

# GRIMES COUNTY, TEXAS

**2012 COMPRESHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended September 30, 2012**



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# **GRIMES COUNTY, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2012**

Prepared by:

Grimes County Auditor's Office

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**GRIMES COUNTY, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2012**

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# **INTRODUCTORY SECTION**

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## GRIMES COUNTY AUDITOR

Mary L. Nichols

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Cell (979) 422-4820

E-mail: mary.nichols@co.grimes.tx.us

May 30, 2013

To the Honorable Board of District Judges,  
Honorable County Judge, Honorable Members of  
Commissioners Court and Citizens of  
Grimes County, Texas:

The Grimes County Auditor's office is pleased to present the Comprehensive Annual Financial Report (CAFR) of Grimes County, Texas (the "County"), for the fiscal year ended September 30, 2012. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included. The County Auditor's Office is legally required to present reports to the Commissioners' Court and District Judges. This CAFR satisfies the requirement found in the Local Government Code section 114.025.

In 1999, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement established new requirements for the annual financial reports of state and local governments. It was developed to provide additional information about the fiscal health of the government and to make the annual reports more comprehensive and easier to understand and use. GASB Statement No. 34 mandated that governments comparable to the County implement the new reporting model by fiscal year 2003.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

The CAFR is presented in three sections: ***Introductory, Financial, and Statistical***. The introductory section includes this transmittal letter, the County's organizational chart, and a list of principal officials. The financial section includes the Management's Discussion and Analysis (MD&A), the basic financial statements including the notes, required supplementary information other than MD&A, combining and individual fund statements and schedules as well as the independent auditors' report on these financial statements and schedules. The statistical section, which is unaudited but reviewed by the independent auditors, includes selected financial and demographic information, generally presented on a multi-year basis.

The financial reporting entity (the County) includes all the funds of the primary government (i.e., Grimes County as legally defined), as well as any component units. Component units are legally separate entities for which the primary government is financially accountable. The County does not have any component units.

The County provides a full range of services contemplated by statute or charter. This includes police protection, legal and judicial services, construction and maintenance of roads and bridges, and waste management facilities.

## **GRIMES COUNTY BACKGROUND, ECONOMIC CONDITIONS, AND GROWTH**

The County is located in the State of Texas. In 2000, its population was 23,552. The 2012 census estimate placed the County's population at 26,783. The County is named for Jesse Grimes, a signer of the Texas Declaration of Independence and early settler in Anderson, Texas, which is located in the southeast part of Texas. The County is responsible for the maintenance of approximately 600+ miles of county roads and 102 bridges. Law enforcement is responsible for more than 790 square miles of the unincorporated area of the County. Despite the recession that has plagued the rest of the country; the County's growth has been slow and steady.

## **MAJOR INITIATIVES**

### **For the Year**

The County acquired various assets during the year. For the purpose of public safety, the Sheriff's Department purchased (3) 2012 Chevrolet Tahoe's through Buy Board and a Ford Police Interceptor. In addition, a console integrator was purchased with grant funding. Public Transportation also made a significant advancement in road improvement. Various federally funded projects were completed and a new compact loader and water truck were purchased.

### **For the Future**

Due to the limited space and unsafe conditions of the Navasota Annex, the county has taken initiative in improving the recently purchased building located on Highway 105 West. This project is anticipated to be completed in fiscal year 2013.

As a result of inadequate structure, a new county courthouse annex (the "annex") is needed. During the year, the county contacted various financial advisors for estimates on financing the annex. Several options have been provided to Commissioners' Court and are being considered.

## **FINANCIAL INFORMATION**

### **Long Term Financial Planning**

The county continues to reserve funds in Capital Projects in preparation for the purchase of a new building.

### **General Government Functions**

The Commissioners' Court is the governing body of the County. The Texas Constitution specifies that the Court consist of a County Judge, who is elected at large and serves as presiding officer, and four county commissioners elected by the voters of their precinct. The court exercises the powers provided by law to conduct the varied business of the County. The Local Government Code prescribes the duties and grants authority to the Commissioners' Court and other county officers relating to financial management. In compliance with state statutes, the Commissioners' Court maintains budgetary control to ensure that provisions embodied within the annually appropriated budget are met for most county functions. According to the budget laws of the State of Texas, expenditures may not exceed the amount appropriated for each fund.

## **The Budget Process**

The County Judge serves as the budget officer and, along with the County Auditor, prepares an annual budget for presentation and approval by the Commissioners' Court. Departments submit budget requests for budget revisions and amendments to the County Judge, who shall review for conformity to statutes, appropriateness within the scope of budget objectives, making recommendations to the Commissioners' Court as required. The Commissioners' Court maintains sole authority for revising or amending the budget.

Notices and budget request forms are distributed to elected officials and department heads, who are responsible for preparing a departmental budget request and submitting the same to the County Judge, along with supporting documentation.

The County Auditor estimates historical revenues and beginning balances in conjunction with information obtained from various county offices. The County Judge complies and analyzes budget requests and estimated revenues, conducting budget review meetings with departments and the County Auditor.

A preliminary budget is submitted to Commissioners' Court and budget workshops are held with individual departments, as requested. A proposed budget is filed with the County Clerk for public inspections and a tax rate is proposed to support that budget, based upon the Tax Appraiser's publication of the "effective tax rate."

Notices of the proposed tax rate are published in the local newspaper and public hearings are held to receive comments on the proposed budget and on the proposed tax rate. Changes warranted by law and required in the interest of the taxpayer are made, the budget is adopted, and a tax rate is set. The approved budget is filed with County Clerk and the County Auditor.

The County Auditor monitors expenditures of the various departments to prevent expenditures from exceeding budget appropriations and sends a semi-monthly financial report to Commissioners' Court. The County Auditor also provides a budget to actual expenditures report to each department on a semi-monthly basis. Expenditures are recorded based on service date, thus expenditures are clearly identified with each particular year.

## **Internal Control Structure**

The County's accounting records for general government operations are maintained and the financial statements presented on a modified accrual basis. The financial operating controls are shared by the Commissioners' Court, which is the governing body, and the County Auditor who is appointed by the District Judges.

The County Auditor has the basic responsibility for maintaining the records of all financial transactions of the County and examining, auditing, and approving all disbursements from county funds prior to submission to Commissioners' Court for payment.

The Commissioners' Court sets the tax rate, establishes policies for county operations, approves contracts for the County and develops and adopts the county budget within the resources as estimated by the County Auditor.

In developing the County's accounting systems, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of the financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived there from, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The County's internal accounting controls are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## **OTHER INFORMATION**

### **Independent Audit**

The County requires an annual audit of the general ledger, financial records, and transactions of all departments of the County by an independent certified public accountant. For this purpose, the accounting firm of Patillo, Brown & Hill, LLP, was selected by Commissioners' Court as the County's auditor. Their opinion letter on the financial statements is included in the financial section of this report.

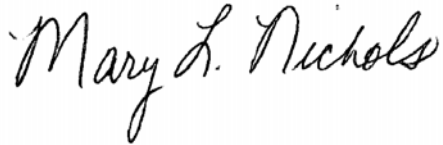
### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting if an entity submits their CAFR for review. Grimes County submitted the 2011 CAFR for review, and was awarded the Certificate of Achievement for Excellence in Financial Reporting for the third consecutive year.

### **Acknowledgements**

The preparation of this report was accomplished with the efficient and dedicated services of the entire staff of the County Auditor's Office. We would like to express our appreciation to all members of the departments who assisted and contributed to its preparation. We would also like to thank the County Judge, members of the Commissioners' Court, and the department heads for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary L. Nichols".

Mary L. Nichols  
County Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
**Grimes County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Moville*

President

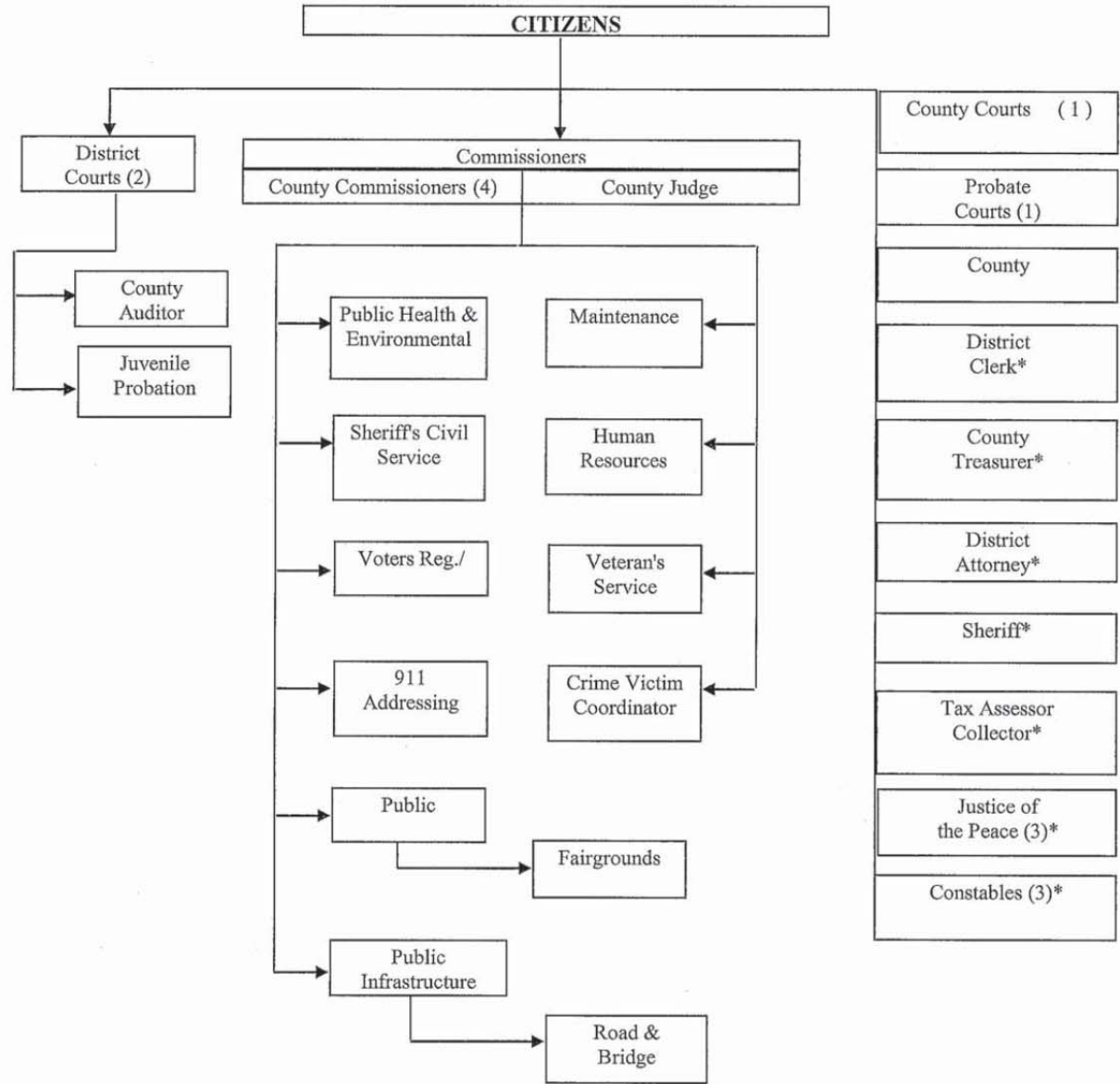
*Jeffrey R. Enos*

Executive Director

# GRIMES COUNTY, TEXAS

## ORGANIZATIONAL CHART

SEPTEMBER 30, 2012



Elected \*



# GRIMES COUNTY, TEXAS

## LIST OF ELECTED AND APPOINTED OFFICIALS

SEPTEMBER 30, 2012



### COMMISSIONERS' COURT

John Bertling	Commissioner, Precinct #1
Randy Krueger	Commissioner, Precinct #2
Julian Melchor, Jr.	Commissioner, Precinct #3
Pam Finke	Commissioner, Precinct #4

### JUDICIAL

Tuck Moody McLain	District Attorney
Gay Wells	District Clerk

### COUNTY COURT

Betty Shiflett	County Judge
David Pasket	County Clerk

### JUSTICE COURTS

Gene Stapleton	Justice of the Peace, Precinct #1
Joe Imhoff	Justice of the Peace, Precinct #2
John LeFlore	Justice of the Peace, Precinct #3

### LAW ENFORCEMENT

Don Sowell	County Sheriff
Dale Schaper	Constable, Precinct #1
George Wells	Constable, Precinct #2
Ann Weaks	Constable, Precinct #3

### FINANCIAL ADMINISTRATION

Connie Perry	Tax Assessor/Collector
Janice A. Trant	County Treasurer
Mary L. Nichols	County Auditor**

\*\*Designated appointed official. All others are elected.

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# **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grimes County, Texas (the "County"), as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2012, and the respective changes in financial position for the year ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, pension information, and post-employment health care benefit information on pages 3 through 19 and 34 through 39 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Pattillo, Brown & Hill, L.L.P.*

May 30, 2013

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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## Management's Discussion and Analysis

As management of the Grimes County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in introductory section of this report.

### FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$44,390,029 (*net assets*). Of this amount, \$8,482,926 represents unrestricted net assets, which may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased \$1,594,036 because of efforts on behalf of the County to maintain within the budgeted expenses and an average of 7% of revenues received above the budgeted amount overall.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$11,322,297, an increase of \$3,018,812 in comparison with the prior year. Approximately 58% of this amount (\$6,568,289) is available for spending at the County's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed* and *unassigned* components of *fund balance*) for the General Fund was \$7,105,443, or approximately 77% of total General Fund expenditures. On average the General Fund expenditures were maintained at 86% of the budgeted total.
- The County's total outstanding long-term debt decreased by \$1,360,166 during the current fiscal year because of the payment future issuance of long-term bonds.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The statement of net assets presents financial information on all of the County's assets, liabilities, and net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets 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 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 the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public facilities, judicial, public safety, health and welfare, public transportation, and legal.

The government-wide financial statements can be found following the MD&A.

**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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

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

The County maintains 40 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 and the Road and Bridge Fund, which are considered to be major funds. Data from the other 38 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found following the government-wide financial statements of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the County's own programs.

The County maintains one type of fiduciary funds, agency funds. The *Agency funds* reports resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found following the governmental fund financial statements of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 – 33 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County’s compliance with the budget for the General and Road and Bridge Funds, progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found following the notes to the financial statements of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgetary compliance, and pensions and OPEB. Combining and individual fund statements and schedules can be found following *required supplementary information* of this report.

## GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government’s financial position. In the case of the County, assets exceeded liabilities by \$44,390,029, at the close of the most recent fiscal year.

### County’s Net Assets

	Governmental Activities	
	2012	2011
Current and other assets	\$ 14,556,540	\$ 10,673,793
Capital assets	<u>32,278,811</u>	<u>18,454,498</u>
Total assets	<u>46,835,351</u>	<u>29,128,291</u>
Long-term liabilities	549,526	575,564
Other liabilities	<u>1,895,796</u>	<u>1,266,393</u>
Total liabilities	<u>2,445,322</u>	<u>1,841,957</u>
Net assets:		
Invested in capital assets, net of related debt	32,142,783	18,203,910
Restricted	3,764,320	3,698,839
Unrestricted	<u>8,482,926</u>	<u>5,383,585</u>
Total net assets	<u>\$ 44,390,029</u>	<u>\$ 27,286,334</u>

By far, the largest portion of the County’s net assets (72%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the

County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

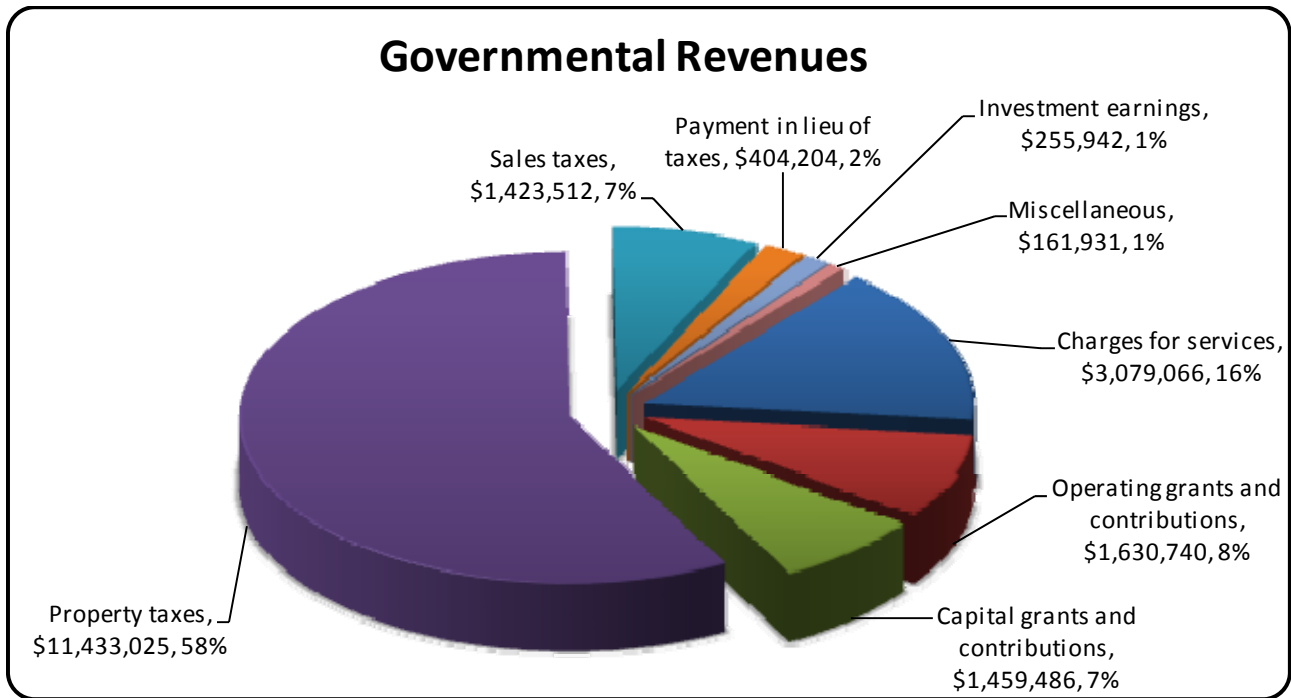
An additional portion of the County's net assets (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,482,926 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net assets. The same situation held true for the prior fiscal year. However, the County's overall net position increased \$1,594,036 from the prior fiscal year as result of current year activity and \$15,509,569 as result of a prior period adjustment. During the current year the County performed an inventory of the County's infrastructure that resulted in a restatement of beginning net assets. The reasons for the increase in net assets that resulted from current year activity is discussed in the following sections for governmental activities.

