an integral part of this statement.

AUSTIN COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 SEPTEMBER 30, 2013

Net Changes in Fund Balances - total governmental funds \$1,704,060

Amounts reported for governmental activities in the statement of Net Position
 ("SNA") are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(835,806)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	143,206
(Increase) decrease in Compensated absences from beginning of period to end of period.	(22,761)
(Increase) decrease in Accrued Interest Payable from beginning of period to end of period.	4,341
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	16,115
Increase in loan principal are receipts in the funds but not revenue in the SOA.	(74,008)
Internal Service funds are used by management to account for funds for Self-Insurance. The net revenue of certain activities of Internal service funds is reported with governmental activities.	(202,116)
Amortization of and Premiums is an income in the SOA but not an expense in the funds.	1,786
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	<u>638,577</u>
Change in Net Position of governmental activities - statement of activities	<u><u>\$1,373,394</u></u>

The accompanying notes are an integral part of this statement.

AUSTIN COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$8,454,472	\$8,467,846	\$8,558,892	\$91,046
Sales	975,000	1,288,616	1,414,954	126,338
Other	10,000	10,000	8,042	(1,958)
Intergovernmental	163,927	163,927	450,210	286,283
License and Permits	44,000	44,000	53,944	9,944
Charges for Services	793,000	793,000	834,440	41,440
Fines and Forfeitures	1,037,281	1,037,281	1,232,745	195,464
Interest	18,010	18,010	34,664	16,654
Miscellaneous	310,791	310,791	659,194	348,403
Total Revenues	11,806,481	12,133,471	13,247,085	1,113,614
EXPENDITURES				
Current:				
General Administration				
County Clerk	294,477	294,477	303,752	(9,275)
County Judge	321,591	321,591	263,084	58,507
Human Resources	46,862	46,862	44,752	2,110
Other	1,107,865	1,293,519	936,687	356,832
System Tech.	176,174	177,174	144,585	32,589
Veterans Service	9,150	9,150	8,000	1,150
Legal				
County/ District Attorney	249,361	249,361	278,382	(29,021)
Judicial				
County Court at Law	202,763	202,763	202,850	(87)
County, District, Justice, Juvenile Courts	1,154,721	1,160,583	816,579	344,004
District Clerk	145,602	145,602	126,669	18,933
District Judge	20,592	20,592	22,035	(1,443)
Justice of the Peace No. 1	83,777	83,777	83,867	(90)
Justice of the Peace No. 2	25,415	25,415	25,841	(426)
Justice of the Peace No. 3	114,106	115,208	116,116	(908)
Justice of the Peace No. 4	102,552	102,552	99,232	3,320
Financial Administration				
County Auditor	184,209	184,209	164,685	19,524
County Treasurer	68,655	69,506	72,122	(2,616)
Tax Assessor-Collector	277,011	277,011	276,348	663
Public Facilities				
Buildings and Yards	300,763	316,254	273,419	42,835
Capital Repairs	303,750	325,422	360,278	(34,856)
Wendt Street Building	26,900	39,360	37,922	1,438
Public Safety				
Constable No. 1	18,008	18,008	12,804	5,204
Constable No. 2	18,008	18,008	17,681	327
Constable No. 3	18,008	18,658	16,747	1,911
Constable No. 4	18,008	18,249	18,001	248
County Jail Expansion				0
Emergency Management	41,921	41,921	33,310	8,611
EMS	1,421,962	1,421,962	1,419,116	2,846
Jail	1,266,892	1,313,444	1,265,806	47,638
Juvenile Probation	121,026	121,026	119,212	1,814
Sheriff	2,287,849	2,391,395	2,419,663	(28,268)

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Culture and Recreation				
Knox Library	\$67,072	\$71,860	\$72,970	(\$1,110)
West End Sanitarian	36,905	37,463	36,974	489
History and Visitor Information Center	4,960	4,960	3,061	1,899
Health and Welfare				
County Health Department	4,250	4,250	4,000	250
Other Health and Child Care	38,000	41,422	41,679	(257)
Conservation - Agriculture				
Agriculture Extension Service	151,810	151,810	151,461	349
Capital Projects -				
Capital Outlay and Other				0
Debt Service				
Principal Retirement	100,000	100,000	57,757	42,243
Interest Retirement	34,250	14,126	5,653	8,473
Total Expenditures	<u>10,865,225</u>	<u>11,248,950</u>	<u>10,353,100</u>	<u>895,850</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>941,256</u>	<u>884,521</u>	<u>2,893,985</u>	<u>2,009,464</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	29,416	29,416	29,416	0
Operating Transfers Out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(970,584)</u>	<u>(970,584)</u>	<u>(970,584)</u>	<u>0</u>
Net Changes in Fund Balances - Budgetary Basis	<u>(\$29,328)</u>	<u>(\$86,063)</u>	<u>1,923,401</u>	<u>\$2,009,464</u>
Reconciliation from cash basis to modified accrual basis:				
Other Financing Sources - Capital Lease			74,008	
Equipment Purchase - Public Safety			(74,008)	
Transfer to Indigent Health Care			<u>(123,750)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			1,799,651	
Fund Balances - Beginning			4,007,934	
Fund Balances - Ending			<u>\$5,807,585</u>	

The accompanying notes are an integral part of this statement.

AUSTIN COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$1,574,281	\$1,574,281	\$1,597,332	\$23,051
Licenses and Permits	725,000	725,000	775,385	50,385
Fines and Forfeitures	145,000	145,000	126,624	(18,376)
Interest	6,701	6,701	5,036	(1,665)
Miscellaneous	15,150	15,150	97,193	82,043
Total Revenues	<u>2,466,132</u>	<u>2,466,132</u>	<u>2,601,570</u>	<u>135,438</u>
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	2,136,372	2,136,372	2,228,103	(91,731)
Debt Service				
Principal Retirement	24,496	24,496	24,496	0
Interest Retirement	5,264	5,264	5,264	0
Total Expenditures	<u>2,166,132</u>	<u>2,166,132</u>	<u>2,257,863</u>	<u>(91,731)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	300,000	300,000	343,707	43,707
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out	(300,000)	(300,000)	(300,000)	0
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
Net Changes in Fund Balances	0	0	43,707	43,707
Fund Balances - Beginning	1,815,821	1,815,821	1,815,821	
Fund Balances - Ending	<u>\$1,815,821</u>	<u>\$1,815,821</u>	<u>\$1,859,528</u>	<u>\$43,707</u>

The accompanying notes are an integral part of this statement.