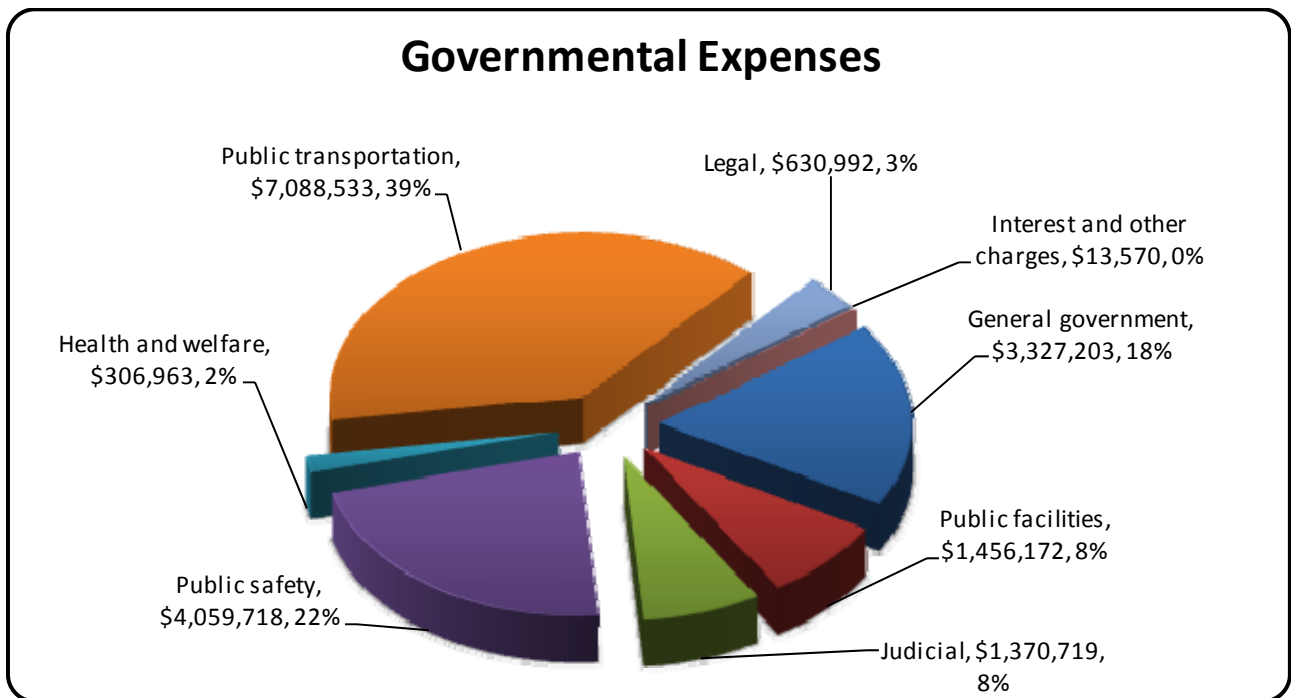
### County's Changes in Net Assets

	Governmental Activities	
	2012	2011
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 3,079,066	\$ 1,749,295
Operating grants and contributions	1,630,740	540,554
Capital grants and contributions	1,459,486	-
General revenues:		
Property taxes	11,433,025	11,209,725
Sales taxes	1,423,512	990,111
Payment in lieu of taxes	404,204	-
Investment earnings	255,942	171,569
Miscellaneous	161,931	1,610,801
Total Revenues	19,847,906	16,272,055
<b>EXPENSES</b>		
General government	3,327,203	3,127,897
Public facilities	1,456,172	551,405
Judicial	1,370,719	1,495,084
Public safety	4,059,718	3,942,264
Health and welfare	306,963	454,384
Public transportation	7,088,533	4,185,047
Legal	630,992	625,864
Interest on long-term debt	13,570	18,241
Total Expenses	18,253,870	14,400,186
<b>CHANGE IN NET ASSETS</b>	1,594,036	1,871,869
<b>NET ASSETS, BEGINNING</b>	27,286,334	25,414,465
<b>PRIOR PERIOD ADJUSTMENT</b>	15,509,659	-
<b>NET ASSETS, ENDING</b>	\$ 44,390,029	\$ 27,286,334

Graphic presentations of selected revenues and expenses provide a visual analysis of the County's activities.



Total governmental revenues increased by \$3,575,851 in comparison to the prior year. Operating and capital grants and contributions increased \$1,090,186 and \$1,459,486, respectively. These increases are a result of funding received from the Texas Department of Transportation (\$1.4 million) and federal and state funding (\$1.1 million) for relief and repairs resulting from the Grimes County fire.



Total governmental expenses increased as compared to the prior year \$3,853,684, or 27%. This is primarily due to the special County road projects completed by the Road and Bridge Department during the year and additional County road repairs and maintenance expenses. Fuel expense has also increased, significantly affecting the Road and Bridge, and Sheriff's Department as well as other areas in the County.

## **FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

***Governmental Funds.*** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County's Commissioners' Court.

The County's governmental funds reflect a combined fund balance of \$11,322,297. Of the total governmental fund balance \$1,403,187 is restricted for various purposes, \$1,315,943 is assigned, and \$6,568,289 is unassigned.

The General Fund is the chief operating fund of the County. At the current fiscal year, unassigned fund balance of the General Fund was \$6,625,960. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 72% of total General Fund expenditures. The fund balance of the County's General Fund reported an increase of \$2,673,689 due to revenue for property taxes and revenue received from charges of services.

The Road and Bridge Fund reported a decrease of \$182,540 due to more capital expenditures than budgeted.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual General Fund revenues were over budgeted revenues by \$1,106,981 during the year. As a result of underestimated property and sales tax, fees of office and interest earned. Both current and delinquent property tax collections surpassed the amount anticipated by the County. The County also received an additional \$108,000 in interest above the amount budgeted.

General Fund expenditures were less than the final budget by \$628,248 as a result of a County-wide effort to keep expenditures at or below budget. The general administration and judicial departments reported significantly less expenditures than budgeted.

During the 2012 year, the Commissioners' Court amended the budget for the following purposes:

- To appropriate monies from other governmental units received in year 2012.
- To re-appropriate monies within or between departments; and
- To reflect department year-end projections.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At the end of the year, the County's governmental activities had invested \$32,278,811 in a variety of capital assets, net of depreciation. This investment in capital assets includes land, buildings, machinery, equipment, roads and bridges. The total increase in capital assets for the current fiscal year was \$13,824,313.

Major capital asset events during the year include the following:

- Three 2012 Chevy Tahoes and a 2009 Police Interceptor for the Sheriff's Department;
- 2012 Compact Loader with mulching head and a 2007 water truck for the Road and Bridge Department; and
- Federally funded State projects: County Roads 172, 215, 302 and 419;
- An inventory of infrastructure was performed and resulted in a restatement of capital assets in the amount of \$15,509,569.

Additional information on the County's capital assets can be found in the notes to the financial statements on page 25 of this report.

**Long-term Debt.** At the end of the year, the County reported total tax notes of \$122,000 and capital leases of \$14,028. The County entered into additional capital leases of \$20,966 during the year.

Additional information on the County's long-term debt can be found in the notes to the financial statements on pages 25 – 26 of this report.

## **ECONOMIC FACTORS**

The County continues to grow as seen in the increase in assessed property valuations for both residential and commercial entities. The County has continued the permanent road program to solidify the infrastructure of the County.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to the County Auditor's Office, 114 West Buffington, Anderson, Texas 77830.

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**BASIC  
FINANCIAL STATEMENTS**

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# GRIMES COUNTY, TEXAS

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2012

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 11,335,822
Receivables, net:	
Property taxes	1,397,669
Accounts	292,857
Due from other governments	1,483,913
Other assets	46,279
Capital assets:	
Non-depreciable	357,514
Depreciable, net of accumulated depreciation	<u>31,921,297</u>
Total assets	<u>46,835,351</u>
<b>LIABILITIES</b>	
Accounts payable	1,242,844
Accrued liabilities	123,266
Due to other governments	364,647
Unearned revenue	165,039
Noncurrent liabilities:	
Due within one year	61,228
Due in more than one year	<u>488,298</u>
Total liabilities	<u>2,445,322</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	32,142,783
Restricted for:	
Road and bridge	2,325,219
Judicial	582,386
Public safety	216,214
Records management	83,064
Social services	68,435
Capital projects	273
Debt service	488,729
Unrestricted	<u>8,482,926</u>
Total net assets	<u>\$ 44,390,029</u>

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

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# GRIMES COUNTY, TEXAS

## STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 3,327,203	\$ 1,326,732	\$ 209,335	\$ 86,365	\$( 1,704,771)
Public facilities	1,456,172	35,940	1,009,247	-	( 410,985)
Judicial	1,370,719	910,226	85,621	-	( 374,872)
Public safety	4,059,718	68,650	288,468	20,983	( 3,681,617)
Health and welfare	306,963	-	5,843	-	( 301,120)
Public transportation	7,088,533	737,518	-	1,352,138	( 4,998,877)
Legal	630,992	-	32,226	-	( 598,766)
Interest and other charges	13,570	-	-	-	( 13,570)
 Total governmental activities	 <u>\$ 18,253,870</u>	 <u>\$ 3,079,066</u>	 <u>\$ 1,630,740</u>	 <u>\$ 1,459,486</u>	 <u>( 12,084,578)</u>
General revenues:					
Taxes:					
Property taxes					11,433,025
Sales taxes					1,423,512
Payment in lieu of taxes					404,204
Investment earnings					255,942
Miscellaneous					<u>161,931</u>
Total general revenues					<u>13,678,614</u>
Change in net assets					1,594,036
Net assets, beginning					27,286,334
Prior period adjustment					<u>15,509,659</u>
Net assets, ending					<u>\$ 44,390,029</u>

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

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**GRIMES COUNTY, TEXAS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2012**

	<u>General</u>	<u>Road and Bridge</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 7,517,587	\$ 1,597,460	\$ 2,220,775	\$ 11,335,822
Receivables, net of allowances for uncollectibles:				
Taxes	1,054,899	310,303	32,467	1,397,669
Accounts	288,708	-	4,149	292,857
Due from other governments	-	1,303,710	180,203	1,483,913
Due from other funds	101,724	-	-	101,724
Other assets	<u>35,984</u>	<u>8,701</u>	<u>1,594</u>	<u>46,279</u>
Total assets	<u>\$ 8,998,902</u>	<u>\$ 3,220,174</u>	<u>\$ 2,439,188</u>	<u>\$ 14,658,264</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 357,971	\$ 870,434	\$ 14,439	\$ 1,242,844
Accrued liabilities	95,549	24,521	3,196	123,266
Due to other governments	364,647	-	-	364,647
Due to other funds	-	-	101,724	101,724
Deferred revenue	<u>1,075,292</u>	<u>290,341</u>	<u>137,853</u>	<u>1,503,486</u>
Total liabilities	<u>1,893,459</u>	<u>1,185,296</u>	<u>257,212</u>	<u>3,335,967</u>
Fund balances:				
Restricted for:				
Road and bridge	-	2,034,878	-	2,034,878
Judicial	-	-	582,386	582,386
Public safety	-	-	216,214	216,214
Records management	-	-	83,064	83,064
Social services	-	-	68,435	68,435
Capital projects	-	-	273	273
Debt service	-	-	452,815	452,815
Assigned for:				
Capital murder trial	479,483	-	-	479,483
Capital projects	-	-	836,460	836,460
Unassigned	<u>6,625,960</u>	<u>-</u>	<u>( 57,671)</u>	<u>6,568,289</u>
Total fund balances	<u>7,105,443</u>	<u>2,034,878</u>	<u>2,181,976</u>	<u>11,322,297</u>
Total liabilities and fund balances	<u>\$ 8,998,902</u>	<u>\$ 3,220,174</u>	<u>\$ 2,439,188</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	32,278,811
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,338,447
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>( 549,526)</u>
Net assets of governmental activities	<u>\$ 44,390,029</u>

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

**GRIMES COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	General	Road and Bridge	Nonmajor Governmental	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ 8,340,112	\$ 3,112,103	\$ 25,362	\$ 11,477,577
Sales	1,423,512	-	-	1,423,512
Payment in lieu of taxes	404,204	-	-	404,204
Intergovernmental	153,104	1,352,138	1,530,889	3,036,131
Fees of office	1,372,882	-	164,286	1,537,168
Fines and forfeitures	274,986	92,713	-	367,699
Investment earnings	255,942	-	-	255,942
Charges for services	-	737,518	3,704	741,222
Hospital lease and rentals	101,059	-	-	101,059
Miscellaneous revenue	181,933	708	65,236	247,877
Total revenues	12,507,734	5,295,180	1,789,477	19,592,391
<b>EXPENDITURES</b>				
Current:				
General government	2,889,486	-	290,050	3,179,536
Public facilities	101,935	-	1,224,023	1,325,958
Judicial	1,348,689	-	16,788	1,365,477
Public safety	3,474,165	-	353,040	3,827,205
Health and welfare	306,963	-	-	306,963
Public transportation	316,025	5,477,720	-	5,793,745
Legal	612,169	-	6,858	619,027
Debt service:				
Principal	116,526	-	19,000	135,526
Interest and other charges	9,152	-	4,418	13,570
Capital outlay	-	-	27,538	27,538
Total expenditures	9,175,110	5,477,720	1,941,715	16,594,545
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>3,332,624</u>	<u>( 182,540)</u>	<u>( 152,238)</u>	<u>2,997,846</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	39,960	-	735,681	775,641
Transfers out	( 719,861)	-	( 55,780)	( 775,641)
Issuance of capital lease	20,966	-	-	20,966
Total other financing sources and uses	<u>( 658,935)</u>	<u>-</u>	<u>679,901</u>	<u>20,966</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,673,689	( 182,540)	527,663	3,018,812
<b>FUND BALANCES, BEGINNING</b>	<u>4,431,754</u>	<u>2,217,418</u>	<u>1,654,313</u>	<u>8,303,485</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 7,105,443</u>	<u>\$ 2,034,878</u>	<u>\$ 2,181,976</u>	<u>\$ 11,322,297</u>

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



## GRIMES COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Net change in fund balances - total governmental funds:	\$ 3,018,812
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
Capital outlay	301,972
Depreciation	( 1,978,496)
Governmental funds report the proceeds from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost and accumulated depreciation of the asset disposed.	
	( 8,822)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	
Property taxes	( 44,552)
Court fines	279,084
Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.	
Long-term debt issued	( 20,966)
Principal payment	135,526
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Net other postemployment benefits obligation	( 52,953)
Compensated absences	( 35,569)
Change in net assets of governmental activities	\$ <u>1,594,036</u>

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

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**GRIMES COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2012**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ <u>2,333,663</u>
Total assets	\$ <u><u>2,333,663</u></u>
<b>LIABILITIES</b>	
Due to others	\$ <u>2,333,663</u>
Total liabilities	\$ <u><u>2,333,663</u></u>

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

# GRIMES COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Grimes County, Texas (the "County") is an independent government entity created by an act of the Texas Legislature. The County is governed by a Commissioners' Court, composed of four County Commissioners and the County Judge, all of which are elected officials.

The County's financial statements include the accounts of all County operations. The County provides a vast array of services including financial administration, judicial, health and welfare, public facilities and transportation, general administration, public safety, elections and voters' administration, and legal.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

#### B. Basis of Presentation - Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

(continued)

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Government-wide and Fund Financial Statements (Continued)**

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

The fund financial statements provide information about the government's funds, including its fiduciary. Separate statements for each fund category—governmental, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds

**General Fund** – This fund is the County's primary operating fund used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general administration, financial administration, public facilities, elections, judicial, public safety, health and welfare, public transportation, and legal.

**Road and Bridge Fund** – This fund is used to account for revenues of property taxes levied and vehicle registration fees for the Road and Bridge Fund. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in this fund.

Additionally, the County reports the following fund type:

**Agency Funds** – These funds are custodial in nature. These funds are used to account for assets that the County holds for others in an agency capacity.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities.

**(continued)**

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **C. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**(continued)**

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **D. Assets, Liabilities, and Net Assets/Fund Balance**

#### **Deposits and Investments**

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

The County's investments are accounted for in accordance with GASB Statement No. 31, which establishes accounting and reporting standards for all of the County's investments. In accordance with Statement No. 31, the County reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U. S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The Local Government Code of Texas authorizes the County to invest in:

- 1) obligations of the United States or its agencies and instrumentalities;
- 2) direct obligations of the State of Texas or its agencies and instrumentalities;
- 3) collateral mortgage obligations, although significantly limited; and
- 4) other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
- 5) obligations of state agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent;
- 6) certificates of deposit issued by state and national banks or savings and loan domiciled in Texas which are:
  - (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or
  - (b) secured by obligations of paragraphs 1) to 5) above and that have a market value of not less than the principal amount of the certificates but excluding certain mortgage-backed securities; and
  - (c) fully collateralized repurchase agreements, bankers' acceptances, commercial paper, mutual funds, guaranteed investment contracts, and investment pools, all of which are required to meet certain restrictive criteria.

**(continued)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Assets/Fund Balance (Continued)**

**Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans). All outstanding balances between funds are reported as "due to/from other funds."

Receivables are reported net of an allowance for uncollectible amounts.

**Property Taxes**

General property taxes are recorded as revenue when levied for the current year and due, payable, and collected in the current year. Uncollected amounts at year-end are reported as deferred revenue. Delinquent property taxes collected within 60 days subsequent to year-end were not considered material.

The property tax calendar dates are:

- Levy date and due date – October 1
- Collection dates – October 1 through January 31
- Lien date – February 1

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, and Debt Service Funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value, and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

**(continued)**



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Assets/Fund Balance (Continued)**

**Inventories and Prepaid Items**

The costs of governmental fund inventories are recorded as expenditures when the related liability is incurred, i.e., the purchase method. In addition, certain payments to vendors reflect costs applicable to future accounting periods and are also recorded as expenditures when purchased.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Infrastructure	20 - 45 years
Buildings	20 - 30 years
Machinery and equipment	5 - 10 years

**Compensated Employee Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation. Vacation that is expected to be liquidated with expendable, available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations. Accrued vacation is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirement.

**(continued)**

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Assets, Liabilities, and Net Assets/Fund Balance (Continued)

#### Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. The long-term debt consists primarily of tax notes and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments and compensated absences paid from governmental funds are reported as liabilities in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the General Fund. Lease payments representing both principal and interest are recorded as expenditures in the General Fund upon payment, with an appropriate reduction of principal recorded in the government-wide financial statements.

#### Fund Balance

Fund balances of governmental funds are classified as follows:

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

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

**Committed** – represents amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (Commissioners' Court). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint. The commitment must be made prior to year-end.

(continued)

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Assets, Liabilities, and Net Assets/Fund Balance (Continued)

#### Fund Balance (Continued)

**Assigned** – represents amounts the County intends to use for a specific purpose. Intent can be expressed by the Commissioners Court or by an official or body to which the Commissioners' Court delegates the authority (County Auditor and County Judge). Assignments can be made at any time.

**Unassigned** – represents amounts that are available for any purpose. Positive amounts are reported only in the General Fund. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed, then assigned funds, and finally unassigned funds. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance.

#### Estimates

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

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on the GAAP basis of accounting for the General Fund, certain Special Revenue Funds, and the Debt Service Fund. Project-length budgets are adopted for Capital Projects Funds. All annual appropriations lapse at fiscal year-end. The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. The legal level of control is the department level in the General Fund and Road and Bridge Fund and fund level for all other funds. The following Special Revenue Funds did not have an adopted budget: Graffiti Eradication, Voter Registration, LEOSE Education, LEOSE Education Grants, Election Services Contract, Education Connection Grant, HAVA Grant, BVAA Senior Meals, Wickson Water Grant, District Attorney Special, Cops Grant, Grant Cops School, and State Energy Conservation Grant.

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

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

*Credit Risk.* State law and the County's investment policy limits investments to obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. Further, commercial paper must be rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2012, the County's investments in TexPool and TexSTAR were rated AAAM by Standard & Poor's and AAA/V1+ by Fitch Ratings.

*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's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2012, market values of pledged securities and FDIC insurance exceeded bank balances.

#### B. Receivables

Amounts are aggregated in taxes and accounts receivable (net of allowance for uncollectibles) line items for certain funds and aggregated columns. Below is the detail of receivables including the applicable allowances for uncollectible accounts:

	<u>General</u>	<u>Road and Bridge</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Taxes	\$ 1,115,424	\$ 333,950	\$ 33,899	\$ 1,483,273
Court fines	1,395,421	-	-	1,395,421
Other	9,124	-	4,149	13,273
Gross receivables	2,519,969	333,950	38,048	2,891,967
Allowance for uncollectible	( 1,176,862)	( 23,647)	( 1,432)	( 1,201,941)
Net receivables	<u>\$ 1,343,107</u>	<u>\$ 310,303</u>	<u>\$ 36,616</u>	<u>\$ 1,690,026</u>

(continued)

### III. DETAILED NOTES ON ALL FUNDS (Continued)

#### C. Capital Assets

Capital assets activity for the year ended September 30, 2012, was as follows:

	Balance Beginning	Increases	Decreases/ Reclassifications	Balance Ending
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 329,978	\$ 15,401	\$ -	\$ 345,379
Construction in progress	-	12,135	-	12,135
Total capital assets not being depreciated	<u>329,978</u>	<u>27,536</u>	<u>-</u>	<u>357,514</u>
Capital assets being depreciated:				
Buildings and improvements	11,123,657	-	-	11,123,657
Machinery and equipment	5,377,713	274,436	( 197,954)	5,454,195
Infrastructure	58,942,499	-	( 26,365,455)	32,577,044
Total capital assets being depreciated	<u>75,443,869</u>	<u>274,436</u>	<u>( 26,563,409)</u>	<u>49,154,896</u>
Less: accumulated depreciation for:				
Buildings and improvements	( 6,426,400)	( 362,083)	-	( 6,788,483)
Machinery and equipment	( 3,588,328)	( 530,512)	189,132	( 3,929,708)
Infrastructure	( 47,304,621)	( 1,085,901)	41,875,114	( 6,515,408)
Total accumulated depreciation	<u>( 57,319,349)</u>	<u>( 1,978,496)</u>	<u>42,064,246</u>	<u>( 17,233,599)</u>
Total capital assets being depreciated, net	<u>18,124,520</u>	<u>( 1,704,060)</u>	<u>15,500,837</u>	<u>31,921,297</u>
Governmental activities, capital assets, net	<u>\$ 18,454,498</u>	<u>\$ ( 1,676,524)</u>	<u>\$ 15,500,837</u>	<u>\$ 32,278,811</u>

Depreciation was charged to governmental activities of the County as follows:

General government	\$ 116,345
Public facilities	122,714
Judicial	19,958
Public safety	292,109
Public transportation	1,415,405
Legal	<u>11,965</u>
Total depreciation expense - governmental activities	<u>\$ 1,978,496</u>

#### D. Long-term Debt

The County issues tax notes payable and capital lease obligations to provide funds for the acquisition or construction of major capital facilities. These issues are direct obligations and pledge the full faith and credit of the County.

(continued)

### III. DETAILED NOTES ON ALL FUNDS (Continued)

#### D. Long-term Debt (Continued)

Changes in the County's long-term liabilities for the year ended September 30, 2012, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Tax notes	\$ 141,000	\$ -	\$ 19,000	\$ 122,000	\$ 20,000
Capitalized lease obligations	109,588	20,966	116,526	14,028	4,719
Compensated absences	110,476	178,172	142,603	146,045	36,509
OPEB obligation	<u>214,500</u>	<u>63,203</u>	<u>10,250</u>	<u>267,453</u>	<u>-</u>
Total governmental activities	<u>\$ 575,564</u>	<u>\$ 262,341</u>	<u>\$ 288,379</u>	<u>\$ 549,526</u>	<u>\$ 61,228</u>

Compensated absences and OPEB obligation are generally liquidated in the General Fund.

Capital lease obligations and tax notes outstanding at September 30, 2012, are as follows:

	Percentage Interest Rate	Original Amount	Balance
Certificates of Obligation			
2001 Tax and Revenue Certificates of Obligation	4.00%	\$ 150,000	\$ 61,000
2001 Tax and Revenue Certificates of Obligation	4.00%	150,000	<u>61,000</u>
Total Certificates of Obligation			<u>\$ 122,000</u>
Capital Leases			
2012 Chevy Tahoe	5.96%	20,966	<u>14,028</u>
Total Capital Leases			<u>\$ 14,028</u>

The debt service requirements for the County are as follows:

Fiscal Year	Governmental Activities			
	Capital Leases		Tax Note	
	Principal	Interest	Principal	Interest
2013	\$ 4,719	\$ 355	\$ 20,000	\$ 4,880
2014	4,520	555	21,000	4,080
2015	4,789	285	22,000	3,240
2016	-	-	23,000	2,360
2017	-	-	24,000	1,440
2018	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>480</u>
Total	<u>\$ 14,028</u>	<u>\$ 1,195</u>	<u>\$ 122,000</u>	<u>\$ 16,480</u>

Machinery and equipment acquired under current capital lease obligations totaled \$20,216, less accumulated depreciation of \$674, with a net value of \$19,542 at year-end.

(continued)

### III. DETAILED NOTES ON ALL FUNDS (Continued)

#### E. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2012, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
General	Nonmajor Governmental	\$ 101,724

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

#### F. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2012, is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amounts</u>
General	Nonmajor Governmental	\$ 39,960
Nonmajor Governmental	General	719,861
Nonmajor Governmental	Nonmajor Governmental	<u>15,820</u>
		<u>\$ 775,641</u>

Transfers were primarily utilized to move unrestricted General Fund revenues to finance various programs that must be accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs and governmental expenditures.

### IV. OTHER INFORMATION

#### A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates, along with other entities, in the Texas Association of Counties Workers' Compensation Self-Insurance Fund. The Texas Association of Counties created this pool to insure the County for workers' compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the Texas Association of Counties Insurance Trust Fund. This pool purchases commercial insurance at group rates for participants in the pool. The County has no additional risk or responsibility to either of the pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

(continued)

#### **IV. OTHER INFORMATION (Continued)**

##### **A. Risk Management (Continued)**

The County reports liabilities 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. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payout and other economic and social factors. The liability for claims and judgments is reported in the government-wide financial statements because it is not expected to be liquidated with expendable, available financial resources. However, none are reported at September 30, 2012.

##### **B. 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 which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County periodically is a defendant in various lawsuits. As of September 30, 2012, after consultation with the County's attorney, the County is not aware of any pending or threatened litigation which would have a material effect on the financial statements.

##### **C. Pension Plan**

###### **Plan Description**

The County provides pension, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 624 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 or online at [www.tcdrs.org](http://www.tcdrs.org).

The plan provisions are adopted by the Commissioners' Court, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight or more years of service, or with 20 years regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years 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 amount contributed by their employer.

(continued)



**IV. OTHER INFORMATION (Continued)**

**C. Pension Plan (Continued)**

**Funding Policy (Continued)**

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

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County's contribution is based on the actuarially determined rate of 7.0% for calendar year 2011 and 7.3% for calendar year 2012.

The contribution rate payable by the employee members for calendar years 2011 and 2012 is 7%, as adopted by the Commissioners' Court. The employee contribution rate and the employer contribution rate may be changed by the Commissioners' Court with the options available in the TCDRS Act.

**Annual Pension Cost**

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2010 and December 31, 2011, the basis for determining the contribution rates for fiscal year 2012. The December 31, 2011, actuarial valuation is the most recent valuation. Information in regards to actuarial information is as follows:

Actuarial Valuation Date	12/31/11	12/31/10	12/31/09
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percent of payroll closed period	Level percent of payroll closed period	Level percent of payroll closed period
Amortization period	20 years	20 years	1.2 years
Asset valuation method	SAF 10-year smoothed value, ESF: Fund	SAF 10-year smoothed value, ESF: Fund	SAF 10-year smoothed value, ESF: Fund
Actuarial Assumptions:			
Investment rate of return*	8.0%	8.0%	8.0%
Projected salary increases*	5.4%	5.4%	5.4%
*Includes inflation at Cost-of-living adjustments	3.5% None	3.5% None	3.5% None

**(continued)**

#### IV. OTHER INFORMATION (Continued)

##### C. Pension Plan (Continued)

###### Annual Pension Cost (Continued)

For the County's fiscal years ended September 30, 2012, 2011 and 2010, the annual pension cost and percentage of annual pension cost were as follows:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2010	\$ 354,303	100%	-
2011	353,584	100%	-
2012	375,998	100%	-

###### Funded Status and Funding Progress

The funded status as of December 31, 2011, the most recent valuation date, is as follows:

Actuarial Valuation Date	12/31/2011
Actuarial Value of Assets	\$ 11,107,214
Actuarial Accrued Liability	11,589,247
Percentage Funded	95.84%
Unfunded Actuarial Accrued Liability (UAAL)	482,033
Annual Covered Payroll	4,918,199
UAAL as a Percentage of Covered Payroll	9.80%

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

##### D. Post Employment Group Term Life Insurance Plan

###### Plan Description

The County participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County and District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Retired employees are insured for \$5,000.

The GTLF is a separate trust administered by the TCDRS board of trustees. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report is available at [www.tcdrs.org](http://www.tcdrs.org). TCDRS' CAFR may also be obtained by writing to the Texas County and District Retirement System, P. O. Box 2034, Austin, Texas 78768-2034.

(continued)

#### IV. OTHER INFORMATION (Continued)

##### D. Post Employment Group Term Life Insurance Plan (Continued)

###### **Funding Policy**

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The County's contributions to the GTLF for the years ended September 30, 2012, 2011, and 2010 were \$29,802, \$27,050, and \$26,943, respectively, which equaled the contractually required contributions each year.

##### E. Post Employment Health Care Plan

###### **Plan Description and Funding Policy**

The County administers a single-employer defined benefit other post-employment benefits (OPEB) plan, known as the Grimes County Retiree Health Care Plan (the "Plan"). The Plan will pay a portion of the premium for continuation of the medical insurance coverage of certain retirees.

In order to be eligible for this benefit, the retiree must be a current recipient of retirement benefits from the TCDRS and be age 60 or older with eight years of service or age plus years of service equals 75 or more with a minimum of eight years of service or any age with 20 years of service; and satisfy the applicable plan requirements for the extension of retiree coverage under the medical insurance benefit plan offered by the County at the time of retirement. Employees that do not qualify for a TCDRS pension have the option of selecting COBRA coverage. This coverage does not extend beyond the age of 64.

Beginning with retirement and ending upon the death of the retiree or cessation of payment for their portion of the medical premium, the County shall pay 30 percent pay of the retiree medical coverage premiums for retirees. To cover their spouses, eligible retirees must pay 100 percent of the cost for their eligible spouse. Eligible retirees shall pay 100 percent of the premiums for dental, vision, and life insurance.

###### **Annual OPEB Cost**

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost of the year, the amount actually contributed to the Plan, and the County's net OPEB obligation.