AUSTIN COUNTY, TEXAS
 F/M LATERAL ROAD FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Budgetary Basis	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes				
Property	\$1,899,827	\$1,899,827	\$1,927,952	\$28,125
Intergovernmental	0	0	30,053	30,053
Interest	0	0	6,448	6,448
Miscellaneous	8,000	8,000	5,496	(2,504)
Total Revenues	<u>1,907,827</u>	<u>1,907,827</u>	<u>1,969,949</u>	<u>62,122</u>
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	1,863,395	1,865,395	1,871,307	(5,912)
Debt Service				
Principal Retirement	41,324	41,324	41,324	0
Interest Retirement	7,108	7,108	7,108	0
Total Expenditures	<u>1,911,827</u>	<u>1,913,827</u>	<u>1,919,739</u>	<u>(5,912)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(6,000)	50,210	56,210
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(4,000)	(6,000)	50,210	56,210
Fund Balances - Beginning	2,645,139	2,645,139	2,645,139	
Fund Balances - Ending	<u>\$2,641,139</u>	<u>\$2,639,139</u>	<u>\$2,695,349</u>	<u>\$56,210</u>

The notes to the financial statements are an integral part of this statement.

AUSTIN COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Internal Service Self Insurance Current Year	Internal Service Self Insurance Prior Year	Total Proprietary Funds Current Year
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$740,225	\$942,341	\$740,225
Receivables (net of allowance for uncollectibles)	0	0	0
Total Current Assets	<u>740,225</u>	<u>942,341</u>	<u>740,225</u>
TOTAL ASSETS	<u>\$740,225</u>	<u>\$942,341</u>	<u>\$740,225</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS			
Liabilities			
Current Liabilities (Payable from Current Assets)	\$0	\$0	\$0
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>
NET POSITION			
Restricted - Expendable	740,225	942,341	740,225
TOTAL NET POSITION	<u>\$740,225</u>	<u>\$942,341</u>	<u>\$740,225</u>

The notes to the financial statements are an integral part of this statement

AUSTIN COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Internal Service Self Insurance Current Year	Internal Service Self Insurance Prior Year	Total Proprietary Funds Current Year
OPERATING REVENUES:			
Charges for Services	\$144,430	\$170,964	\$144,430
Reinsurance	245,510	89,906	245,510
TOTAL OPERATING REVENUES	389,940	260,870	389,940
OPERATING EXPENSES			
Administrative Fees	52,544	49,657	52,544
Claims paid	14	26,820	14
Other	7,535	5,238	7,535
Prescriptions	1,415,824	1,450,989	1,415,824
Reinsurrer	417,977	400,837	417,977
TOTAL OPERATING EXPENSES	1,893,894	1,933,541	1,893,894
OPERATING INCOME (LOSS)	(1,503,954)	(1,672,671)	(1,503,954)
NON-OPERATING REVENUES (EXPENSES):			
Interest Income	1,838	2,920	1,838
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,838	2,920	1,838
Income Before Transfers	(1,502,116)	(1,669,751)	(1,502,116)
Transfers In	1,300,000	1,200,000	1,300,000
Change in Net Position	(202,116)	(469,751)	(202,116)
Total Net Position - Beginning	942,341	1,412,092	942,341
Total Net Position - Ending	\$740,225	\$942,341	\$740,225

The notes to the financial statements are an integral part of this statement.

AUSTIN COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Internal Service Self Insurance Current Year	Internal Service Self Insurance Prior Year	Total Proprietary Funds Current Year
Cash flows from Operating Activities			
Receipts from Customers and Users	\$389,940	\$260,870	\$389,940
Payments to Suppliers	(1,893,894)	(1,933,541)	(1,893,894)
Net Cash Provided(Used) By Operating Activities:	<u>(1,503,954)</u>	<u>(1,672,671)</u>	<u>(1,503,954)</u>
Cash Flows from Non-Capital and Related Financing Activities			
Transfers Out	1,300,000	1,200,000	1,300,000
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u>1,300,000</u>	<u>1,200,000</u>	<u>1,300,000</u>
Cash Flows from Investing Activities			
Interest Received	1,838	2,920	1,838
Net Cash Provided(Used) By Investing Activities	<u>1,838</u>	<u>2,920</u>	<u>1,838</u>
Net Increase (Decrease) in Cash Equivalents	(202,116)	(469,751)	(202,116)
Cash and Cash Equivalents at Beginning of Year	942,341	1,412,092	942,341
Cash and Cash Equivalents at End of Year	<u>\$740,225</u>	<u>\$942,341</u>	<u>\$740,225</u>

The notes to the financial statements are an integral part of this statement.

(continued)

(continued)

	Internal Service Self Insurance Current Year	Internal Service Self Insurance Prior Year	Total Proprietary Funds Current Year
Reconciliation of Operating Income to net cash provided(Used) By Operating Activities			
Operating Income (Loss)	(\$1,503,954)	(\$1,672,671)	(\$1,503,954)
Changes in Current Items			
Decrease(Increase) in Accounts Receivable	0	0	0
Increase(Decrease) in Accounts Payable	0	0	0
Net Cash Provided(Used) by Operating Activities	<u>(\$1,503,954)</u>	<u>(\$1,672,671)</u>	<u>(\$1,503,954)</u>
Noncash Investing, Capital, and Financing Activities:			
Borrowing from capital debt	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Note: The above funds are all Enterprise Funds.

The notes to the financial statements are an integral part of this statement.

AUSTIN COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Agency Funds
ASSETS	
Cash and Cash Equivalents	<u>\$1,259,769</u>
Receivables (net of allowance for uncollectibles)	39,996
Due from Others	0
Total Assets	<u><u>\$1,299,765</u></u>
LIABILITIES	
Accounts Payable	\$81,892
Due from Other Funds	0
Due to Others	1,217,873
Total Liabilities	<u><u>\$1,299,765</u></u>

The notes to the financial statements are an integral part of this statement.

AUSTIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

I. Summary of Significant Accounting Policies

A. Reporting entity

Austin County operates under a County Judge – Commissioners' Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), environmental protection (sanitation), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services.

B. Government-Wide and Fund Financial Statements

The County's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the County accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities, which are presented as internal balances and eliminated in the total primary government column.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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 *Unlimited Tax Road Bonds, Series 2009 Capital Projects Fund* accounts for construction projects and capital acquisition from the proceeds of this bond issue.

The *Road and Bridge Special Revenue Fund* and the *F/M and Lateral Fund* account for certain revenues and expenditures related to the construction and maintenance of roads and bridges within all County precincts.

C. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

The government'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 Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value.

2. 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). 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."

8. Fund Balances – Governmental Funds

As of September 30, 2013, fund balances of the governmental funds are classified as follows:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of Commissioners' Court. Commissioners' Court is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Commissioners' Court.