(continued)

**IV. OTHER INFORMATION (Continued)**

**E. Post Employment Health Care Plan (Continued)**

**Annual OPEB Cost (Continued)**

Annual required contribution (ARC)	\$ 48,717
Interest on net OPEB obligation (NPO)	3,218
Adjustment to the ARC	<u>11,268</u>
Annual OPEB cost (AOC)	63,203
Contributions made	<u>( 10,250)</u>
Increase in net OPEB obligation	52,953
Net OPEB obligation, beginning of year	<u>214,500</u>
 Net OPEB obligation, end of year	 <u>\$ 267,453</u>

The County's annual OPEB cost, amount contributed to the plan, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2010, 2011 and 2012, are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution Made</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 97,119	\$ 8,246	8.49%	\$ 181,143
2011	47,015	13,658	29.05%	214,500
2012	63,203	10,250	16.22%	267,453

**Funded Status and Funding Progress**

The funding status of the post employment health care plan as of October 1, 2010, the most recent actuarial valuation date is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio a/b</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2010	\$ -	\$ 305,225	\$ 305,225	0.0%	\$ 3,615,044	8.44%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**(continued)**

**IV. OTHER INFORMATION (Continued)**

**E. Post Employment Health Care Plan (Continued)**

**Actuarial Methods and Assumptions**

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

Actuarial Cost Method	Projected unit credit
Amortization Method	Level dollar
Remaining Amortization Period	30 years - closed
Asset Valuation Method	Not applicable
Investment Rate of Return	1.50%
Inflation Rate	2.00%
Health Care Cost Trend Rate (Initial/Ultimate)	5.0%

**F. Prior Period Adjustment**

During the current year the County performed an inventory of County infrastructure. As a result an adjustment of \$15,509,659 was made to beginning net assets.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**GRIMES COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 8,149,510	\$ 8,149,510	\$ 8,340,112	\$ 190,602
Sales	912,626	912,626	1,423,512	510,886
Payment in lieu of taxes	431,144	431,144	404,204	( 26,940)
Intergovernmental	146,109	146,109	153,104	6,995
Fees of office	899,140	899,140	1,372,882	473,742
Fines and forfeitures	349,410	349,410	274,986	( 74,424)
Investment earnings	148,164	148,164	255,942	107,778
Hospital lease and rentals	100,500	100,500	101,059	559
Miscellaneous revenue	201,309	264,150	181,933	( 82,217)
Total revenues	11,337,912	11,400,753	12,507,734	1,106,981
<b>EXPENDITURES</b>				
Current:				
General government:				
County judge	133,062	133,616	100,391	33,225
County clerk	335,737	336,466	329,399	7,067
County coordinator	101,016	101,207	97,444	3,763
Human resources department	78,775	79,207	77,330	1,877
Tax assessor and collector	265,399	265,932	260,920	5,012
County auditor	299,024	299,603	292,586	7,017
County treasurer	117,438	117,675	116,365	1,310
Tax appraisal district	315,000	315,000	288,933	26,067
Voters registration	220,850	221,047	189,948	31,099
Nondepartmental	1,660,339	1,647,981	1,136,170	511,811
Total general government	3,526,640	3,517,734	2,889,486	628,248
Public facilities:				
Historical courthouse	37,500	37,500	27,814	9,686
Building maintenance	99,338	99,428	74,121	25,307
Total public facilities	136,838	136,928	101,935	34,993
Judicial:				
District court	297,507	297,995	156,184	141,811
County court	84,539	84,655	60,778	23,877
Judicial	339,696	339,696	148,102	191,594
Justice of the peace, precinct 1	145,702	146,402	144,244	2,158
Justice of the peace, precinct 2	155,082	155,405	149,949	5,456
Justice of the peace, precinct 3	187,919	189,646	182,779	6,867
Constable, precinct 1	78,948	79,085	96,727	( 17,642)
Constable, precinct 2	71,173	71,310	60,839	10,471
Constable, precinct 3	83,260	83,421	76,194	7,227
District clerk	284,441	284,975	272,893	12,082
Total judicial	1,728,267	1,732,590	1,348,689	383,901

(continued)

**GRIMES COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Public safety:				
Adult probation	\$ 39,413	\$ 39,481	\$ 38,194	\$ 1,287
Fire protection	343,980	343,980	252,768	91,212
Juvenile board	4,630	4,641	4,542	99
Juvenile	86,000	86,000	86,000	-
County sheriff	1,570,643	1,602,805	1,594,198	8,607
Jail	1,488,895	1,497,340	1,361,758	135,582
Department of public safety	7,200	7,200	4,441	2,759
Emergency management	59,529	59,637	52,091	7,546
Crime victims assistance	87,910	90,245	80,173	10,072
Total public safety	<u>3,688,200</u>	<u>3,731,329</u>	<u>3,474,165</u>	<u>257,164</u>
Health and welfare:				
Veterans service officer	17,208	17,247	17,088	159
Agriculture extension service	91,633	91,847	86,664	5,183
Indigent health care	273,500	273,500	40,735	232,765
Garbage	174,755	174,918	162,476	12,442
Total health and welfare	<u>557,096</u>	<u>557,512</u>	<u>306,963</u>	<u>250,549</u>
Public transportation:				
Commissioner- precinct 1	75,580	75,728	63,376	12,352
Commissioner- precinct 2	69,847	69,995	63,560	6,435
Commissioner- precinct 3	108,550	115,773	94,377	21,396
Commissioner- precinct 4	101,040	101,188	94,712	6,476
Total public transportation	<u>355,017</u>	<u>362,684</u>	<u>316,025</u>	<u>46,659</u>
Legal:				
District attorney	415,342	416,163	402,847	13,316
County attorney	185,339	185,855	186,917	( 1,062)
Indigent coordinator	74,500	74,500	22,405	52,095
Total legal	<u>675,181</u>	<u>676,518</u>	<u>612,169</u>	<u>64,349</u>
Debt service				
Principal	117,801	133,243	116,526	16,717
Interest and other charges	-	-	9,152	( 9,152)
Total debt service	<u>117,801</u>	<u>133,243</u>	<u>125,678</u>	<u>7,565</u>
Capital outlay	37,918	37,918	-	37,918
Total expenditures	<u>10,822,958</u>	<u>10,886,456</u>	<u>9,175,110</u>	<u>1,711,346</u>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	<u>514,954</u>	<u>514,297</u>	<u>3,332,624</u>	<u>2,818,327</u>

(continued)

**GRIMES COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 39,959	\$ 39,959
Transfers out	( 579,298)	( 614,967)	( 719,860)	( 104,893)
Issuance of capital lease	-	-	20,966	20,966
Total other financing sources (uses)	( 579,298)	( 614,967)	( 658,935)	( 43,968)
<b>NET CHANGE IN FUND BALANCES</b>	( 64,344)	( 100,670)	2,673,689	2,774,359
<b>FUND BALANCES, BEGINNING</b>	4,431,754	4,431,754	4,431,754	-
<b>FUND BALANCES, ENDING</b>	\$ 4,367,410	\$ 4,331,084	\$ 7,105,443	\$ 2,774,359

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**GRIMES COUNTY, TEXAS**

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

**ROAD AND BRIDGE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 3,066,460	\$ 3,066,460	\$ 3,112,103	\$ 45,643
Intergovernmental	30,000	1,352,138	1,352,138	-
Fines and forfeitures	84,447	84,447	92,713	8,266
Investment earnings	14,968	14,968	-	( 14,968)
Charges for services	772,326	772,326	737,518	( 34,808)
Miscellaneous revenue	<u>103,397</u>	<u>158,989</u>	<u>708</u>	<u>( 158,281)</u>
Total revenues	<u>4,071,598</u>	<u>5,449,328</u>	<u>5,295,180</u>	<u>( 154,148)</u>
<b>EXPENDITURES</b>				
Current:				
Public transportation				
Road and bridge	<u>4,071,598</u>	<u>6,103,905</u>	<u>5,477,720</u>	<u>626,185</u>
Total expenditures	<u>4,071,598</u>	<u>6,103,905</u>	<u>5,477,720</u>	<u>626,185</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	( 654,577)	( 182,540)	472,037
<b>FUND BALANCE, BEGINNING</b>	<u>2,217,418</u>	<u>2,217,418</u>	<u>2,217,418</u>	-
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,217,418</u>	<u>\$ 1,562,841</u>	<u>\$ 2,034,878</u>	<u>\$ 472,037</u>

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**GRIMES COUNTY, TEXAS**

**SCHEDULE OF FUNDING PROGRESS  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2009	\$ 9,548,247	\$ 9,555,359	\$ 7,112	99.93%	\$ 4,706,197	0.15%
12/31/2010	10,063,848	10,245,309	181,461	98.23%	4,898,896	3.70%
12/31/2011	11,107,214	11,589,247	482,033	95.84%	4,918,199	9.80%

**GRIMES COUNTY, TEXAS**

**SCHEDULE OF FUNDING PROGRESS  
FOR POST EMPLOYMENT HEALTHCARE BENEFITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
10/1/2008	\$ -	\$ 611,298	\$ 611,298	- %	N/A	N/A
10/1/2010	-	305,225	305,225	- %	3,615,044	8.44%



**COMBINING  
STATEMENTS AND SCHEDULES**

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

**Game Warden Fund** – To account for the County’s supplement for the Game Warden of Texas Parks & Wildlife.

**Texas Vine Grant** – Grant provided for Crime Victims Coordinator to help pay for Apriss

**Records Management 72 & 73 Legislature Funds** – To account for monies resulting from fees the county, district and justice courts. Funds are to be used for management and preservation.

**Judges Educational Fund** – Management of funding received from the state as a percentage of the fees collected by the county offices.

**Graffiti Eradication Fund** – Management of graffiti eradication fee charged for court cases.

**Appellate Judge System Fund** – Fees are assessed for court cases filed in a county court, county court at law, probate court and district courts.

**County Court Technology** – To account for the receipt and expenditure of County Court Technology fees that are limited to the use of financing technological improvements

**Law Library Fund** – To account for the cost of operating and maintaining a law library for public use Financing is provided through fees charged as part of court costs for civil cases processed through the District and County Courts.

**District Court and JP Technology Funds** – To account for monies collected as fees from anyone convicted of a misdemeanor to be used for technology improvements in the District and Justice of the Peace Courts of the County.

**911 Addressing Fund** – To account for taxes collected from a separate tax levy and user fees generated from telephone customers that are restricted to the operation of a call center to handle the communications between citizens and public safety providers.

**Inmate Indigent Fund** - To account for the county’s costs for providing medical care to indigent county residents

**Fairgrounds Fund** – To account for the operation and maintenance of County recreational facilities.

**Voter Registration Fund** - To account for monies received from the State of Texas as reimbursement for expenditures related to voters registration.

**Court Reporter Fund-** To account for monies resulting from the court reporter service fee assessed in each civil case filed with the County or District Clerk to maintain a court reporter.

**Courthouse Security Fund** – Monies resulting from fees charged as part of court costs for the purposed of providing security services for buildings house a District, County or Justice Court.

**LEOSE Education Fund** - To account for monies received from the State Comptroller's pro-rata distribution of funds designated for law enforcement officers' education. The monies in this fund are to be used for the continuing education for officers of the Sheriff's Department.

**Alternative Dispute Resolution Fund** – To account for fees charged on each District, County and Justice Court Civil Case filed and expenditures of the Alternative Dispute Resolution Center. These disputes do not require formal court action.

**LEOSE Education Grant Constables Fund** – To account for monies received from the State Comptroller's pro-rata distribution of funds designated for law enforcement officers' education. The monies in this fund are to be used for the continuing education of County Constables.

**Records Management Vital Statistics Fund** – To account for monies collected as fees by the County Clerk for the preservation of vital statistics records maintained by the County Clerk

**Election Services Contract Fund** – To account for the reimbursement of election services provided by the County to other jurisdictions and the related expenditures

**Education Connection Grant Fund** – To account for County donation to the Education Connection Program

**HAVA Grant Fund** – To account for various programs which help educate, acquire equipment, make voting systems more accessible and help keep Voter Registration in compliance with HAVA

**BVAA Senior Meals Fund** – To account for grant monies disbursed and reimbursed relating to planning, development and implementation of a system serving the local senior citizens of Grimes County.

**Wickson Water Grant Fund** - To account for grant monies collected and disbursed for water system improvements.

**District Attorney Special Fund** – To account for the operating, forfeiture and collections monies collected and disbursed by the District Attorney’s Office.

**Homeland Security Fund** - To account for grant monies from the Federal Emergency Management Agency. The purpose of this grant is to enhance the capacity of local emergency responders to prevent, respond to and recover.

**COPS Grant Fund** – To account for grant monies disbursed and reimbursed to improve the ability to communicate with numerous fire departments, first responders and law enforcement agencies in Grimes County

**Grant COPS School Fund** – To account for grant monies disbursed and reimbursed for school resource officers to carry out law enforcement duties at public schools located within the county.

**State Energy Conservation Grant Fund** – To account for grant monies collected and disbursed for energy efficiency enhancements to the historical courthouse.

### **CAPITAL PROJECTS FUNDS**

**CDBG Disaster Fund** – To account for grant monies from the Federal Emergency Management Agency. The purpose of this grant is to assist the County in recovering from Hurricane Ike.

**Riley Road Fund** – To account for grant monies from the Federal Emergency Management Agency. The purpose of this grant is to assist the County in recovering from the September 2011 wildfire.

**Historical Courthouse Fund** – To account for expenditures toward historical projects on the Courthouse.

**Capital Projects Fund** – To account for the acquisition and construction of major capital facilities.

### **DEBT SERVICE FUND**

**Debt Service Fund** - is used to account for the collection of property tax revenue restricted for debt service payments.

**GRIMES COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2012**

	Special Revenue Funds				
	Game Warden	Texas Vine Grant	Records Management 72 Legislature	Records Management 73 Legislature	Judges Educational
<b>ASSETS</b>					
Cash	\$ 1,348	\$ -	\$ 23,496	\$ 13,367	\$ 4,285
Receivables, net:					
Taxes	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other governments	-	5,843	-	-	-
Other assets	-	-	322	-	-
	-	-	322	-	-
Total assets	\$ 1,348	\$ 5,843	\$ 23,818	\$ 13,367	\$ 4,285
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 642	\$ -	\$ 464	\$ -	\$ -
Accrued liabilities	-	-	30	-	-
Due to other funds	-	5,843	-	-	-
Deferred revenue	-	-	-	-	-
	-	-	-	-	-
Total liabilities	642	5,843	494	-	-
Fund balances:					
Nonspendable:					
Judicial	-	-	-	-	4,285
Public safety	706	-	-	-	-
Records management	-	-	23,324	13,367	-
Social services	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned for:					
Capital projects	-	-	-	-	-
Unassigned					
	-	-	-	-	-
Total fund balances	706	-	23,324	13,367	4,285
Total liabilities and fund balances	\$ 1,348	\$ 5,843	\$ 23,818	\$ 13,367	\$ 4,285

Special Revenue Funds

<u>Graffiti Eradication</u>	<u>Appellate Judge System</u>	<u>County Court Technology</u>	<u>Law Library</u>	<u>District Court Technology</u>	<u>JP Technology</u>	<u>911 Addressing</u>	<u>Inmate Indigent</u>
\$ 43	\$ 22,115	\$ 528	\$ 52,705	\$ 394	\$ 44,373	\$ 35,843	\$ 154,171
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,149
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>626</u>	<u>-</u>
<u>\$ 43</u>	<u>\$ 22,115</u>	<u>\$ 528</u>	<u>\$ 52,705</u>	<u>\$ 394</u>	<u>\$ 44,373</u>	<u>\$ 36,469</u>	<u>\$ 158,320</u>
\$ -	\$ -	\$ -	\$ 175	\$ -	\$ 139	\$ 1,405	\$ -
-	-	-	-	-	-	43	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>-</u>	<u>139</u>	<u>1,448</u>	<u>-</u>
-	22,115	528	52,530	394	44,234	-	-
43	-	-	-	-	-	35,021	158,320
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>43</u>	<u>22,115</u>	<u>528</u>	<u>52,530</u>	<u>394</u>	<u>44,234</u>	<u>35,021</u>	<u>158,320</u>
<u>\$ 43</u>	<u>\$ 22,115</u>	<u>\$ 528</u>	<u>\$ 52,705</u>	<u>\$ 394</u>	<u>\$ 44,373</u>	<u>\$ 36,469</u>	<u>\$ 158,320</u>

(continued)

**GRIMES COUNTY, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

(Continued)

**SEPTEMBER 30, 2012**

	Special Revenue Funds				
	Fairgrounds	Voter Registration	Court Reporter	Courthouse Security	LEOSE Education
<b>ASSETS</b>					
Cash	\$ 72,652	\$ 28	\$ 51,201	\$ 261,618	\$ 3,210
Receivables, net:					
Taxes	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Other assets	<u>646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 73,298</u>	<u>\$ 28</u>	<u>\$ 51,201</u>	<u>\$ 261,618</u>	<u>\$ 3,210</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 4,691	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	172	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable:					
Judicial	-	-	51,201	261,618	-
Public safety	-	-	-	-	3,210
Records management	-	28	-	-	-
Social services	68,435	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned for:					
Capital projects	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>68,435</u>	<u>28</u>	<u>51,201</u>	<u>261,618</u>	<u>3,210</u>
Total liabilities and fund balances	<u>\$ 73,298</u>	<u>\$ 28</u>	<u>\$ 51,201</u>	<u>\$ 261,618</u>	<u>\$ 3,210</u>



Special Revenue Funds

Alternative Dispute Resolution	LEOSE Education Grant Constable 1	LEOSE Education Grant Constable 2	LEOSE Education Grant Constable 3	Records Management Vital Statistics	Election Services Contract	Education Connection Grant	HAVA Grant
\$ 53,376	\$ 4,000	\$ 6,132	\$ 8,782	\$ 46,345	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 53,376</u>	<u>\$ 4,000</u>	<u>\$ 6,132</u>	<u>\$ 8,782</u>	<u>\$ 46,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,281	-	-
-	-	-	-	-	30,597	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	<u>31,878</u>	-	-
53,376	-	-	-	-	-	-	-
-	4,000	6,132	8,782	-	-	-	-
-	-	-	-	46,345	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	( 31,878)	-	-
<u>53,376</u>	<u>4,000</u>	<u>6,132</u>	<u>8,782</u>	<u>46,345</u>	<u>( 31,878)</u>	<u>-</u>	<u>-</u>
<u>\$ 53,376</u>	<u>\$ 4,000</u>	<u>\$ 6,132</u>	<u>\$ 8,782</u>	<u>\$ 46,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**GRIMES COUNTY, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