Unassigned — all other spendable amounts.

As of September 30, 2013, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$33,357
Restricted	
Administrative	57,381
Archives	84,245
Construction	174,660
Debt Service	552,659
Environmental Protection	3,415
Health	96,364
Judicial	128,957
Public Safety	645,352
Public Transportation	4,549,203
Committed	
Culture and Recreation	31,774
Unassigned	5,700,424
Total Fund Balance	<u>\$12,057,791</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions.

In fiscal year 2011, the Commissioners' Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year end to be at least equal to 25 percent of the subsequent year's budgeted General Fund expenditures.

9. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

10. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of Net Position.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$9,631,277 difference are as follows:

Bonds Payable	\$8,660,000
Unamortized Bond Premium	61,072
Capital Lease Payable	445,174
Sales Taxes Payable back to State	229,270
Accrued Interest Payable	44,911
Compensated Absences	190,850
	<u>\$9,631,277</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in Net Position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$22,150,735 difference are as follows:

Capital Assets Not Being Depreciated	\$536,829
Capital Assets Being Depreciated	99,209,734
Depreciation Expense	(77,595,828)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$22,150,735</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles)." The details of this \$476,326 difference are as follows:

Property Taxes Receivable	\$508,934
Allowance for Doubtful Accounts	<u>(32,608)</u>
Net	<u>\$476,326</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$3,102,239 difference are as follows:

Fines and Fees Receivable	\$8,318,401
Allowance for Doubtful Accounts	<u>(5,216,162)</u>
Net	<u>\$3,102,239</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in Net Position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$835,806 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$311,367
Capital Outlay - Additions - Being Depreciated	1,788,651
Capital Outlay - Deletions - Net	(15,404)
Depreciation Expense	(2,920,420)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>(\$835,806)</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioners' Court.

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year.

The County Judge is, by statute, the Budget Officer of the County. She usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court.

The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash.

When 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 the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund.

Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2013 fiscal year were adopted for the General Fund, the F/M and Lateral Fund, and the Road and Bridge Fund and other applicable non-major governmental funds.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2013, expenditures did not exceed appropriations in any fund except for the road and bridge fund where the actual expenditures of \$2,257,863 exceeded the budgeted expenditures of \$2,166,132 by \$91,731, the F/M lateral road fund where the actual expenditures of \$1,919,739 exceeded the budgeted expenditures of \$1,913,827 by \$5,912, the indigent health care fund where the actual expenditures of \$103,568 exceeded the budgeted expenditures of \$28,100 by \$75,468, and the county and lateral road fund where the actual expenditures of \$29,896 exceeded the budgeted expenditures of by \$26,000 by \$3,896.

C. Deficit fund equity

The county had no deficit fund balances as of September 30, 2013 except for the E Waste Collection Event fund which had a deficit fund balance of \$3,016, the Law Library fund which had a deficit fund balance of \$20,295, the TEEX/Homeland Security fund which had a deficit fund balance of \$49,637, and the Texas Vine grant which had a deficit fund balance of \$6,530. These deficits are expected to be liquidated by future resources of the funds.

IV. Detailed Notes on All Funds

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments

The County has adopted a deposit and investment policy. That policy does address the following risks:

Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$14,177,154, and the bank balance was \$15,908,493. All of the bank balance was covered by federal deposit insurance and collateralized by the pledging financial institution with marketable securities held by an agent in the County's name. The amount of securities pledged and held by the County's depository in the County's name is \$20,209,775 and the FDIC coverage is \$275,355. The book balance of the cash and cash equivalents was \$14,177,154.

Investments

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

Investment type	Rating*	Fair Value	Days to Maturity
Government sponsored investment pool (TexPool)	AAAm	\$ 4,814	1
Total Fair Value		<u>\$ 4,814</u>	

* Standard and Poors

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its portfolio to less than three years.

Credit Risk. State law limits investments as described previously in Note I D.

Concentration of Credit Risk. The County's investment policy does not allow for an investment in any one issuer (other than investment pools) that is in excess of five percent of the fair value of the County's total investments.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the County's depository in the County's name and held by the depository's agent.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's policy for investments does not restrict the amount which can be invested with an external investment pool created under the Texas Public Funds Investment Act. TexPool is an external investment pool and is not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investment Act provide for creation of public funds investments pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The fair value of investments in the pool is independently reviewed monthly. At September 30, 2013 the fair value of the position in TexPool approximates the fair value of the shares.

IV. Detailed Notes on All Funds (continued)

B. Receivables

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

	General Fund	Road and Bridge	F/M and Lateral Fund	Other Govern- mental	Total
<u>Receivables</u>					
Taxes	\$370,949	\$75,533	\$62,452		\$508,934
Officers Fees	34,982	20,824	2,830	9,117	67,753
GASB 34 Fees and Fines	8,318,401				8,318,401
Grants Receivable				279,695	279,695
Other Receivable		9,523	2,051		11,574
Gross Receivables	8,724,332	105,880	67,333	288,812	9,186,357
Less: Allowance for Uncollectibles	5,239,911	4,852	4,007		5,248,770
Net Total Receivables	<u>\$3,484,421</u>	<u>\$101,028</u>	<u>\$63,326</u>	<u>\$288,812</u>	<u>\$3,937,587</u>

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

Delinquent Property Taxes	<u>Unavailable</u> <u>\$ 476,326</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 476,326</u>

There was no unearned revenue reported in the governmental funds during the year.

C. Capital Assets

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

Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$225,462	\$80,000	\$0	\$305,462
Construction in Progress	0	231,367		231,367
Total capital assets not being depreciated:	225,462	311,367	0	536,829
Capital assets being depreciated:				
Building and Improvements	10,651,636	178,408		10,830,044
Machinery and Equipment	12,378,985	647,912	117,100	12,909,797
Infrastructure	74,495,092	962,331		75,457,423
Intangibles	12,470			12,470
Total capital assets being depreciated:	97,538,183	1,788,651	117,100	99,209,734
Less: Accumulated Depreciation for:				
Building and Improvements	5,047,292	257,309		5,304,601
Machinery and Equipment	8,704,259	979,892	101,696	9,582,455
Infrastructure	61,023,771	1,681,438		62,705,209
Intangibles	1,782	1,781		3,563
Total Accumulated Depreciation	74,777,104	2,920,420	101,696	77,595,828
Total Capital Assets Depreciated, Net	22,761,079	(1,131,769)	15,404	21,613,906
Governmental Activities capital assets, Net	\$22,986,541	(\$820,402)	\$15,404	\$22,150,735

The 2012-2013 depreciation is as follows:

Governmental Activities	
General Administration	\$16,210
Judicial	11,914
Financial Administration	11,003
Public Facilities	33,420
Public Safety	732,061
Public Transportation	2,111,700
Culture and Recreation	3,083
Conservation - Agriculture	1,029
Total Depreciation Expense - Governmental Activities	\$2,920,420

The infrastructure capital assets were not fully depreciated at September 30, 2013.

Construction commitments

The major capital asset construction events during the 2012-2013 year were several bridge projects during the current fiscal year.

D. Interfund Receivables, Payables, and Transfers

There was a \$2,740 amount due from the Tax Road bond fund Series 2009 – Debt Service to the Tax Road bond fund Series 2009 – Construction at year's end. This amount is expected to be liquidated in the 2013 year.

There were no interfund balances as of September 30, 2013. There were no advances at September 30, 2013. The following transfers to the insurance fund were recurring. The transfers to and from the non-major funds were non-recurrent and were for operating capital. The transfer to the insurance fund was for self-insurance.

<u>INTERFUND</u>			
<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>REASON</u>	
<u>GENERAL FUND</u>			
TRANSFER TO SELF INSURANCE FUND	\$1,000,000	HEALTH CARE	
TRANSFER TO INDIGENT HEALTH CARE FUNDS	123,750	HEALTH CARE	
<u>ROAD AND BRIDGE FUND</u>			
TRANSFER TO SELF INSURANCE FUND	300,000	HEALTH CARE	
<u>NON-MAJOR FUNDS</u>			
TRANSFER TO GENERAL FUND	29,416	VARIOUS GOVERNMENT	
	<u>\$1,453,166</u>		

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$48,678 for the year ended September 30, 2013. The future minimum lease payments for these leases are as follows:

<u>Year Ending Sep. 30</u>	<u>Amount</u>
2014	\$40,879
2015	38,624
2016	38,940
2017	33,288
2018	21,927
2019	12,000
2020	<u>8,000</u>
Total	<u>\$ 193,658</u>

F. Long-Term Debt

Capital Leases: The government has entered into six capital lease agreements as lessee for financing the acquisition of one (1) Cat 430E backhoe, one (1) skid steer loader, two (2) excavators, one (1) Tahoe, and three (3) Tahoes. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date.

Assets acquired through capital leases are as follows:

Asset:	THREE	CAT	CAT		SKID	CHEVY	TOTAL
	TAHOES	430 E	EXCAVATOR	EXCAVATOR	STEER LOADER	TAHOE	
Cost	\$106,164	\$96,036	\$183,600	\$248,268	\$82,534	\$40,983	\$757,585
Less: Accumulated Depreciation	40,818	27,439	78,686	151,030	35,372	24,590	357,935
Total	\$65,346	\$68,597	\$104,914	\$97,238	\$47,162	\$16,393	\$399,650

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013, were as follows:

YEAR	Governmental	
	Activities	Total
2014	116,394	116,394
2015	101,325	101,325
2016	72,557	72,557
2017	57,705	57,705
2018	51,462	51,462
2019	24,125	24,125
2020	24,125	24,125
2021	24,125	24,125
TOTAL MINIMUM LEASE PAYMENTS	<u>471,818</u>	<u>471,818</u>
LESS: AMOUNT REPRESENTING INTEREST	26,644	26,644
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$445,174</u>	<u>\$445,174</u>

The above debt is to be serviced by the General Fund and the Road and Bridge fund.

Bonds

The government issues Bonds to provide funds for various County projects. The original amount of the bonds issued is \$5,000,000 and \$6,000,000, respectively. The bonds are direct obligations and pledge the full faith and credit of the government.

Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Rates</u>	<u>Amount</u>
Certificate of Obligation - Series 2007	4.25%	\$3,415,000
Unlimited Tax Road Bonds - Series 2009	4.625%	5,245,000

The following is a summary of debt service requirements to maturity.

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2014	\$540,000	\$354,614
2015	560,000	331,722
2016	590,000	308,309
2017	615,000	284,479
2018	650,000	259,687
2019 to 2023	3,240,000	879,003
2024 to 2028	2,000,000	344,005
2029	465,000	10,753
TOTALS	<u>\$8,660,000</u>	<u>\$2,772,572</u>

The above debt is to be serviced by the Debt Service funds.

Notes

The County was assessed a sales-tax repayment to the state in the amount of \$229,270.41. This is a result of multiple local businesses protesting their tax status to the state and won an exempt status designation. This amount is to be repaid back to the state in monthly amounts of \$1837.79 which is to be subtracted from the county's monthly sales tax allocation revenue from the state. There is no interest to be charged on these paybacks. The total amount to be repaid in the year ended September 30, 2014 is \$16,086.77.

The following is a summary of debt service requirements to maturity.

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2014	\$16,087	\$0
2015	22,053	0
2016	22,053	0
2017	22,053	0
2018	22,053	0
2019	22,053	0
2020	22,053	0
2021	22,053	0
2022	22,053	0
2023	22,053	0
2024	14,706	0
TOTALS	\$229,270	\$0

The above debt is to be serviced by a reduction in the county's monthly sales tax allocation revenue from the state.

The changes in long-term liabilities are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
General Obligation Bonds	\$9,175,000	\$0	\$515,000	\$8,660,000	\$540,000	\$8,120,000
Bond Premium	62,858	0	1,786	61,072	0	61,072
Net Bonds	9,237,858	0	516,786	8,721,072	540,000	8,181,072
Capital Leases	494,743	74,008	123,577	445,174	125,027	320,147
Sales Taxes Payable back to State	229,270			229,270	16,087	213,183
Compensated Absences	168,089	190,850	168,089	190,850	190,850	0
	10,129,960	264,858	808,452	9,586,366	871,964	8,714,402
 Grand Total	 \$10,129,960	 \$264,858	 \$808,452	 \$9,586,366	 \$871,964	 \$8,714,402

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2013-14 year is \$190,850. The compensated absences are deemed to be current liabilities.

The government-wide statement of activities includes \$871,964 as "non-current liabilities, due within one year".

The total amount of interest expensed in 2012-2013 is \$389,550.

V. Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no instances where settlements exceeded insurance coverage in any of the three previous years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

	Year ended <u>09/30/13</u>	Year ended <u>09/30/12</u>
Unpaid Claims, Beginning of Fiscal Year	\$ -0-	\$ -0-
Incurred Claims (including IBNRs)		
Claim Payments		
Unpaid Claims, End of Fiscal Year	<u>\$ -0-</u>	<u>\$ -0-</u>

B. Related Party Transaction

There were no related party transactions during the year.

C. Subsequent Events

December 9, 2013 - Agreed to create the required County Energy Transportation Reinvestment Zone (CETRZ) for grant funding as outlined in SB 1747. Estimated grant funds to the County are \$386,895.