(Continued)

**SEPTEMBER 30, 2012**

	Special Revenue Funds				
	BVAA Senior Meals	Wickson Water Grant	District Attorney Special	Homeland Security	COPS Grant
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ 92,105	\$ -	\$ -
Receivables, net:					
Taxes	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other governments	12,173	-	-	32,842	-
Other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 12,173</u>	<u>\$ -</u>	<u>\$ 92,105</u>	<u>\$ 32,842</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 5,271	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	253	-	-	-	-
Due to other funds	24,533	-	-	32,842	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>30,057</u>	<u>-</u>	<u>-</u>	<u>32,842</u>	<u>-</u>
Fund balances:					
Nonspendable:					
Judicial	-	-	92,105	-	-
Public safety	-	-	-	-	-
Records management	-	-	-	-	-
Social services	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned for:					
Capital projects	-	-	-	-	-
Unassigned	<u>( 17,884)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>( 17,884)</u>	<u>-</u>	<u>92,105</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 12,173</u>	<u>\$ -</u>	<u>\$ 92,105</u>	<u>\$ 32,842</u>	<u>\$ -</u>

Special Revenue Funds		Capital Projects Funds					Total Nonmajor Governmental Funds
Grant COPS School	State Energy Conservation Grant	CDBG Disaster	Riley Road	Historical Courthouse	Capital Projects	Debt Service	
\$ 3,069	\$ 273	\$ -	\$ -	\$ -	\$ 809,054	\$ 456,262	\$ 2,220,775
-	-	-	-	-	-	32,467	32,467
-	-	-	-	-	-	-	4,149
-	-	-	101,939	-	27,406	-	180,203
-	-	-	-	-	-	-	1,594
<u>\$ 3,069</u>	<u>\$ 273</u>	<u>\$ -</u>	<u>\$ 101,939</u>	<u>\$ -</u>	<u>\$ 836,460</u>	<u>\$ 488,729</u>	<u>\$ 2,439,188</u>
\$ 1,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,439
1,417	-	-	-	-	-	-	3,196
-	-	-	7,909	-	-	-	101,724
-	-	-	101,939	-	-	35,914	137,853
<u>3,069</u>	<u>-</u>	<u>-</u>	<u>109,848</u>	<u>-</u>	<u>-</u>	<u>35,914</u>	<u>257,212</u>
-	-	-	-	-	-	-	582,386
-	-	-	-	-	-	-	216,214
-	-	-	-	-	-	-	83,064
-	-	-	-	-	-	-	68,435
-	273	-	-	-	-	-	273
-	-	-	-	-	-	452,815	452,815
-	-	-	-	-	836,460	-	836,460
-	-	-	( 7,909)	-	-	-	( 57,671)
-	273	-	( 7,909)	-	836,460	452,815	2,181,976
<u>\$ 3,069</u>	<u>\$ 273</u>	<u>\$ -</u>	<u>\$ 101,939</u>	<u>\$ -</u>	<u>\$ 836,460</u>	<u>\$ 488,729</u>	<u>\$ 2,439,188</u>

**GRIMES COUNTY, TEXAS**

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

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Special Revenue Funds				
	Game Warden	Texas Vine Grant	Records Management 72 Legislature	Records Management 73 Legislature	Judges Educational
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	5,843	-	-	-
Fees of office	-	-	45,068	6,033	655
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>5,843</u>	<u>45,068</u>	<u>6,033</u>	<u>655</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	32,790	4,158	-
Public facilities	-	-	-	-	-
Judicial	-	-	-	-	-
Public safety	3,765	-	-	-	-
Legal	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>3,765</u>	<u>-</u>	<u>32,790</u>	<u>4,158</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 3,765)</u>	<u>5,843</u>	<u>12,278</u>	<u>1,875</u>	<u>655</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	4,100	-	-	-	-
Transfers out	-	( 6,739)	-	-	-
Total other financing sources and uses	<u>4,100</u>	<u>( 6,739)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	335	( 896)	12,278	1,875	655
<b>FUND BALANCES, BEGINNING</b>	<u>371</u>	<u>896</u>	<u>11,046</u>	<u>11,492</u>	<u>3,630</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 706</u>	<u>\$ -</u>	<u>\$ 23,324</u>	<u>\$ 13,367</u>	<u>\$ 4,285</u>

Special Revenue Funds

Graffiti Eradication	Appellate Judge System	County Court Technology	Law Library	District Court Technology	JP Technology	911 Addressing	Inmate Indigent
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	21,250	32,226
-	2,079	140	15,005	160	11,006	-	-
-	-	-	-	-	-	-	-
<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>567</u>	<u>-</u>
<u>10</u>	<u>2,079</u>	<u>140</u>	<u>15,005</u>	<u>160</u>	<u>11,006</u>	<u>21,817</u>	<u>32,226</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	14,228	-	-
-	-	-	-	-	-	76,540	-
-	-	-	6,858	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,858</u>	<u>-</u>	<u>14,228</u>	<u>76,540</u>	<u>-</u>
<u>10</u>	<u>2,079</u>	<u>140</u>	<u>8,147</u>	<u>160</u>	<u>( 3,222)</u>	<u>( 54,723)</u>	<u>32,226</u>
-	11,282	-	-	-	-	54,766	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>11,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,766</u>	<u>-</u>
10	13,361	140	8,147	160	( 3,222)	43	32,226
<u>33</u>	<u>8,754</u>	<u>388</u>	<u>44,383</u>	<u>234</u>	<u>47,456</u>	<u>34,978</u>	<u>126,094</u>
<u>\$ 43</u>	<u>\$ 22,115</u>	<u>\$ 528</u>	<u>\$ 52,530</u>	<u>\$ 394</u>	<u>\$ 44,234</u>	<u>\$ 35,021</u>	<u>\$ 158,320</u>

(continued)

## GRIMES COUNTY, TEXAS

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

#### NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds				
	Fairgrounds	Voter Registration	Court Reporter	Courthouse Security	LEOSE Education
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	5,385	-	-	-
Fees of office	-	-	4,466	23,411	-
Charges for services	-	-	-	-	-
Miscellaneous	39,092	-	-	-	-
Total revenues	39,092	5,385	4,466	23,411	-
<b>EXPENDITURES</b>					
Current:					
General government	-	5,384	-	-	-
Public facilities	199,263	-	-	-	-
Judicial	-	-	-	2,560	-
Public safety	-	-	-	-	-
Legal	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	199,263	5,384	-	2,560	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 160,171)	1	4,466	20,851	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	167,471	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	167,471	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	7,300	1	4,466	20,851	-
<b>FUND BALANCES, BEGINNING</b>	61,135	27	46,735	240,767	3,210
<b>FUND BALANCES, ENDING</b>	\$ 68,435	\$ 28	\$ 51,201	\$ 261,618	\$ 3,210

Special Revenue Funds

Alternative Dispute Resolution	LEOSE Education Grant Constable 1	LEOSE Education Grant Constable 2	LEOSE Education Grant Constable 3	Records Management Vital Statistics	Election Services Contract	Education Connection Grant	HAVA Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	11,670	-	665
5,046	-	-	-	45,191	-	-	-
-	-	-	-	-	3,704	-	-
-	-	-	-	-	-	-	-
<u>5,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,191</u>	<u>15,374</u>	<u>-</u>	<u>665</u>
-	-	-	-	-	57,238	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	435	-	31,647	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>435</u>	<u>-</u>	<u>31,647</u>	<u>57,238</u>	<u>-</u>	<u>-</u>
5,046	-	( 435)	-	13,544	( 41,864)	-	665
-	-	-	-	-	-	-	-
-	-	-	-	-	-	( 537)	( 4,635)
-	-	-	-	-	-	( 537)	( 4,635)
5,046	-	( 435)	-	13,544	( 41,864)	( 537)	( 3,970)
<u>48,330</u>	<u>4,000</u>	<u>6,567</u>	<u>8,782</u>	<u>32,801</u>	<u>9,986</u>	<u>537</u>	<u>3,970</u>
\$ <u>53,376</u>	\$ <u>4,000</u>	\$ <u>6,132</u>	\$ <u>8,782</u>	\$ <u>46,345</u>	\$ <u>( 31,878)</u>	\$ <u>-</u>	\$ <u>-</u>

(continued)

**GRIMES COUNTY, TEXAS**

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

**NONMAJOR GOVERNMENTAL FUNDS**

(Continued)

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Special Revenue Funds				
	BVAA Senior Meals	Wickson Water Grant	District Attorney Special	Homeland Security	COPS Grant
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	44,186	-	67,276	91,613	45,380
Fees of office	-	-	6,026	-	-
Charges for services	-	-	-	-	-
Miscellaneous	<u>567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>44,753</u>	<u>-</u>	<u>73,302</u>	<u>91,613</u>	<u>45,380</u>
<b>EXPENDITURES</b>					
Current:					
General government	66,695	-	17,024	-	-
Public facilities	-	15,513	-	-	-
Judicial	-	-	-	-	-
Public safety	-	-	-	92,637	45,380
Legal	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>66,695</u>	<u>15,513</u>	<u>17,024</u>	<u>92,637</u>	<u>45,380</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 21,942)</u>	<u>( 15,513)</u>	<u>56,278</u>	<u>( 1,024)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	3,005	15,513	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 1,322)</u>	<u>( 2,726)</u>
Total other financing sources and uses	<u>3,005</u>	<u>15,513</u>	<u>-</u>	<u>( 1,322)</u>	<u>( 2,726)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 18,937)</u>	<u>-</u>	<u>56,278</u>	<u>( 2,346)</u>	<u>( 2,726)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>1,053</u>	<u>-</u>	<u>35,827</u>	<u>2,346</u>	<u>2,726</u>
<b>FUND BALANCES, ENDING</b>	<u>\$( 17,884)</u>	<u>\$ -</u>	<u>\$ 92,105</u>	<u>\$ -</u>	<u>\$ -</u>



Special Revenue Funds		Capital Projects Funds					Total Nonmajor Governmental Funds
Grant COPS School	State Energy Conservation Grant	CDBG Disaster	Riley Road	Historical Courthouse	Capital Projects	Debt Service	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,362	\$ 25,362
81,858	86,365	1,009,247	519	-	27,406	-	1,530,889
-	-	-	-	-	-	-	164,286
-	-	-	-	-	-	-	3,704
-	-	-	-	-	-	25,000	65,236
<u>81,858</u>	<u>86,365</u>	<u>1,009,247</u>	<u>519</u>	<u>-</u>	<u>27,406</u>	<u>50,362</u>	<u>1,789,477</u>
-	106,761	-	-	-	-	-	290,050
-	-	1,009,247	-	-	-	-	1,224,023
-	-	-	-	-	-	-	16,788
93,900	-	-	8,736	-	-	-	353,040
-	-	-	-	-	-	-	6,858
-	-	-	-	-	-	19,000	19,000
-	-	-	-	-	-	4,418	4,418
-	-	-	-	-	27,538	-	27,538
<u>93,900</u>	<u>106,761</u>	<u>1,009,247</u>	<u>8,736</u>	<u>-</u>	<u>27,538</u>	<u>23,418</u>	<u>1,941,715</u>
( 12,042)	( 20,396)	-	( 8,217)	-	( 132)	26,944	( 152,238)
12,042	20,669	-	308	12,000	434,525	-	735,681
-	-	( 15,513)	-	( 24,000)	( 308)	-	( 55,780)
<u>12,042</u>	<u>20,669</u>	<u>( 15,513)</u>	<u>308</u>	<u>( 12,000)</u>	<u>434,217</u>	<u>-</u>	<u>-</u>
-	273	( 15,513)	( 7,909)	( 12,000)	434,085	26,944	( 152,238)
-	-	15,513	-	12,000	402,375	425,871	1,654,313
<u>\$ -</u>	<u>\$ 273</u>	<u>\$ -</u>	<u>\$ ( 7,909)</u>	<u>\$ -</u>	<u>\$ 836,460</u>	<u>\$ 452,815</u>	<u>\$ 2,181,976</u>

**GRIMES COUNTY, TEXAS**

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

**GAME WARDEN FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Current:				
Public safety				
Game warden	3,765	4,101	3,765	336
Total expenditures	<u>3,765</u>	<u>4,101</u>	<u>3,765</u>	<u>336</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 3,765)</u>	<u>( 4,101)</u>	<u>( 3,765)</u>	<u>336</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	4,100	4,729	4,100	( 629)
Total other financing sources (uses)	<u>4,100</u>	<u>4,729</u>	<u>4,100</u>	<u>( 629)</u>
<b>NET CHANGE IN FUND BALANCE</b>	335	628	335	( 293)
<b>FUND BALANCE, BEGINNING</b>	<u>371</u>	<u>371</u>	<u>371</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 706</u>	<u>\$ 999</u>	<u>\$ 706</u>	<u>\$( 293)</u>

**GRIMES COUNTY, TEXAS**

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

**TEXAS VINE GRANT FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 5,843	\$ 5,843	\$ 5,843	\$ -
Total revenues	<u>5,843</u>	<u>5,843</u>	<u>5,843</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	5,843	5,843	-	5,843
Total expenditures	<u>5,843</u>	<u>5,843</u>	<u>-</u>	<u>5,843</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	5,843	5,843
<b>FUND BALANCE, BEGINNING</b>	<u>896</u>	<u>896</u>	<u>896</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 896</u>	<u>\$ 896</u>	<u>\$ 6,739</u>	<u>\$ 5,843</u>

**GRIMES COUNTY, TEXAS**

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

**RECORDS MANAGEMENT 72ND LEGISLATURE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 40,987	\$ 40,987	\$ 45,068	\$ 4,081
Total revenues	<u>40,987</u>	<u>40,987</u>	<u>45,068</u>	<u>4,081</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	40,987	40,987	45,068	4,081
<b>FUND BALANCE, BEGINNING</b>	<u>11,046</u>	<u>11,046</u>	<u>11,046</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 52,033</u>	<u>\$ 52,033</u>	<u>\$ 56,114</u>	<u>\$ 4,081</u>

**GRIMES COUNTY, TEXAS**

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

**RECORDS MANAGEMENT 73RD LEGISLATURE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 5,044	\$ 5,044	\$ 6,033	\$ 989
Total revenues	<u>5,044</u>	<u>5,044</u>	<u>6,033</u>	<u>989</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	5,044	5,044	6,033	989
<b>FUND BALANCE, BEGINNING</b>	<u>11,492</u>	<u>11,492</u>	<u>11,492</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 16,536</u>	<u>\$ 16,536</u>	<u>\$ 17,525</u>	<u>\$ 989</u>

**GRIMES COUNTY, TEXAS**

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

**JUDGES EDUCATIONAL FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 5,044	\$ 5,044	\$ 6,033	\$ 989
Total revenues	<u>5,044</u>	<u>5,044</u>	<u>6,033</u>	<u>989</u>
<b>EXPENDITURES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	5,044	5,044	6,033	989
<b>FUND BALANCE, BEGINNING</b>	<u>3,630</u>	<u>3,630</u>	<u>3,630</u>	-
<b>FUND BALANCE, ENDING</b>	<u>\$ 8,674</u>	<u>\$ 8,674</u>	<u>\$ 9,663</u>	<u>\$ 989</u>

**GRIMES COUNTY, TEXAS**

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

**APPELLATE JUDGE SYSTEM FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 1,638	\$ 1,638	\$ 2,079	\$ 441
Total revenues	<u>1,638</u>	<u>1,638</u>	<u>2,079</u>	<u>441</u>
<b>EXPENDITURES</b>				
Current:				
Judicial				
Appellate judge system	<u>13,292</u>	<u>13,292</u>	<u>-</u>	<u>13,292</u>
Total expenditures	<u>13,292</u>	<u>13,292</u>	<u>-</u>	<u>13,292</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 11,654)</u>	<u>( 11,654)</u>	<u>2,079</u>	<u>13,733</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>11,282</u>	<u>11,282</u>	<u>11,282</u>	<u>-</u>
Total other financing sources (uses)	<u>11,282</u>	<u>11,282</u>	<u>11,282</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 372)</u>	<u>( 372)</u>	<u>13,361</u>	<u>13,733</u>
<b>FUND BALANCE, BEGINNING</b>	<u>8,754</u>	<u>8,754</u>	<u>8,754</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 8,382</u>	<u>\$ 8,382</u>	<u>\$ 22,115</u>	<u>\$ 13,733</u>

**GRIMES COUNTY, TEXAS**

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

**COUNTY COURT TECHNOLOGY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 273	\$ 273	\$ 140	\$( 133)
Total revenues	<u>273</u>	<u>273</u>	<u>140</u>	<u>( 133)</u>
<b>EXPENDITURES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	273	273	140	( 133)
<b>FUND BALANCE, BEGINNING</b>	<u>388</u>	<u>388</u>	<u>388</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 661</u>	<u>\$ 661</u>	<u>\$ 528</u>	<u>\$( 133)</u>



**GRIMES COUNTY, TEXAS**

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

**LAW LIBRARY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 12,678	\$ 12,678	\$ 15,005	\$ 2,327
Total revenues	<u>12,678</u>	<u>12,678</u>	<u>15,005</u>	<u>2,327</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	12,678	12,678	15,005	2,327
<b>FUND BALANCE, BEGINNING</b>	<u>44,383</u>	<u>44,383</u>	<u>44,383</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 57,061</u>	<u>\$ 57,061</u>	<u>\$ 59,388</u>	<u>\$ 2,327</u>

**GRIMES COUNTY, TEXAS**

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

**DISTRICT COURT TECHNOLOGY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 184	\$ 184	\$ 160	\$( 24)
Total revenues	<u>184</u>	<u>184</u>	<u>160</u>	<u>( 24)</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	184	184	160	( 24)
<b>FUND BALANCE, BEGINNING</b>	<u>234</u>	<u>234</u>	<u>234</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 418</u>	<u>\$ 418</u>	<u>\$ 394</u>	<u>\$( 24)</u>

**GRIMES COUNTY, TEXAS**

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

**JP TECHNOLOGY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 13,806	\$ 13,806	\$ 11,006	\$( 2,800)
Total revenues	<u>13,806</u>	<u>13,806</u>	<u>11,006</u>	<u>( 2,800)</u>
<b>EXPENDITURES</b>				
Current:				
Judicial				
JP technology	<u>13,806</u>	<u>13,806</u>	<u>14,228</u>	<u>( 422)</u>
Total expenditures	<u>13,806</u>	<u>13,806</u>	<u>14,228</u>	<u>( 422)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	( 3,222)	( 3,222)
<b>FUND BALANCE, BEGINNING</b>	<u>47,456</u>	<u>47,456</u>	<u>47,456</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 47,456</u>	<u>\$ 47,456</u>	<u>\$ 44,234</u>	<u>\$( 3,222)</u>

**GRIMES COUNTY, TEXAS**

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

**911 ADDRESSING FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 21,250	\$ 1,250
Miscellaneous revenue	<u>-</u>	<u>250</u>	<u>567</u>	<u>317</u>
Total revenues	<u>20,000</u>	<u>20,250</u>	<u>21,817</u>	<u>1,567</u>
<b>EXPENDITURES</b>				
Current:				
Public safety				
911 addressing	<u>69,798</u>	<u>85,167</u>	<u>76,540</u>	<u>8,627</u>
Total expenditures	<u>69,798</u>	<u>85,167</u>	<u>76,540</u>	<u>8,627</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 2,174)	( 2,293)	43	2,336
<b>FUND BALANCE, BEGINNING</b>	<u>34,978</u>	<u>34,978</u>	<u>34,978</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 32,804</u>	<u>\$ 32,685</u>	<u>\$ 35,021</u>	<u>\$ 2,336</u>

**GRIMES COUNTY, TEXAS**

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

**INMATE INDIGENT FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 16,100	\$ 16,100	\$ 32,226	\$ 16,126
Total revenues	<u>16,100</u>	<u>16,100</u>	<u>32,226</u>	<u>16,126</u>
<b>EXPENDITURES</b>				
Current:				
Judicial	16,100	16,100	-	16,100
Total expenditures	<u>16,100</u>	<u>16,100</u>	<u>-</u>	<u>16,100</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	32,226	32,226
<b>FUND BALANCE, BEGINNING</b>	<u>126,094</u>	<u>126,094</u>	<u>126,094</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 126,094</u>	<u>\$ 126,094</u>	<u>\$ 158,320</u>	<u>\$ 32,226</u>

**GRIMES COUNTY, TEXAS**

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

**FAIRGROUNDS FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous revenue	\$ 34,964	\$ 36,666	\$ 39,092	\$ 2,426
Total revenues	<u>34,964</u>	<u>36,666</u>	<u>39,092</u>	<u>2,426</u>
<b>EXPENDITURES</b>				
Current:				
Public facilities				
Fairgrounds	<u>201,280</u>	<u>203,140</u>	<u>199,263</u>	<u>3,877</u>
Total expenditures	<u>201,280</u>	<u>203,140</u>	<u>199,263</u>	<u>3,877</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 166,316)</u>	<u>( 166,474)</u>	<u>( 160,171)</u>	<u>6,303</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	<u>167,471</u>	<u>167,471</u>	<u>167,471</u>	<u>-</u>
Total other financing sources (uses)	<u>167,471</u>	<u>167,471</u>	<u>167,471</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,155	997	7,300	6,303
<b>FUND BALANCE, BEGINNING</b>	<u>61,135</u>	<u>61,135</u>	<u>61,135</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ 62,290</u></u>	<u><u>\$ 62,132</u></u>	<u><u>\$ 68,435</u></u>	<u><u>\$ 6,303</u></u>

**GRIMES COUNTY, TEXAS**

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

**COURT REPORTER FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 3,416	\$ 3,416	\$ 4,466	\$ 1,050
Total revenues	<u>3,416</u>	<u>3,416</u>	<u>4,466</u>	<u>1,050</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,416	3,416	4,466	1,050
<b>FUND BALANCE, BEGINNING</b>	<u>46,735</u>	<u>46,735</u>	<u>46,735</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 50,151</u>	<u>\$ 50,151</u>	<u>\$ 51,201</u>	<u>\$ 1,050</u>

**GRIMES COUNTY, TEXAS**

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

**COURTHOUSE SECURITY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 23,628	\$ 23,628	\$ 23,411	\$( 217)
Total revenues	<u>23,628</u>	<u>23,628</u>	<u>23,411</u>	<u>( 217)</u>
<b>EXPENDITURES</b>				
Current:				
Judicial				
County court	<u>3,416</u>	<u>5,978</u>	<u>2,560</u>	<u>3,418</u>
Total expenditures	<u>3,416</u>	<u>5,978</u>	<u>2,560</u>	<u>3,418</u>
<b>NET CHANGE IN FUND BALANCE</b>	20,212	17,650	20,851	3,201
<b>FUND BALANCE, BEGINNING</b>	<u>240,767</u>	<u>240,767</u>	<u>240,767</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 260,979</u>	<u>\$ 258,417</u>	<u>\$ 261,618</u>	<u>\$ 3,201</u>



**GRIMES COUNTY, TEXAS**

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

**ALTERNATIVE DISPUTE RESOLUTION FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 4,098	\$ 4,098	\$ 5,046	\$ 948
Total revenues	<u>4,098</u>	<u>4,098</u>	<u>5,046</u>	<u>948</u>
<b>EXPENDITURES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	4,098	4,098	5,046	948
<b>FUND BALANCE, BEGINNING</b>	<u>48,330</u>	<u>48,330</u>	<u>48,330</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 52,428</u>	<u>\$ 52,428</u>	<u>\$ 53,376</u>	<u>\$ 948</u>

**GRIMES COUNTY, TEXAS**

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

**RECORDS MANAGEMENT VITAL STATISTICS FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 20,604	\$ 20,604	\$ 45,191	\$ 24,587
Total revenues	<u>20,604</u>	<u>20,604</u>	<u>45,191</u>	<u>24,587</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	34,524	31,647	2,877
Total expenditures	<u>-</u>	<u>34,524</u>	<u>31,647</u>	<u>2,877</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>20,604</u>	<u>( 13,920)</u>	<u>13,544</u>	<u>27,464</u>
<b>NET CHANGE IN FUND BALANCE</b>	20,604	( 13,920)	13,544	27,464
<b>FUND BALANCE, BEGINNING</b>	<u>32,801</u>	<u>32,801</u>	<u>32,801</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 53,405</u>	<u>\$ 18,881</u>	<u>\$ 46,345</u>	<u>\$ 27,464</u>

**GRIMES COUNTY, TEXAS**

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

**HOMELAND SECURITY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 29,994	\$ 29,994	\$ 25,362	\$ ( 4,632)
Investment earnings	4,231	4,231	-	( 4,231)
Miscellaneous revenue	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total revenues	<u>59,225</u>	<u>59,225</u>	<u>50,362</u>	<u>( 8,863)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	25,000	25,000	19,000	6,000
Interest and other charges	<u>1,065</u>	<u>1,065</u>	<u>4,418</u>	<u>( 3,353)</u>
Total expenditures	<u>26,065</u>	<u>26,065</u>	<u>23,418</u>	<u>2,647</u>
<b>NET CHANGE IN FUND BALANCE</b>	33,160	33,160	26,944	( 6,216)
<b>FUND BALANCE, BEGINNING</b>	<u>2,346</u>	<u>2,346</u>	<u>2,346</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 35,506</u>	<u>\$ 35,506</u>	<u>\$ 29,290</u>	<u>\$ ( 6,216)</u>

**GRIMES COUNTY, TEXAS**

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

**DEBT SERVICE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 29,994	\$ 29,994	\$ 25,362	\$ ( 4,632)
Investment earnings	4,231	4,231	-	( 4,231)
Miscellaneous revenue	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total revenues	<u>59,225</u>	<u>59,225</u>	<u>50,362</u>	<u>( 8,863)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	25,000	25,000	19,000	6,000
Interest and other charges	<u>1,065</u>	<u>1,065</u>	<u>4,418</u>	<u>( 3,353)</u>
Total expenditures	<u>26,065</u>	<u>26,065</u>	<u>23,418</u>	<u>2,647</u>
<b>NET CHANGE IN FUND BALANCE</b>	33,160	33,160	26,944	( 6,216)
<b>FUND BALANCE, BEGINNING</b>	<u>425,871</u>	<u>425,871</u>	<u>425,871</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 459,031</u>	<u>\$ 459,031</u>	<u>\$ 452,815</u>	<u>\$ ( 6,216)</u>

## **AGENCY FUNDS**

*Agency Funds* are used to account for assets held by the County as an agent for individual private organizations and other governments. The following are the County's Fiduciary Funds:

*County Clerk Fund* – This fund is used to account for monies held on behalf of individuals in accordance with court ordered decrees by the County Court.

*District Clerk Fund* – This fund is used to account for monies held on behalf of individuals in accordance with court ordered decrees by the District Court.

*District Attorney Fund* – This fund is used to account for monies held on behalf of individuals collected by the District Attorney's Office.

*Justice of the Peace #1 #2 and #3 Funds* – This fund is used to account for monies held on behalf of the State collected by the Justice of the Peace

*Sheriff Fund* – This fund is used to account for monies held on behalf of individuals collected by the Sheriff's Office.

*Texas Step Tobacco Fund* – This fund is used to account for monies held on behalf of others.

*Tax Office Fund* – This fund is used to record tax collections which are deposited intact pending audit and distribution to the state and other taxing authorities.

*Juvenile Probation Fund* – This fund is used to account for monies held on behalf of individuals collected by the Juvenile Probation Office.

**GRIMES COUNTY, TEXAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND  
LIABILITIES - ALL AGENCY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>COUNTY CLERK</u></b>				
Assets:				
Cash and investments	\$ <u>180,323</u>	\$ <u>734,821</u>	\$ <u>813,010</u>	\$ <u>102,134</u>
Liabilities:				
Due to others	\$ <u>180,323</u>	\$ <u>734,821</u>	\$ <u>813,010</u>	\$ <u>102,134</u>
<b><u>DISTRICT CLERK</u></b>				
Assets:				
Cash and investments	\$ <u>1,645,157</u>	\$ <u>526,547</u>	\$ <u>954,529</u>	\$ <u>1,217,175</u>
Liabilities:				
Due to others	\$ <u>1,645,157</u>	\$ <u>526,547</u>	\$ <u>954,529</u>	\$ <u>1,217,175</u>
<b><u>DISTRICT ATTORNEY</u></b>				
Assets:				
Cash and investments	\$ <u>5,417</u>	\$ <u>82,770</u>	\$ <u>-</u>	\$ <u>88,187</u>
Liabilities:				
Due to others	\$ <u>5,417</u>	\$ <u>82,770</u>	\$ <u>-</u>	\$ <u>88,187</u>
<b><u>JUSTICE OF THE PEACE # 1</u></b>				
Assets:				
Cash and investments	\$ <u>-</u>	\$ <u>148,441</u>	\$ <u>148,441</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>-</u>	\$ <u>148,441</u>	\$ <u>148,441</u>	\$ <u>-</u>
<b><u>JUSTICE OF THE PEACE # 2</u></b>				
Assets:				
Cash and investments	\$ <u>4,432</u>	\$ <u>173,973</u>	\$ <u>178,405</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>4,432</u>	\$ <u>173,973</u>	\$ <u>178,405</u>	\$ <u>-</u>

(continued)

**GRIMES COUNTY, TEXAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND  
LIABILITIES - ALL AGENCY FUNDS**

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>JUSTICE OF THE PEACE # 3</u></b>				
Assets:				
Cash and investments	\$ <u>11,844</u>	\$ <u>485,031</u>	\$ <u>496,875</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>11,844</u>	\$ <u>485,031</u>	\$ <u>496,875</u>	\$ <u>-</u>
<b><u>SHERIFF</u></b>				
Assets:				
Cash and investments	\$ <u>14,671</u>	\$ <u>148,568</u>	\$ <u>146,344</u>	\$ <u>16,895</u>
Liabilities:				
Due to others	\$ <u>14,671</u>	\$ <u>148,568</u>	\$ <u>146,344</u>	\$ <u>16,895</u>
<b><u>TEXAS STEP TOBACCO</u></b>				
Assets:				
Cash and investments	\$ <u>11,785</u>	\$ <u>-</u>	\$ <u>11,785</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>11,785</u>	\$ <u>-</u>	\$ <u>11,785</u>	\$ <u>-</u>
<b><u>TAX OFFICE</u></b>				
Assets:				
Cash and investments	\$ <u>449,721</u>	\$ <u>5,997,869</u>	\$ <u>5,976,120</u>	\$ <u>471,470</u>
Liabilities:				
Due to others	\$ <u>449,721</u>	\$ <u>5,997,869</u>	\$ <u>5,976,120</u>	\$ <u>471,470</u>
<b><u>JUVENILE PROBATION</u></b>				
Assets:				
Cash and investments	\$ <u>-</u>	\$ <u>437,802</u>	\$ <u>-</u>	\$ <u>437,802</u>
Liabilities:				
Due to others	\$ <u>-</u>	\$ <u>437,802</u>	\$ <u>-</u>	\$ <u>437,802</u>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
Assets:				
Cash and investments	\$ <u>2,323,350</u>	\$ <u>8,735,822</u>	\$ <u>8,725,509</u>	\$ <u>2,333,663</u>
Liabilities:				
Due to others	\$ <u>2,323,350</u>	\$ <u>8,735,822</u>	\$ <u>8,725,509</u>	\$ <u>2,333,663</u>

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# STATISTICAL SECTION

## (Unaudited)

This part of Grimes County, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	73
Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the County's ability to generate its property taxes.	82
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future	90
Demographic and Economic Information These schedules offer economic and demographic information indicators to help the reader understand the environment within the County's financial activities take place and to help make comparisons over time and with other governments.	96
Operating Information  These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	98
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

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**GRIMES COUNTY, TEXAS**

**NET ASSETS BY COMPONENT**

**LAST NINE FISCAL YEARS**

*(Accrual Basis of Accounting)*

*(Unaudited)*

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:									
Invested in capital assets, net of related debt	\$ 32,142,783	\$ 18,203,910	\$ 16,470,701	\$ 17,376,608	\$ 16,542,353	\$ 16,794,051	\$ 15,158,680	\$ 15,030,992	\$ 14,268,714
Restricted	3,764,320	3,698,839	389,674	382,570	335,656	297,351	381,975	276,203	377,088
Unrestricted	<u>8,482,926</u>	<u>5,383,585</u>	<u>6,850,522</u>	<u>5,838,036</u>	<u>4,504,378</u>	<u>3,553,437</u>	<u>3,478,008</u>	<u>3,001,637</u>	<u>1,287,325</u>
Total governmental activities net assets	<u>\$ 44,390,029</u>	<u>\$ 27,286,334</u>	<u>\$ 23,710,897</u>	<u>\$ 23,597,214</u>	<u>\$ 21,382,387</u>	<u>\$ 20,644,839</u>	<u>\$ 19,018,663</u>	<u>\$ 18,308,832</u>	<u>\$ 15,933,127</u>

Source: Grimes County financial records.

Note: Grimes County applied GASB 34 statement in FY 2004.