D. Contingent Liabilities

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

The County was a defendant in the following cases:

Arthur Ray Harris v. Austin County: injury/premises liability case brought by former inmate at county jail. Inmate was a trusty assisting in jail renovations. He alleges he was instructed to go to attic and retrieve a work light, while doing so he fell through roof and sustained injuries. County denies allegations and says Plaintiff was specifically instructed not to leave his work area. Parties have exchanged written discovery requests, but no dispositions have yet been taken. The case is still pending. A motion to compel was filed in Jan. 2013. Plaintiff has not responded in more than 1 year. No court date is scheduled.

Michael Krumrey v. Austin County and County Sheriff's Office: former Sheriff Deputy was terminated for refusing to follow an order to give a written statement regarding violations of the law by other Sheriff's Office personnel, which he had previously reported verbally. He said he was fired in retaliation for making the initial report, in violation of the Texas Whistleblower Act. The county admits the plaintiff was fired for refusing to provide a written statement, but denies he was wrongfully terminated. The parties have exchanged written discovery requests. The County considers an unfavorable outcome likely. The case is still pending. Depositions were completed in Sept. 2013. No court date is scheduled.

Lassen, Inc. dba Mike Larsen Company. Construction contract dispute arising out of the County's sponsorship of New Ulm Water Supply Corporation (NUWSC) for a Texas Community Development Block Grant to rehabilitate NUWSC's wastewater treatment plant. Settlement reached after letter dated 3/10/2014 with no monetary loss to the County; and the file is closed.

Melanie Boyte vs Austin Co-Cause No. 4:13-CV-02166. Case is still pending. Plaintiff filed suit asserting she was discriminated against on the basis of her disability because courthouse bathroom is not wheelchair accessible. She further claims retaliation for complaining about the alleged inaccessibility. The County Risk Pool is defending the lawsuit, and counsel cannot provide any estimate at this time of Plaintiff's potential damages and the County would be responsible for paying, if any.

Darrell Burditt v. Judge Daniel Leedy, et al; Civil Action No. 4:13-cv-01070. Plaintiff file suit asserting his constitutional rights were violated in connection with his misdemeanor traffic conviction. The County Risk Pool defended the County. Case was dismissed by the trial court without County Funds being expended. Plaintiff may appeal.

Christina Ray, as next friend of minors v. Austin County, Texas; Cause No. 14CV-5189. Plaintiff asserted claims that Austin County discriminated against Darrell Ray when it terminated his employment, and that the County's alleged discrimination caused Darrell Ray to commit suicide. The County was defended by the County Risk Pool. The case was dismissed without the expenditure of County funds.

E. Retirement Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

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

Funding Policy

The employer 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 employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

The governing body elected to pay a rate of 8.16% for the 2012 and 8.54% for the 2013 year that did not exceed the actuarially determined rate as allowed by the provisions of the TCDRS Act.

The contribution rate payable by the employee members for calendar years 2012 and 2013 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Actuarial Valuation Information

Actuarial valuation date	12/31/2010	12/31/2011	12/31/2012
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	20.0	20.0	20.0
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value
Actuarial Assumptions			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Trend Information for the Retirement Plan for the Employees of Austin County, Texas

Accounting Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
09-30-2011	503,243	100%	-0-
09-30-2012	525,072	100%	-0-
09-30-2013	566,186	100%	-0-

ANALYSIS OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2012	\$17,601,883	\$19,779,866	\$2,177,983	88.99%	\$6,328,404	34.42%

The schedule of funding progress presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

F. Other Post employment Benefits

There are no post employment benefits.

G. Prior Period Adjustment

The county is restating it's beginning of the year net position as of October 1, 2012 from a balance of \$27,750,915 to an adjusted balance of \$27,522,645. A difference of \$229,270. This adjustment was due to a sales tax amount required to be repaid back to the state because local multiple businesses protested their sales tax status and won an exempt sales tax designation.

REQUIRED SUPPLEMENTARY INFORMATION

AUSTIN COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2013

TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
 ANALYSIS OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2009	\$15,641,220	\$17,155,788	\$1,814,568	89.4%	\$6,027,493	30.1%
2010	\$16,224,321	\$18,203,533	\$1,979,212	89.1%	\$6,273,738	31.6%
2011	\$17,042,023	\$19,197,702	\$2,155,679	88.8%	\$6,156,098	35.0%
2012	\$17,601,883	\$19,779,866	\$2,177,983	89.0%	\$6,328,404	34.4%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

AUSTIN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2013

		SPECIAL REVENUE																							
		ARRA	CC & DC	JAG	DC	TECH	FUND	CDA	LAW ENFORCEMENT	COLLEC-TION FEE/ESTRAY	COUNTY AND LATERAL ROAD SECURITY	COURT-HOUSE SECURITY	COURT-REPORTER SERVICE FUND	CRIMINAL DA-HOT CHECK	DISTRICT ATTORNEY FOR-FUTURE CERT	DONATIONS- LEFC AND CERT	E WASTE COLLEC-TION EVENT	EMS/ SPECIAL FUNDS	ENVIRO-MENTAL FUND	ESTRAY	INDIGENT HEALTH CARE	JUSTICE COURT BUILDING SECURITY	JUSTICE COURT TECH-NOLOGY	JUVENILE PROBATION PARENTAL SUPPORT	
2007	PSIC GRANT	\$1,015	\$320	\$641	\$81,473	\$1,115	\$0	\$159,283	\$35,772	\$10,726	\$19,031	\$1,873	\$0	\$34,627	\$3,415	\$8,023	\$19,072	\$27,608	\$39,162	\$19,935					
214,907		90					859	378	184																
\$214,907		\$320	\$731	\$81,473	\$1,115	\$0	\$160,142	\$36,150	\$10,910	\$19,031	\$1,873	\$0	\$34,627	\$3,415	\$6,023	\$19,072	\$27,608	\$39,162	\$19,935						

ASSETS
 Cash and Cash Equivalents
 Receivables (net of allowance for uncollectibles)
 TOTAL ASSETS

		ARRA	CC & DC	JAG	DC	TECH	FUND	CDA	LAW ENFORCEMENT	COLLEC-TION FEE/ESTRAY	COUNTY AND LATERAL ROAD SECURITY	COURT-HOUSE SECURITY	COURT-REPORTER SERVICE FUND	CRIMINAL DA-HOT CHECK	DISTRICT ATTORNEY FOR-FUTURE CERT	DONATIONS- LEFC AND CERT	E WASTE COLLEC-TION EVENT	EMS/ SPECIAL FUNDS	ENVIRO-MENTAL FUND	ESTRAY	INDIGENT HEALTH CARE	JUSTICE COURT BUILDING SECURITY	JUSTICE COURT TECH-NOLOGY	JUVENILE PROBATION PARENTAL SUPPORT
70,769		0	0	0	0	0	0	0	0	0	0	0	752	\$1,258	0	\$0	3,016	\$0	\$0	758	\$11,015	\$1,894	\$0	\$0
70,769		0	0	0	0	0	0	0	0	0	0	0	752	1,258	0	0	3,016	0	0	758	11,015	0	1,894	0