**GRIMES COUNTY, TEXAS**

**CHANGES IN NET ASSETS**

**LAST NINE FISCAL YEARS**

*(Accrual Basis of Accounting)*

*(Unaudited)*

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>EXPENSES</b>									
Governmental activities:									
General government	\$ 3,327,203	\$ 3,127,897	\$ 3,197,707	\$ 3,142,389	\$ 2,570,939	\$ 2,080,537	\$ 2,235,032	\$ 1,553,982	\$ 2,072,880
Public facilities	1,456,172	551,405	289,662	606,943	232,558	233,832	382,239	269,048	322,593
Judicial	1,370,719	1,495,084	1,557,295	1,376,403	1,326,859	1,193,470	1,250,096	1,223,215	1,032,122
Public safety	4,059,718	3,942,264	4,839,522	2,869,848	3,079,406	2,647,141	3,267,526	2,131,621	2,721,552
Health and welfare	306,963	454,384	432,555	343,214	425,391	322,243	535,613	186,929	288,197
Public transportation	7,088,533	4,185,047	4,716,530	3,446,022	4,349,166	3,855,469	4,370,573	2,794,482	3,232,184
Legal	630,992	625,864	574,777	562,999	377,703	500,806	531,538	386,086	498,589
Interest and other charges	13,570	18,241	19,756	24,677	7,840	9,120	11,825	14,294	32,063
Total expenses	<u>18,253,870</u>	<u>14,400,186</u>	<u>15,627,804</u>	<u>12,372,495</u>	<u>12,369,862</u>	<u>10,842,618</u>	<u>12,584,442</u>	<u>8,559,657</u>	<u>10,200,180</u>
<b>PROGRAM REVENUES</b>									
Governmental activities:									
Charges for services:									
General government	\$ 2,132,900	\$ 1,645,479	\$ 1,493,664	\$ 2,030,098	\$ 2,186,966	\$ 1,360,577	\$ 3,127,041	\$ 2,564,869	\$ 2,998,346
Public facilities	35,940	3,820	16,242	22,075	23,781	14,795	34,003	27,890	32,604
Judicial	910,226	99,996	99,996	135,909	146,410	91,086	209,345	171,710	200,730
Operating grants and contributions	1,630,740	540,554	452,778	414,090	256,825	843,724	243,926	227,554	207,261
Capital grants and contributions	<u>1,459,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,878,475</u>	<u>1,131,517</u>	<u>28,000</u>
Total governmental activities program revenues	<u>6,169,292</u>	<u>2,289,849</u>	<u>2,062,680</u>	<u>2,602,172</u>	<u>2,613,982</u>	<u>2,310,182</u>	<u>5,492,790</u>	<u>4,123,540</u>	<u>3,466,941</u>
<b>NET (EXPENSE) REVENUES</b>									
Governmental activities	<u>\$( 12,084,578)</u>	<u>\$( 12,110,337)</u>	<u>\$( 13,565,124)</u>	<u>\$( 9,770,323)</u>	<u>\$( 9,755,880)</u>	<u>\$( 8,532,436)</u>	<u>\$( 7,091,652)</u>	<u>\$( 4,436,117)</u>	<u>\$( 6,733,239)</u>
Total primary government net expense	<u>( 12,084,578)</u>	<u>( 12,110,337)</u>	<u>( 13,565,124)</u>	<u>( 9,770,323)</u>	<u>( 9,755,880)</u>	<u>( 8,532,436)</u>	<u>( 7,091,652)</u>	<u>( 4,436,117)</u>	<u>( 6,733,239)</u>

(continued)

**GRIMES COUNTY, TEXAS**

**CHANGES IN NET ASSETS**  
**(Continued)**  
**LAST NINE FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>									
Governmental activities:									
Taxes	\$ 13,260,741	\$ 12,630,980	\$ 12,390,073	\$ 11,131,819	\$ 9,442,932	\$ 7,936,423	\$ 6,940,558	\$ 6,631,966	\$ 6,256,777
Investment earnings	255,942	171,569	168,046	55,050	145,386	279,048	147,959	72,230	19,378
Miscellaneous	161,931	1,185,134	1,120,688	708,660	903,049	984,761	943,990	82,409	5,124
Gain (loss) from sale of capital asse	-	( 5,477)	-	64,903	2,060	-	3,922	( 2,821)	27,685
Total governmental activities	<u>13,678,614</u>	<u>13,982,206</u>	<u>13,678,807</u>	<u>11,960,432</u>	<u>10,493,427</u>	<u>9,200,232</u>	<u>8,036,429</u>	<u>6,783,784</u>	<u>6,308,964</u>
Total primary government	<u>13,678,614</u>	<u>13,982,206</u>	<u>13,678,807</u>	<u>11,960,432</u>	<u>10,493,427</u>	<u>9,200,232</u>	<u>8,036,429</u>	<u>6,783,784</u>	<u>6,308,964</u>
<b>CHANGE IN NET ASSETS</b>									
Governmental activities	<u>1,594,036</u>	<u>1,871,869</u>	<u>113,683</u>	<u>2,190,109</u>	<u>737,547</u>	<u>667,796</u>	<u>944,777</u>	<u>2,347,667</u>	<u>( 424,275)</u>
Total primary government	<u>\$ 1,594,036</u>	<u>\$ 1,871,869</u>	<u>\$ 113,683</u>	<u>\$ 2,190,109</u>	<u>\$ 737,547</u>	<u>\$ 667,796</u>	<u>\$ 944,777</u>	<u>\$ 2,347,667</u>	<u>\$ ( 424,275)</u>
Changes in net assets	1,594,036	1,871,869	113,683	2,190,109	737,547	667,796	944,777	2,347,667	( 424,275)
Net assets - beginning	<u>27,286,334</u>	<u>25,414,465</u>	<u>25,300,782</u>	<u>23,110,673</u>	<u>22,373,126</u>	<u>21,705,330</u>	<u>20,760,553</u>	<u>18,412,886</u>	<u>18,837,161</u>
Prior period adjustments	<u>15,509,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - Ending	<u>\$ 44,390,029</u>	<u>\$ 27,286,334</u>	<u>\$ 25,414,465</u>	<u>\$ 25,300,782</u>	<u>\$ 23,110,673</u>	<u>\$ 22,373,126</u>	<u>\$ 21,705,330</u>	<u>\$ 20,760,553</u>	<u>\$ 18,412,886</u>

Source: Grimes County financial records.

Note: Grimes County applied GASB 34 statement in FY 2004.

**GRIMES COUNTY, TEXAS**

**FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST NINE FISCAL YEARS**  
(Modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
General fund				
Restricted	\$ -	\$ -	\$ -	\$ -
Assigned	479,483	-	-	-
Unassigned	<u>6,625,960</u>	<u>4,202,271</u>	<u>3,237,816</u>	<u>2,769,531</u>
Total general fund	<u>\$ 7,105,443</u>	<u>\$ 4,202,271</u>	<u>\$ 3,237,816</u>	<u>\$ 2,769,531</u>
All other governmental funds				
Reserved for:				
Debt service	\$ -	\$ -	\$ 389,674	\$ 378,675
Special revenue funds	-	-	723,622	858,253
Road and bridge	-	-	1,962,036	1,196,686
Restricted	3,438,065	3,698,839	-	-
Assigned:				
Capital projects funds	836,460	402,375	-	149,686
Unassigned	<u>( 57,671)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 4,216,854</u>	<u>\$ 4,101,214</u>	<u>\$ 3,075,332</u>	<u>\$ 2,583,300</u>

Source: Grimes County financial records.

Note: Grimes County applied GASB 54 statement in FY 2011.

**TABLE 3**

Fiscal Year				
<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ 15,364	\$ 15,059	\$ 4,222
-	-	-	-	-
<u>1,913,103</u>	<u>1,077,912</u>	<u>915,558</u>	<u>347,395</u>	<u>105,344</u>
<u>\$ 1,913,103</u>	<u>\$ 1,077,912</u>	<u>\$ 930,922</u>	<u>\$ 362,454</u>	<u>\$ 109,566</u>
\$ 335,016	\$ 297,351	\$ 265,692	\$ 179,376	\$ 111,480
619,602	475,196	444,124	386,071	57,192
685,980	441,181	435,915	622,375	140,441
-	-	-	-	-
147,549	146,143	142,848	137,845	136,531
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,788,147</u>	<u>\$ 1,359,871</u>	<u>\$ 1,288,579</u>	<u>\$ 1,325,667</u>	<u>\$ 445,644</u>

**GRIMES COUNTY, TEXAS**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST NINE FISCAL YEARS**  
*(Modified accrual basis of accounting)*  
*(Unaudited)*

	Fiscal Year			
	2012	2011	2010	2009
<b>REVENUES</b>				
Property and other taxes	\$ 13,305,293	\$ 12,614,294	\$ 12,312,328	\$ 11,017,748
Intergovernmental	3,036,131	540,554	452,778	414,090
Fees of office	1,537,168	-	-	-
Fines and forfeitures	367,699	563,548	524,244	603,850
Investment earnings	255,942	171,569	168,046	55,050
Charges for services	741,222	1,148,251	985,662	1,785,537
Hospital lease and rentals	101,059	99,996	99,996	99,996
Miscellaneous revenue	247,877	1,185,134	1,120,688	708,660
Total revenues	<u>19,592,391</u>	<u>16,323,346</u>	<u>15,663,742</u>	<u>14,684,931</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,179,536	3,114,475	3,065,599	3,055,023
Public facilities	1,325,958	551,405	289,662	279,778
Judicial	1,365,477	1,495,084	1,550,416	1,376,403
Public safety	3,827,205	3,666,224	3,951,931	3,223,134
Health and welfare	306,963	454,384	432,555	343,214
Public transportation	5,793,745	4,221,411	4,276,721	3,762,702
Legal	619,027	625,864	573,747	562,999
Debt service:				
Principal	135,526	165,612	201,312	437,592
Interest and fiscal charges	13,570	6,400	29,263	24,677
Capital outlay	27,538	32,150	475,530	801,690
Total expenditures	<u>16,594,545</u>	<u>14,333,009</u>	<u>14,846,736</u>	<u>13,867,212</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,997,846</u>	<u>1,990,337</u>	<u>817,006</u>	<u>817,719</u>



TABLE 4

Fiscal Year				
2008	2007	2006	2005	2004
\$ 9,934,875	\$ 8,822,375	\$ 8,156,628	\$ 6,923,988	\$ 7,040,603
256,825	54,346	742,217	196,154	201,508
-	-	-	-	-
626,432	561,602	416,533	330,290	532,701
145,386	279,048	147,960	72,228	19,378
1,939,143	1,518,485	1,548,117	1,076,235	1,396,865
99,996	99,996	309,075	143,012	294,017
395,195	390,092	657,290	363,221	310,536
<u>13,397,852</u>	<u>11,725,944</u>	<u>11,977,820</u>	<u>9,105,128</u>	<u>9,795,608</u>
2,567,773	2,366,060	3,043,332	2,289,791	1,769,696
282,558	320,044	397,574	64,652	221,464
1,326,859	1,193,470	3,315,209	2,124,882	1,006,009
3,258,665	3,113,177	288,487	193,790	2,541,642
425,391	322,243	546,902	177,860	284,562
3,748,533	3,738,987	3,432,769	3,494,386	2,546,639
501,186	500,806	526,488	375,215	494,151
17,000	16,000	15,000	465,000	729,000
8,480	9,120	9,720	22,335	42,049
151,734	87,109	-	1,784	-
<u>12,288,179</u>	<u>11,667,016</u>	<u>11,575,481</u>	<u>9,209,695</u>	<u>9,635,212</u>
<u>1,109,673</u>	<u>58,928</u>	<u>402,339</u>	<u>( 104,567)</u>	<u>160,396</u>

(continued)

**GRIMES COUNTY, TEXAS**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**(Continued)**

**LAST NINE FISCAL YEARS**  
*(Modified accrual basis of accounting)*  
*(Unaudited)*

	Fiscal Year			
	2012	2011	2010	2009
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 775,641	\$ 907,143	\$ 813,203	\$ 232,688
Transfers out	( 775,641)	( 907,143)	( 813,203)	( 232,688)
Issuance of capital leases	20,966	-	128,980	574,175
Sale of capital assets	-	-	14,639	230,661
Total other financing sources (uses)	<u>20,966</u>	<u>-</u>	<u>143,619</u>	<u>804,836</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 3,018,812</u>	<u>\$ 1,990,337</u>	<u>\$ 960,625</u>	<u>\$ 1,622,555</u>
<b>DEBT SERVICES (PRINCIPAL AND INTEREST) AS PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<u>0.92%</u>	<u>3.48%</u>	<u>1.69%</u>	<u>3.33%</u>

Source: Grimes County financial records.

**TABLE 4**

Fiscal Year				
2008	2007	2006	2005	2004
\$ 206,457	\$ 173,319	\$ 177,986	\$ 75,800	\$ 1,785,927
( 206,457)	( 173,319)	( 177,986)	( 75,800)	( 1,785,927)
151,734	87,109	108,124	684,855	-
<u>2,060</u>	<u>6,767</u>	<u>15,786</u>	<u>552,622</u>	<u>78,149</u>
<u>153,794</u>	<u>93,876</u>	<u>123,910</u>	<u>1,237,477</u>	<u>78,149</u>
<u>\$ 1,263,467</u>	<u>\$ 152,804</u>	<u>\$ 526,249</u>	<u>\$ 1,132,910</u>	<u>\$ 238,545</u>
<u>0.21%</u>	<u>0.22%</u>	<u>0.21%</u>	<u>5.29%</u>	<u>8.00%</u>

## GRIMES COUNTY, TEXAS

### TAX REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES LAST NINE YEARS\* (accrual basis of accounting)

Function	Fiscal Year			
	2004	2005	2006	2007
Property taxes	\$ 5,607,828	\$ 6,128,445	\$ 6,666,504	\$ 7,399,797
Sales taxes	644,158	500,816	940,364	984,761
Other taxes	<u>4,791</u>	<u>2,704</u>	<u>3,626</u>	<u>-</u>
Total	<u>\$ 6,256,777</u>	<u>\$ 6,631,965</u>	<u>\$ 7,610,494</u>	<u>\$ 8,384,558</u>

\* The requirement for statistical data is 10 years; only 9 years are available at this time.

**TABLE 5**

Fiscal Year				
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 8,207,241	\$ 9,625,451	\$ 10,914,406	\$ 11,209,725	\$ 11,477,577
1,235,691	996,740	907,477	990,111	1,423,512
<u>-</u>	<u>509,628</u>	<u>490,445</u>	<u>431,144</u>	<u>404,204</u>
<u>\$ 9,442,932</u>	<u>\$ 11,131,819</u>	<u>\$ 12,312,328</u>	<u>\$ 12,630,980</u>	<u>\$ 13,305,293</u>

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## GRIMES COUNTY, TEXAS

ASSESSSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Agriculture Property	Other	Less: Tax-Exempt Real Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate
2003	\$ 47,367,998	\$ 793,520,546	\$ 142,825,304	\$ 111,002,744	\$ 48,121,092	\$ 1,046,595,500	\$ 0.53840
2004	47,366,636	793,497,717	142,821,195	110,999,551	48,119,707	1,046,565,392	0.53840
2005	51,155,432	856,968,574	154,245,278	119,878,261	51,968,740	1,130,278,805	0.52290
2006	50,497,113	845,940,255	152,260,297	118,335,550	51,299,955	1,115,733,260	0.54290
2007	56,246,454	942,254,646	169,595,869	131,808,624	57,140,703	1,242,764,890	0.54290
2008	62,858,032	1,053,013,452	189,531,282	147,302,277	63,857,397	1,388,847,646	0.54282
2009	73,292,681	1,227,817,298	220,994,125	171,754,960	74,457,944	1,619,401,120	0.54282
2010	84,964,601	1,423,348,224	256,187,623	199,107,080	86,315,434	1,877,292,094	0.54282
2011	95,637,687	1,602,146,429	288,369,409	224,118,520	97,158,209	2,113,113,836	0.53026
2012	91,174,808	1,527,387,045	274,914,438	213,659,166	92,623,242	2,014,512,215	0.53026

Source: Grimes County Certified Appraisal Roll

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.