LIABILITIES AND FUND BALANCES
 Liabilities
 Accounts Payable
 Due to Other Funds
 Bank Overdraft
 Total Liabilities

		ARRA	CC & DC	JAG	DC	TECH	FUND	CDA	LAW ENFORCEMENT	COLLEC-TION FEE/ESTRAY	COUNTY AND LATERAL ROAD SECURITY	COURT-HOUSE SECURITY	COURT-REPORTER SERVICE FUND	CRIMINAL DA-HOT CHECK	DISTRICT ATTORNEY FOR-FUTURE CERT	DONATIONS- LEFC AND CERT	E WASTE COLLEC-TION EVENT	EMS/ SPECIAL FUNDS	ENVIRO-MENTAL FUND	ESTRAY	INDIGENT HEALTH CARE	JUSTICE COURT BUILDING SECURITY	JUSTICE COURT TECH-NOLOGY	JUVENILE PROBATION PARENTAL SUPPORT
144,138		1,015	320	81,473	1,115	0	160,142	35,398	9,652	19,031	1,873	0	34,627	3,415	8,057	27,608	37,268	19,236						
144,138		1,015	320	81,473	1,115	0	160,142	35,398	9,652	19,031	1,873	0	34,627	3,415	8,057	27,608	37,268	19,236						

Fund Balances
 Restricted
 Administrative
 Archives
 Construction
 Debt Service
 Environmental Protection
 Health
 Judicial
 Public Safety
 Committed
 Culture and Recreation
 Unassigned
 Total Fund Balances

		ARRA	CC & DC	JAG	DC	TECH	FUND	CDA	LAW ENFORCEMENT	COLLEC-TION FEE/ESTRAY	COUNTY AND LATERAL ROAD SECURITY	COURT-HOUSE SECURITY	COURT-REPORTER SERVICE FUND	CRIMINAL DA-HOT CHECK	DISTRICT ATTORNEY FOR-FUTURE CERT	DONATIONS- LEFC AND CERT	E WASTE COLLEC-TION EVENT	EMS/ SPECIAL FUNDS	ENVIRO-MENTAL FUND	ESTRAY	INDIGENT HEALTH CARE	JUSTICE COURT BUILDING SECURITY	JUSTICE COURT TECH-NOLOGY	JUVENILE PROBATION PARENTAL SUPPORT
\$214,907		\$1,015	\$320	\$731	\$81,473	\$1,115	\$0	\$160,142	\$36,150	\$10,910	\$19,031	\$1,873	\$0	\$34,627	\$3,415	\$8,023	\$19,072	\$27,608	\$39,162	\$19,935				
\$214,907		\$1,015	\$320	\$731	\$81,473	\$1,115	\$0	\$160,142	\$36,150	\$10,910	\$19,031	\$1,873	\$0	\$34,627	\$3,415	\$8,023	\$19,072	\$27,608	\$39,162	\$19,935				

TOTAL LIABILITIES AND FUND BALANCES

(continued)

AUSTIN COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

REVENUES	SPECIAL REVENUE																				
	ARRA 2007 PSIC GRANT	ABAND- ONED VEHICLES	CC & JAG FUND	DC TECH FUND	CDA LAW ENFORCE- MENT	COLLEC- TION FEE/ ESTRAY	COUNTY AND LATERAL ROAD	COURT- HOUSE SECURITY	COURT REPORTER SERVICE FUND	CRIMINAL DA- HOT CHECK	DISTRICT ATTORNEY FOR- FEUTURE	DONATIONS - LEPC AND CERT	E WASTE COLLEC- TION EVENT	ENVIRO- MENTAL FUND	ENVIRO- MENTAL FUND	EMS/ SPECIAL FUNDS	INDIGENT HEALTH CARE	JUSTICE COURT BUILDING SECURITY	JUSTICE COURT TECH- NOLOGY	JUVENILE PROBATION PARENTAL SUPPORT	
Property																					
Intergovernmental																					
Changes for Services	899	127,942					29,896	29,646	6,310	42,110		14,408		2,919	4,376		5,948	24,068		11,836	
Interest	13	140					20													17	
Miscellaneous		4,378					28,030													2,970	
Total Revenues	0	0	712	0	132,460	0	29,896	29,646	6,310	42,130	26,050	0	14,408	2,919	4,376	0	5,948	24,068		14,823	

EXPENDITURES	SPECIAL REVENUE																				
	ARRA 2007 PSIC GRANT	ABAND- ONED VEHICLES	CC & JAG FUND	DC TECH FUND	CDA LAW ENFORCE- MENT	COLLEC- TION FEE/ ESTRAY	COUNTY AND LATERAL ROAD	COURT- HOUSE SECURITY	COURT REPORTER SERVICE FUND	CRIMINAL DA- HOT CHECK	DISTRICT ATTORNEY FOR- FEUTURE	DONATIONS - LEPC AND CERT	E WASTE COLLEC- TION EVENT	ENVIRO- MENTAL FUND	ENVIRO- MENTAL FUND	EMS/ SPECIAL FUNDS	INDIGENT HEALTH CARE	JUSTICE COURT BUILDING SECURITY	JUSTICE COURT TECH- NOLOGY	JUVENILE PROBATION PARENTAL SUPPORT	
Current:																					
General Administration																					
Legal																					
Judicial																					
Public Safety																					
Public Transportation																					
Culture and Recreation																					
Health and Welfare																					
Environmental Protection																					
Capital Projects -																					
Capital Outlay and Other																					
Debt Service																					
Principal Retirement																					
Interest Retirement																					
Total Expenditures	0	0	0	0	50,987	0	29,896	30,373	752	44,905	11,832	137	10,613	3,795	6,992	103,568		20,416		11,420	

Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0	81,473	0	0	(727)	5,558	(2,775)	16,218	(137)	3,795	5,715	168	(2,616)	(103,568)	5,948	3,652	3,403
-----------------------------------------------------------	---	---	---	---	--------	---	---	-------	-------	---------	--------	-------	-------	-------	-----	---------	-----------	-------	-------	-------

OTHER FINANCING SOURCES (USES):	SPECIAL REVENUE																				
	ARRA 2007 PSIC GRANT	ABAND- ONED VEHICLES	CC & JAG FUND	DC TECH FUND	CDA LAW ENFORCE- MENT	COLLEC- TION FEE/ ESTRAY	COUNTY AND LATERAL ROAD	COURT- HOUSE SECURITY	COURT REPORTER SERVICE FUND	CRIMINAL DA- HOT CHECK	DISTRICT ATTORNEY FOR- FEUTURE	DONATIONS - LEPC AND CERT	E WASTE COLLEC- TION EVENT	ENVIRO- MENTAL FUND	ENVIRO- MENTAL FUND	EMS/ SPECIAL FUNDS	INDIGENT HEALTH CARE	JUSTICE COURT BUILDING SECURITY	JUSTICE COURT TECH- NOLOGY	JUVENILE PROBATION PARENTAL SUPPORT	
Operating Transfers In																					
Operating Transfers Out																					
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Changes in Fund Balances	0	0	712	0	81,473	0	0	(727)	5,558	(2,775)	16,218	(137)	3,795	5,715	168	(2,616)	(103,568)	5,948	3,652	3,403	
Fund Balances - Beginning	144,138	1,015	320	19		1,115	0	160,869	29,840	12,427	2,813	2,010	(6,811)	28,912	3,247	9,881	(12,125)	21,660	33,616	15,833	
Fund Balances - Ending	\$144,138	\$1,015	\$320	\$731	\$81,473	\$1,115	\$0	\$160,142	\$35,398	\$9,652	\$19,031	\$1,873	(\$3,016)	\$34,627	\$3,415	\$7,265	(\$6,057)	\$27,608	\$37,268	\$19,236	

(continued)

SPECIAL REVENUE														DEBT SERVICE			
JUVENILE CASE MANAGE- MENT	LAW LIBRARY	POD GRANT	RECORDS MANAGE- MENT COUNTY	RECORDS MANAGE- MENT FEES	SHERIFFS FORFEI- TURE	SPECIAL LIBRARY/ KNOX LIBRARY	SPECIAL LIBRARY/ W. E. LIBRARY	SPECIAL TAX INCRE- MENT FINANCE ZONE NO.1	TEEX/ HOMELAND SECURITY	TEXAS CAPITAL FUND GRANT	TIRE COLLEC- TION EVENT	TOBACCO LITIGA- TION SETTLEMENT	TRAFFIC FEES/ JUSTICE COURT	VIDEO COURT COSTS	CERTIFICATE OF OBLIGATION SER. 2007	TAX ROAD BONDS SER. 2009	NON-MAJOR GOVERN- MENTAL FUNDS
2,467	31,172	14,699	37,760	25,602	10,631	28	9,952	19,871	178,395	6,874	20,792	16,203	968	\$457,943	\$446,189	\$904,132	
2,467	31,172	0	14,699	37,889	186,277	10,631	9,980	19,871	178,395	0	6,874	20,956	16,203	968	458,675	446,893	1,809,067
	24,398	9,389	15,182	219,514	12,493	11,576	5,085	19,871	171,894	6,530	20,531	70,768	15,000	0	0	0	0
	24,398	0	9,389	15,182	12,493	11,576	5,085	19,871	171,894	6,530	20,531	70,768	15,000	0	0	0	0
2,467	6,774	0	5,310	22,707	(33,237)	(1,862)	(1,596)	1,776	6,501	0	344	(49,812)	(4,328)	968	9,642	3,274	(14,253)
0	0	0	(6,000)	(23,416)	0	0	0	0	0	0	0	0	0	0	0	0	123,750
2,467	6,774	0	(690)	(709)	(33,237)	(1,862)	(1,596)	1,776	6,501	0	344	(49,812)	(4,328)	968	9,642	3,274	(29,416)
79,266	(27,069)	6,650	17,329	68,315	123,075	5,588	23,333	8,261	0	(56,136)	50,000	(6,874)	0	138,119	16,760	5,451	1,440,588
\$81,733	(\$20,295)	\$6,650	\$16,639	\$67,606	\$89,838	\$3,726	\$21,737	\$10,037	\$0	(\$49,637)	\$50,000	(\$6,530)	\$0	\$88,307	\$12,432	\$6,419	\$1,520,669

AGENCY

AUSTIN COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Juvenile Probation State	Drainage District No. 1	Court Costs	Bellville ISD Truancy	Sealy ISD Truancy	New Ulm WWTR Rehabilitation	County Officer Monies	Total
ASSETS								
Cash and Cash Equivalents	\$51,724	\$61,278	\$163,399	\$717	\$770	\$0	\$981,881	\$1,259,769
Receivables (net of allowance for uncollectibles)	30,168		9,828					39,996
Due from Other Funds		0						0
Due from Others								0
Total Assets	\$81,892	\$61,278	\$173,227	\$717	\$770	\$0	\$981,881	\$1,299,765
LIABILITIES								
Accounts Payable	\$81,892							\$81,892
Due to Other Funds						\$0	\$0	0
Due to Others	0	61,278	173,227	717	770	0	981,881	1,217,873
Total Liabilities	\$81,892	\$61,278	\$173,227	\$717	\$770	\$0	\$981,881	\$1,299,765

AUSTIN COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

<u>JUVENILE PROBATION STATE</u>	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
ASSETS				
Cash and Cash Equivalents	\$118,266	\$208,197	\$274,739	\$51,724
Receivables (net of allowance for uncollectibles)	15,659	30,168	15,659	30,168
Due from Other Funds				0
Due from Others				0
Total Assets	\$133,925	\$238,365	\$290,398	\$81,892
LIABILITIES:				
Accounts Payable	\$65,762	\$84,111	\$67,981	\$81,892
Due to Other Funds				0
Due to Others	68,163	154,254	222,417	0
Total Liabilities	133,925	238,365	290,398	81,892

<u>DRAINAGE DISTRICT NO. 1</u>	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
ASSETS				
Cash and Cash Equivalents	\$61,432	\$124	\$278	\$61,278
Receivables (net of allowance for uncollectibles)				0
Due from Other Funds				0
Due from Others				0
Total Assets	\$61,432	\$124	\$278	\$61,278
LIABILITIES:				
Accounts Payable				\$0
Due to Other Funds				0
Due to Others	61,432	124	278	61,278
Total Liabilities	\$61,432	\$124	\$278	\$61,278

	<u>COURT COSTS</u>			
	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
ASSETS				
Cash and Cash Equivalents	\$153,941	\$613,017	\$603,559	\$163,399
Receivables (net of allowance for uncollectibles)	4,065	9,828	4,065	9,828
Due from Other Funds	0			0
Due from Others				0
Total Assets	\$158,006	\$622,845	\$607,624	\$173,227
LIABILITIES:				
Accounts Payable	\$0	\$973		\$973
Due to Other Funds				0
Due to Others	158,006	621,872	607,624	172,254
Total Liabilities	\$158,006	\$622,845	\$607,624	\$173,227