## GRIMES COUNTY, TEXAS

### PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

#### LAST TEN YEARS

	Fiscal Year			
	2003	2004	2005	2006
<b>Grimes County - Direct Rates:</b>				
General	\$ 0.463700	\$ 0.464800	\$ 0.280020	\$ 0.361510
Road and bridge	-	-	0.200000	0.179190
Debt service	<u>0.074700</u>	<u>0.073600</u>	<u>0.042880</u>	<u>0.002200</u>
Total direct rates	0.538400	0.538400	0.522900	0.542900
<b>Overlapping Governments Rates:</b>				
<b>Cities:</b>				
City of Anderson	0.205500	0.205500	0.205500	0.205500
City of Bedia	-	-	0.250000	0.250000
City of Navasota	0.467800	0.467800	0.453500	0.456300
City of Iola	N/A	N/A	N/A	N/A
<b>School Districts:</b>				
Anderson-Shiro CISD	1.553700	1.600000	1.600000	1.576000
Iola ISD	1.460000	1.480000	1.440000	1.420000
Madisonville CISD	1.650000	1.650000	1.650000	1.550000
Navasota ISD	1.488000	1.600000	1.600000	1.700000
Richards ISD	1.462900	1.500000	1.500000	1.500000
<b>Other Districts:</b>				
Grimes County ESD #1	0.026700	0.026320	0.025900	0.025700
Grimes County MUD #1	<u>2.820000</u>	<u>2.950000</u>	<u>2.950000</u>	<u>2.950000</u>
Total Direct and Overlapping Rates	<u>\$ 11.673000</u>	<u>\$ 12.018020</u>	<u>\$ 12.197800</u>	<u>\$ 12.176400</u>

Tax rates per \$100 of assessed valuation

Source: Grimes County Appraisal District



TABLE 7

		Fiscal Year									
		2007	2008	2009	2010	2011	2012				
\$	0.331170	\$	0.350300	\$	0.352341	\$	0.352341	\$	0.365330	\$	0.379083
	0.206302		0.190377		0.188893		0.188893		0.163420		0.149978
	<u>0.002200</u>		<u>0.002140</u>		<u>0.001586</u>		<u>0.001586</u>		<u>0.001510</u>		<u>0.001200</u>
	0.539672		0.542817		0.542820		0.542820		0.530260		0.530261
	0.205500		0.205500		0.205500		0.198800		0.198800		0.207900
	0.250000		0.248200		0.248200		0.243800		0.242780		0.242780
	0.458100		0.413800		0.410000		0.485920		0.483100		0.483500
	N/A		N/A		N/A		N/A		0.150000		0.153390
	1.445200		1.095900		1.340000		1.407300		1.425000		1.400000
	1.299000		1.040000		1.040000		1.434400		1.443400		1.473900
	1.220000		1.220000		1.220000		1.220000		1.220000		1.220000
	1.600000		1.265900		1.267740		1.236212		1.239500		1.228900
	1.370000		1.040000		1.040000		1.040000		1.040000		1.040000
	0.026400		0.025100		0.023136		0.024038		0.025173		0.025311
	<u>2.000000</u>		<u>2.000000</u>		<u>2.000000</u>		<u>2.000000</u>		<u>2.000000</u>		<u>2.000000</u>
\$	<u>10.413872</u>	\$	<u>9.097217</u>	\$	<u>9.337396</u>	\$	<u>9.833290</u>	\$	<u>9.998013</u>	\$	<u>10.005942</u>

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## GRIMES COUNTY, TEXAS

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO (1)

Taxpayer	2012			2004		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
National Oilwell Varco LP	\$ 185,589,545	1	9.21%	\$ -		- %
Tenaska Frontier Partners LTD	166,433,791	2	8.26%	45,751,360	2	4.37%
Helmerich & Payne Int	112,898,821	3	5.60%	-		- %
ETC Texas Pipeline LTD	96,729,106	4	4.80%	-		- %
Enervest Operating LLC	32,725,436	5	1.62%	-		- %
Resource Rig Supply	27,387,425	6	1.36%	-		- %
Nabors Drilling USA	27,339,231	7	1.36%	15,709,320	6	1.50%
Southern Bay Operating	26,728,377	8	1.33%	-		- %
BNSF Railway Co	25,623,975	9	1.27%	-		- %
Ellwood Texas Forge Navasota	23,789,833	10	1.18%	-		- %
Grant Prideco, Inc.	-		- %	54,420,690	1	5.20%
Citation Navasota	-		- %	28,241,110	3	2.70%
Chesapeake Operating, Inc.	-		- %	27,743,650	4	2.65%
Centerpoint Energy Inc	-		- %	17,898,610	5	1.71%
Entergy Texas Inc	-		- %	16,512,230	7	1.58%
Marathon Oil Company	-		- %	15,753,860	8	1.51%
BNSF Railway Co.	-		- %	13,460,630	9	1.29%
Devon Gas Services, LP	-		- %	12,922,050	10	- %
Subtotal	725,245,540		36.00%	248,413,510		22.50%
Other taxpayers	<u>1,289,266,675</u>		<u>64.00%</u>	<u>798,151,882</u>		<u>77.50%</u>
Total	<u>\$ 2,014,512,215</u>		<u>100.00%</u>	<u>\$ 1,046,565,392</u>		<u>100.00%</u>

Source: Grimes County Tax Appraisal District

(1) The requirement for statistical data is the current year and 9 years ago; only the current and eight years ago are available.

# GRIMES COUNTY, TEXAS

## PROPERTY TAX LEVIES AND COLLECTIONS

### LAST SEVEN YEARS (1)

	Fiscal Year		
	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tax tax levy	\$ 6,526,519	\$ 7,247,028	\$ 8,110,631
Current taxes collected	6,262,305	6,986,288	7,822,788
Percent of current tax collections	95.95%	96.40%	96.45%
Delinquent tax collections	<u>207,368</u>	<u>180,876</u>	<u>174,983</u>
Total tax collections	<u>\$ 6,469,563</u>	<u>\$ 7,167,011</u>	<u>\$ 7,997,687</u>
Total collections as a percentage of levy	99.13%	98.90%	98.61%

Source: Grimes County Appraisal District

(1) The requirement for statistical data is 10 years; only 7 years are available at this time.

**TABLE 9**

Fiscal Year			
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 9,453,661	\$ 10,823,673	\$ 11,071,230	\$ 11,241,888
9,101,851	10,457,208	10,722,794	10,927,288
96.28%	96.61%	96.85%	97.20%
<u>153,548</u>	<u>249,722</u>	<u>271,754</u>	<u>273,725</u>
\$ <u>9,255,533</u>	\$ <u>10,706,472</u>	\$ <u>10,994,240</u>	\$ <u>11,201,013</u>
97.90%	96.61%	99.31%	99.64%

## GRIMES COUNTY, TEXAS

### RATIOS OF OUTSTANDING DEBT BY TYPE

#### LAST TEN YEARS

	Fiscal Year			
	2003	2004	2005	2006
Primary government:				
Governmental activities:				
Certificates of obligation	\$ 1,437,000	\$ 708,000	\$ 243,000	\$ 228,000
Capital leases	<u>291,362</u>	<u>163,593</u>	<u>796,567</u>	<u>752,422</u>
Total primary government	<u>\$ 1,728,362</u>	<u>\$ 871,593</u>	<u>\$ 1,039,567</u>	<u>\$ 980,422</u>
Personal income	20,357	21,491	23,727	25,225
Debt as a percentage of personal income	1.18%	2.47%	2.28%	2.57%
Population	24,835	24,968	25,046	25,225
Debt per capita	70	35	42	39

Source: Grimes County Tax Appraisal District

**TABLE 10**

Fiscal Year					
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 212,000	\$ 195,000	\$ 182,000	\$ 164,000	\$ 156,880	\$ 122,000
<u>417,650</u>	<u>311,205</u>	<u>344,626</u>	<u>246,569</u>	<u>109,588</u>	<u>14,028</u>
<u>\$ 629,650</u>	<u>\$ 506,205</u>	<u>\$ 526,626</u>	<u>\$ 410,569</u>	<u>\$ 266,468</u>	<u>\$ 136,028</u>
25,638	25,895	25,895	26,466	26,446	26,783
4.07%	5.12%	4.92%	6.45%	9.92%	19.69%
25,638	25,895	25,895	26,466	26,466	26,783
25	20	20	16	11	5

## GRIMES COUNTY, TEXAS

### RATIO OF GENERAL BONDED DEBT OUTSTANDING

#### LAST TEN YEARS

	Fiscal Year			
	2003	2004	2005	2006
Net Taxable Assessed Value				
All property	\$ 1,046,595,501	\$ 1,046,565,392	\$ 1,130,278,805	\$ 1,115,733,260
Net Bonded Debt				
Gross bonded debt	1,437,000	708,000	243,000	228,000
Less debt service funds	718,000	240,557	273,104	343,895
Excess restricted net bonded debt	\$ 719,000	\$ 467,443	\$( 30,104)	\$( 115,895)
Ratio of Net Bonded Debt to Assessed Value	0.0687%	0.0447%	( 0.0027%)	( 0.0104%)
Population	23,552	23,552	23,552	25,586
Net Bonded Debt Per Capita	31	20	( 1)	( 5)

Source: Grimes County Tax Appraisal District



**TABLE 11**

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 1,242,764,889	\$ 1,388,847,645	\$ 1,619,401,120	\$ 1,877,292,094	\$ 2,113,113,836	\$ 2,014,512,215
212,000	195,000	182,000	164,000	156,880	122,000
<u>297,351</u>	<u>335,656</u>	<u>378,675</u>	<u>389,674</u>	<u>427,303</u>	<u>452,815</u>
\$( <u>85,351</u> )	\$( <u>140,656</u> )	\$( <u>196,675</u> )	\$( <u>225,674</u> )	\$( <u>270,423</u> )	\$( <u>330,815</u> )
( 0.0069% )	( 0.0101% )	( 0.0121% )	( 0.0120% )	( 0.0128% )	( 0.0164% )
25,586	25,586	25,586	26,466	26,466	26,783
( 3 )	( 5 )	( 8 )	( 9 )	( 10 )	( 12 )

**GRIMES COUNTY, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year			
	2003	2004	2005	2006
Assessed value	\$ 1,046,595,392	\$ 1,046,565,392	\$ 1,130,278,805	\$ 1,115,733,260
Debt limit	52,329,770	52,328,270	56,513,940	55,786,663
Total net debt applicable to limit	<u>1,437,000</u>	<u>708,000</u>	<u>243,000</u>	<u>228,000</u>
Legal debt margin	<u>\$ 50,892,770</u>	<u>\$ 51,620,270</u>	<u>\$ 56,270,940</u>	<u>\$ 55,558,663</u>
Total net debt applicable to the limit as a percentage of debt limit	02.75%	01.35%	00.43%	00.41%

Note: The City's Home Rule Charter (1983), Section 7.07 limits all bonded debt to no more than five percent of the assessed valuation.

**TABLE 12**

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 1,242,764,889	\$ 1,388,847,645	\$ 8,097,056	\$ 1,877,292,094	\$ 2,113,836	\$ 2,014,512,215
62,138,244	69,442,382	80,970,056	93,864,605	105,655,692	100,725,611
<u>212,000</u>	<u>195,000</u>	<u>182,000</u>	<u>164,000</u>	<u>156,880</u>	<u>122,000</u>
<u>\$ 61,926,244</u>	<u>\$ 69,247,382</u>	<u>\$ 80,788,056</u>	<u>\$ 93,700,605</u>	<u>\$ 105,498,812</u>	<u>\$ 100,603,611</u>
00.34%	00.28%	00.22%	00.17%	00.15%	00.12%
Legal debt margin calculation by fiscal year					
Assessed value					2,014,512,215
Debt limit (10% of assessed value)					100,725,611
Debt applicable to limit:					
General obligation bonds					122,000
Less: amount set aside for repayment of general obligation debt					452,815
Total net debt applicable to limit					<u>574,815</u>
Legal debt margin					<u>\$ 100,150,796</u>

## GRIMES COUNTY, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended September 30,</u>	<u>Population(1)</u>	<u>Personal Income(2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age(1)</u>	<u>School Enrollement(3)</u>	<u>Unemployment Rate</u>
2003	24,835	\$ 479,454,000	\$ 19,306	38.10	N/A	8.20%
2004	24,968	506,145,000	20,272	38.10	4,146	7.00%
2005	25,046	558,814,000	22,312	38.10	4,124	6.10%
2006	25,225	619,652,125	24,565	38.10	4,168	5.40%
2007	25,638	648,820,866	25,307	38.10	4,201	4.70%
2008	25,895	714,132,310	27,578	38.10	4,162	5.20%
2009	25,895	710,817,750	27,450	38.10	4,211	8.05%
2010	26,466	771,827,958	29,163	38.10	4,230	8.95%
2011	26,446	830,880,428	31,418	38.10	4,230	8.95%
2012	26,783	841,468,294	31,418	38.10	4,312	6.50%

## Data sources:

- (1) Bureau of the Census and Texas Association of Counties
- (2) Bureau of Economics Analysis
- (3) Texas Education Agency
- (4) Texas Workforce Commission

Population and personal income figures for fiscal 2012 are based on the latest information provided by the Bureau of Economics Analysis.

TABLE 14

**GRIMES COUNTY, TEXAS**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND EIGHT YEARS AGO**

Employer	2012			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Grant Prideco	1,000	1	31.34%	800	1	26.48%
TDCJ	737	2	23.10%	671	2	22.21%
Navasota ISD	407	3	12.75%	405	3	13.41%
Texas Pipe Works	210	4	6.58%	110	8	3.64%
Citation/Interstate	146	5	4.58%	310	4	10.26%
TMPA	146	6	4.58%	167	6	5.53%
Grimes County	141	7	4.42%	238	5	7.88%
Wal-Mart	108	8	3.38%	103	9	3.41%
Mid South Synergy	106	9	3.32%	100	10	3.31%
City of Navasota	100	10	3.13%	-	N/A	N/A
ErgoGenesis	90		2.82%	117	7	3.87%
Total	<u>3,191</u>		<u>100.00%</u>	<u>3,021</u>		<u>100.00%</u>

Source: Navasota Chamber of Commerce

\*The requirement for statistical data is only the current year and 9 years ago, but 9 years ago is not available at this time.

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## GRIMES COUNTY, TEXAS

## FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

## LAST TEN FISCAL YEARS

Function/Program	Fulltime Equivalent Employees as of September 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
General administration	33	33	35	35	36	35	36	35	30	30
Financial administration	6	7	7	7	7	7	7	7	7	7
Elections and voters administration	2	2	2	2	2	2	2	2	2	2
Judicial	4	6	6	6	6	6	5	5	18	18
Public safety	53	53	53	53	56	53	55	53	44	44
Health and welfare	3	3	3	3	3	3	3	3	3	3
Legal	8	8	8	8	8	8	8	8	8	8
General Fund Total	<u>109</u>	<u>112</u>	<u>114</u>	<u>114</u>	<u>118</u>	<u>114</u>	<u>116</u>	<u>113</u>	<u>112</u>	<u>112</u>
Special Revenue Funds:										
Public transportation fund - 20	26	28	26	26	26	26	26	26	26	26
Records management fund - 21	-	-	-	-	-	-	-	-	1	1
Public services - fund 34	2	2	2	2	2	2	2	2	2	2
Public facilities - fund 36	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>
Special Revenue Fund Total	<u>29</u>	<u>32</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>29</u>	<u>30</u>	<u>30</u>
Total	<u>138</u>	<u>144</u>	<u>144</u>	<u>144</u>	<u>148</u>	<u>144</u>	<u>146</u>	<u>142</u>	<u>142</u>	<u>142</u>

## GRIMES COUNTY, TEXAS

### OPERATING INDICATORS BY FUNCTION/PROGRAM LAST NINE FISCAL YEARS

Function/Program	Fiscal Year			
	2004	2005	2006	2007
<b><u>County/District Court</u></b>				
Civil cases:				
Pending beginning of year	18	103	58	120
Docket adjust	-	( 87)	9	-
Added	145	123	104	53
Disposed	60	81	51	14
Pending end of year	103	58	120	159
Criminal cases:				
Pending beginning of year	1,778	2,348	2,584	3,103
Docket adjust	-	( 101)	22	( 4)
Added	1,217	837	839	705
Disposed	647	500	342	287
Pending end of year	2,348	2,584	3,103	3,537
Juvenile cases:				
Pending beginning of year	5	4	5	40
Docket adjust	-	( 28)	( 4)	( 2)
Added	35	53	42	101
Disposed	36	24	3	17
Pending end of year	4	5	40	122
<b><u>Justice of the Peace Courts</u></b>				
Cases filed:				
Traffic	5,783	5,230	5,230	6,356
Non-traffic	2,180	1,478	1,478	1,010
Small claims suits	73	133	133	113
Forcible entry and detainer	46	82	82	69
Other civil suits	22	18	18	50
Cases disposed:				
Traffic	4,268	3,775	3,775	4,982
Non-traffic	593	213	123	573
Small claims suits	1	-	-	11
Forcible entry and detainer	-	-	-	2
Other civil suits	-	-	-	1
Cases appealed:				
Traffic	1	-	-	3
Non-traffic	1	-	-	1
Miscellaneous				
Permitted septic systems	183	233	194	208

Source: Texas Courts Online (Office of Court Administration)

\*The requirement for statistical data is 10 years; only 9 years are available at this time.



TABLE 16

	Fiscal Year				
	2008	2009	2010	2011	2012
	159	18	7	12	8
(	1)	-	-	-	1
	24	18	3	31	38
	164	29	5	31	31
	18	7	5	11	15
	3,537	1,216	1,097	1,205	1,089
	-	-	-	-	-
	397	458	90	624	480
	2,718	577	159	694	403
	1,216	1,097	1,028	1,134	1,166
	122	19	8	11	11
	-	1	-	-	-
	126	37	5	38	26
	229	49	9	38	26
	19	8	4	11	11
	4,765	4,773	3,453	3,781	3,796
	1,685	1,458	1,147	1,207	1,564
	83	93	123	89	113
	54	66	76	40	56
	85	34	8	14	59
	4,452	4,215	3,459	2,977	3,372
	943	865	665	776	971
	1	3	2	2	360
	1	2	4	3	190
	1	-	2	3	55
	-	-	1	-	-
	-	-	-	-	1
	211	171	159	153	123

## GRIMES COUNTY, TEXAS

## CAPITAL ASSET STATISTICS BY FUNCTION

## LAST EIGHT FISCAL YEARS

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012
General administration	8	13	5	6	6	7	7	6
Judicial	3	3	8	9	9	9	9	9
Financial administration	-	-	1	1	1	1	2	1
Legal	2	2	5	5	6	6	6	6
Elections	-	3	8	8	8	8	8	8
Public facilities	11	14	10	10	12	13	13	13
Public safety	44	41	51	52	59	61	64	64
Public transportation	118	121	119	123	122	130	134	133
Health and welfare	6	7	9	5	6	6	5	7
Environmental protection	-	-	-	3	2	2	2	2

Source: County inventory reports

Note: Only 8 years of information are available at this time.