	<u>BELLVILLE ISD TRUANCY</u>			
	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
ASSETS				
Cash and Cash Equivalents	\$232	\$485		\$717
Receivables (net of allowance for uncollectibles)				0
Due from Other Funds				0
Due from Others				0
Total Assets	\$232	\$485	\$0	\$717
LIABILITIES:				
Accounts Payable				\$0
Due to Other Funds				0
Due to Others	232	485	0	717
Total Liabilities	\$232	\$485	\$0	\$717

	<u>SEALY ISD TRUANCY</u>			
	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
ASSETS				
Cash and Cash Equivalents	\$720	\$50		\$770
Receivables (net of allowance for uncollectibles)				0
Due from Other Funds				0
Due from Others				0
Total Assets	\$720	\$50	\$0	\$770
LIABILITIES:				
Accounts Payable				\$0
Due to Other Funds				0
Due to Others	720	50	0	770
Total Liabilities	\$720	\$50	\$0	\$770

<u>NEW ULM WWTR REHABILILATION</u>	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
ASSETS				
Cash and Cash Equivalents	\$0	\$162,874	\$162,874	\$0
Receivables (net of allowance for uncollectibles)				0
Due from Other Funds				0
Due from Others				0
Total Assets	<u>\$0</u>	<u>\$162,874</u>	<u>\$162,874</u>	<u>\$0</u>
LIABILITIES:				
Accounts Payable	\$0			\$0
Due to Other Funds	0			0
Due to Others	0	162,874	162,874	0
Total Liabilities	<u>\$0</u>	<u>\$162,874</u>	<u>\$162,874</u>	<u>\$0</u>

<u>COUNTY OFFICER MONIES</u>	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
ASSETS				
Cash and Cash Equivalents	\$850,075	\$131,806		\$981,881
Receivables (net of allowance for uncollectibles)				0
Due from Other Funds				0
Due from Others				0
Total Assets	<u>\$850,075</u>	<u>\$131,806</u>	<u>\$0</u>	<u>\$981,881</u>
LIABILITIES:				
Accounts Payable	\$0			\$0
Due to Other Funds	0			0
Due to Others	850,075	131,806	0	981,881
Total Liabilities	<u>\$850,075</u>	<u>\$131,806</u>	<u>\$0</u>	<u>\$981,881</u>

<u>TOTAL</u>	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2013
ASSETS				
Cash and Cash Equivalents	\$1,184,666	\$1,116,553	\$1,041,450	\$1,259,769
Receivables (net of allowance for uncollectibles)	19,724	39,996	19,724	39,996
Due from Other Funds	0	0	0	0
Due from Others	0	0	0	0
Total Assets	<u>\$1,204,390</u>	<u>\$1,156,549</u>	<u>\$1,061,174</u>	<u>\$1,299,765</u>
LIABILITIES:				
Accounts Payable	\$65,762	\$85,084	\$67,981	\$82,865
Due to Other Funds	0	0	0	0
Due to Others	1,138,628	1,071,465	993,193	1,216,900
Total Liabilities	<u>\$1,204,390</u>	<u>\$1,156,549</u>	<u>\$1,061,174</u>	<u>\$1,299,765</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- BUDGET AND ACTUAL

AUSTIN COUNTY, TEXAS
INDIGENT HEALTH CARE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Miscellaneous	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
EXPENDITURES				
Current:				
Public Safety				
Sheriff	28,100	28,100	103,568	(75,468)
Total Expenditures	28,100	28,100	103,568	(75,468)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,100)	(28,100)	(103,568)	(75,468)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	408,344	408,344	123,750	(284,594)
Operating Transfers Out				0
Total Other Financing Sources (Uses)	408,344	408,344	123,750	(284,594)
Net Changes in Fund Balances	380,244	380,244	20,182	(360,062)
Fund Balances - Beginning	(12,125)	(12,125)	(12,125)	
Fund Balances - Ending	\$368,119	\$368,119	\$8,057	(\$360,062)

AUSTIN COUNTY, TEXAS
 CERTIFICATE OF OBLIGATION SERIES 2007
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes				
Property	\$454,792	\$454,792	\$457,943	\$3,151
Interest	259	259	732	473
Total Revenues	<u>455,051</u>	<u>455,051</u>	<u>458,675</u>	<u>3,624</u>
EXPENDITURES				
Current:				
Debt Service				
Principal Retirement	305,000	305,000	305,000	0
Interest Retirement	155,051	155,051	144,033	11,018
Total Expenditures	<u>460,051</u>	<u>460,051</u>	<u>449,033</u>	<u>11,018</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,000)</u>	<u>(5,000)</u>	<u>9,642</u>	<u>14,642</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	5,000	5,000	0	(5,000)
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Net Changes in Fund Balances	0	0	9,642	9,642
Fund Balances - Beginning	385,339	385,339	385,339	
Fund Balances - Ending	<u>\$385,339</u>	<u>\$385,339</u>	<u>\$394,981</u>	<u>\$9,642</u>

AUSTIN COUNTY, TEXAS
TAX ROAD BOND SERIES 2009
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes				
Property	\$436,814	\$436,814	\$446,189	\$9,375
Interest	905	905	704	(201)
Total Revenues	<u>437,719</u>	<u>437,719</u>	<u>446,893</u>	<u>9,174</u>
EXPENDITURES				
Current:				
Debt Service				
Principal Retirement	210,000	210,000	210,000	0
Interest Retirement	233,719	233,719	233,619	100
Total Expenditures	<u>443,719</u>	<u>443,719</u>	<u>443,619</u>	<u>100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,000)</u>	<u>(6,000)</u>	<u>3,274</u>	<u>9,274</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	6,000	6,000	0	(6,000)
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>6,000</u>	<u>0</u>	<u>(6,000)</u>
Net Changes in Fund Balances	0	0	3,274	3,274
Fund Balances - Beginning	154,404	154,404	154,404	
Fund Balances - Ending	<u>\$154,404</u>	<u>\$154,404</u>	<u>\$157,678</u>	<u>\$3,274</u>

AUSTIN COUNTY, TEXAS
COUNTY AND LATERAL ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$26,000	\$26,000	\$29,896	\$3,896
Total Revenues	26,000	26,000	29,896	3,896
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	26,000	26,000	29,896	(3,896)
Total Expenditures	26,000	26,000	29,896	(3,896)
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	
Fund Balances - Ending	\$0	\$0	\$0	\$0