

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**COUNTY OF GILLESPIE,  
TEXAS**

*Fredericksburg, Texas*

**For the Year Ended  
September 30, 2013**

**GILLESPIE COUNTY, TEXAS**

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2013**

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

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Judge and County Commissioners  
Gillespie County, Texas  
Fredericksburg, TX 78624

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gillespie County, Texas, as of September 30, 2013, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 through 9), budgetary comparison information (pages 38 and 39), and the schedule of funding progress for the retirement plan (page 40) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gillespie County's basic financial statements. The combining nonmajor and fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2014, on our consideration of Gillespie 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* in considering Gillespie County's internal control over financial reporting and compliance.

*Neffendorf, Knopp, Dooss + Company, P.C.*

NEFFENDORF, KNOPP, DOSS & COMPANY, P.C.  
Fredericksburg, Texas  
March 14, 2014

GILLESPIE COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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As management of Gillespie County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial statements of the County for the year ended September 30, 2013. Please read it in conjunction with the independent auditors' report on page 1, and County's Basic Financial Statements which begin on page 9.

#### FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$18,118,901 (Net Position). Of this amount, \$7,986,005 (unrestricted Net Position) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's Net Position increased by \$1,460,128 as a result of this year's operations.
- At September 30, 2013, the County's governmental funds reported combined ending fund balances of \$24,482,002, an increase of \$8,513,533 in comparison with the prior year.
- At September 30, 2013, the unassigned fund balance of the general fund was \$7,764,176 or 74.89 percent of total general fund expenditures.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 9 and 10). These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (on pages 12 & 15) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

The notes to the financial statements (starting on page 20) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedules (operating fund) are presented as required supplementary information on pages 38 and 39.

## **Reporting the County as a Whole**

### ***The Statement of Net Position and the Statement of Activities***

The analysis of the County's overall financial condition and operations begins on page 9. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

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

In the Statement of Net Position and the Statement of Activities, the County reports one kind of activity:

➤ **Governmental activity** - Most of the County's basic services are reported here, including the general administration, public safety, roads and bridges, judicial system, health and sanitation services, public facilities, libraries and education, and agricultural services. Property taxes, user charges, sales tax and governmental grants and contributions finance most of these activities.

## **Reporting the County's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements on pages 12 & 15 provide detailed information about the most significant funds - not the County as a whole.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position of the County's governmental activities increased from \$16,691,384 to \$18,118,901. Unrestricted Net Position - the part of Net Position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was \$7,986,005 at September 30, 2013. This increase in governmental Net Position was the result of four factors. First, the County's revenues exceeded the expenditures by \$676,479. Second, the County acquired capital assets in the amount of \$1,445,174. Third, the County retired principal on long-term debt of \$150,593 and issued new debt of \$15,203,173. Fourth, the County recorded depreciation in the amounts of \$651,377.

**Table I**  
**Gillespie County, Texas**

**NET POSITION**  
in thousands

	Governmental Activities	
	2013	2012
Current and Other Assets	\$ 25,689	\$ 9,653
Capital Assets	10,087	9,296
Total Assets	\$ 35,776	\$ 18,949
Long-Term Liabilities	\$ 16,799	\$ 1,760
Other Liabilities	858	498
Total Liabilities	\$ 17,657	\$ 2,258
Net Position:		
Net Investment in Capital Assets	\$ 7,312	\$ 7,867
Restricted	2,821	2,146
Unrestricted	7,986	6,678
Total Net Position	\$ 18,119	\$ 16,691

**Table II**  
**Gillespie County, Texas**

**CHANGES IN NET POSITION**  
in thousands

	Governmental Activities	
	2013	2012
<b>Revenues:</b>		
Charges for Services	\$ 2,197	\$ 2,134
Operating Grants and Contributions	141	130
Capital Grants and Contributions	798	1,344
Property Taxes	9,021	8,027
Sales Tax	1,825	1,697
Other Taxes	328	279
Penalty and Interest	96	91
Grants and Contributions Not Restricted	487	461
Miscellaneous Revenue	539	275
Investment Earnings	44	45
<b>Total Revenue</b>	<b>\$ 15,476</b>	<b>\$ 14,483</b>
<b>Expenses:</b>		
Judicial	\$ 1,007	\$ 946
General Government	3,478	3,572
Public Safety	5,021	4,878
Road and Bridge	2,474	2,233
Health and Sanitation	384	428
Public Facilities	722	604
Libraries and Education	332	296
Agricultural Services	319	281
Debt Interest	79	36
Debt Fees	200	4
<b>Total Expenses</b>	<b>\$ 14,016</b>	<b>\$ 13,278</b>
<b>Increase in Net Position</b>	<b>\$ 1,460</b>	<b>\$ 1,205</b>
Net Position - Beginning	16,691	15,486
Prior Period Adjustment	(32)	-
<b>Net Position - Ending</b>	<b>\$ 18,119</b>	<b>\$ 16,691</b>

The cost of all governmental activities this year was \$14,015,836. However, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$9,020,797 because the other costs were paid by sales tax (\$1,824,960), capital and operating grants and contributions (\$1,425,561), user charges (\$2,196,641), other taxes (\$328,163), penalties and interest on taxes (96,481), investment earnings (\$43,858), and other miscellaneous (\$539,503).

## THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$24,428,002, which is more than last year's total of \$8,513,533. Included in this year's total change in fund balance is an increase of \$1,428,553 in the County's General Fund, \$58,928 in the County's Road and Bridge Fund, and \$13,814,028 in the County's GOB Series 2013 Jail Project Fund. The primary reasons for the General Fund's increase mirror the governmental activities analysis highlighted on page 5.

The Commissioner's Court adopted the General Fund Budget and the Road and Bridge Budget. For both funds, actual revenues were more than the budgeted amounts, while actual expenditures were less than budgeted amounts. This resulted in a positive variance with final budget of \$3,477,580 for the General Fund and a positive variance with final budget of \$424,633 for the Road and Bridge Fund.

## CAPITAL ASSET AND DEBT ADMINISTRATION

At September 30, 2013, the County had the following amounts invested in capital assets, net of depreciation:

	CAPITAL ASSETS in thousands	
	2013	2012
Land and Easements	\$ 1,750	\$ 1,749
Construction in Progress	1,191	2,245
Buildings & Improvements	5,805	5,805
Machinery & Equipment	7,162	7,174
Other Improvements	2,304	-
Total Capital Assets	\$ 18,212	\$ 16,973
Accumulated Depreciation	8,126	7,677
Capital Assets, Net	\$ 10,086	\$ 9,296

This year's major additions included:

2007 Chevrolet Suburban	19,800
(5) 2013 Chevy Tahoes	174,840
Airport Construction	273,760
County Jail Construction in Progress	954,586
Old SA Road Bridge Construction	22,188
TOTALS	\$ 1,445,174

More detailed information about the County's capital assets is presented in Note 3.E. to the financial statements.

## DEBT

At September 30, 2013, the County had the following outstanding debt:

### OUTSTANDING DEBT in thousands

	<u>2013</u>	<u>2012</u>
General Obligation Refunding Bonds – Series 2011	\$ 1,275	\$ 1,415
General Obligation Bonds – Series 2013	14,110	-
State Comptroller Obligation	32	42
Capital Leases	-	-
Premium on GO Bonds – Series 2013	1,073	-
Compensated Absences	309	303
Total Outstanding Debt	<u>\$ 16,799</u>	<u>\$ 1,760</u>

For governmental activities, the County had \$16,798,664 in general obligation bonds and other long-term debt outstanding, an increase of 10.48 percent. The County retired \$150,593 in principle on the outstanding long-term debt, and issued new debt principle of \$14,110,000 and new debt premium of \$1,093,173 in fiscal year 2012-2013. The net increase in compensated absences was \$6,619.

More detailed information about the County's long-term liabilities is presented in Note 3.G. to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2014 budget and tax rates. The major factors are the economy, population growth, and assessed property valuation. These indicators were taken into account when adopting the General Fund budget for 2014. Amounts available for appropriation in the General Fund budget are \$11,655,626 and expenditures are estimated to be \$13,255,561. If these estimates are realized, the County's budgetary General fund balance is expected to decrease \$1,599,935 by the close of 2014 (use of prior year surplus). Amounts available for appropriation in the Road and Bridge Fund budget are \$2,913,977 and expenditures are estimated to be \$3,285,000. If these estimates are realized, the County's budgetary Road and Bridge fund balance is expected to decrease \$371,023 by the close of 2014 (use of prior year surplus).

## CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor or Commissioners' Court, at Gillespie County, Texas, Fredericksburg, Texas.

## BASIC FINANCIAL STATEMENTS

GILLESPIE COUNTY  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013

EXHIBIT A-1

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 24,720,854
Receivables (net of allowance for uncollectibles)	936,114
Inventories	32,357
Capital Assets:	
Land	1,749,515
Infrastructure, net	2,225,024
Buildings, net	3,721,479
Improvements other than Buildings, net	159,824
Machinery and Equipment, net	1,039,338
Construction in Progress	1,191,301
Total Assets	35,775,806
<b>LIABILITIES</b>	
Accounts Payable	466,264
Wages and Salaries Payable	277,528
Intergovernmental Payable	4,345
Accrued Interest Payable	98,693
Unearned Revenues	11,411
Noncurrent Liabilities	
Due Within One Year	555,593
Due in More Than One Year	16,243,071
Total Liabilities	17,656,905
<b>NET POSITION</b>	
Net Investment in Capital Assets	7,312,357
Restricted for:	
Debt Service	71,574
Special Revenue	2,748,965
Unrestricted Net Position	7,986,005
Total Net Position	\$ 18,118,901

The notes to the Financial Statements are an integral part of this statement.

GILLESPIE COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
Judicial	\$ 1,006,583	\$ 434,871	\$ 37,669
General Administration	3,478,154	637,817	23,813
Public Safety	5,021,036	78,359	33,076
Road and Bridge	2,474,033	898,136	26,446
Health and Sanitation	384,486	-	17,216
Public Facilities	722,372	147,458	2,859
Libraries and Education	331,979	-	-
Agriculture Services	318,918	-	-
Bond Interest	78,620	-	-
Fiscal Agent's Fees	500	-	-
Issuance Costs	199,155	-	-
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 14,015,836</b>	<b>\$ 2,196,641</b>	<b>\$ 141,079</b>

General Revenues:

Taxes:

- Property Taxes, Levied for General Purposes
- Property Taxes, Levied for Debt Service
- Property Taxes, Levied for Roads & Bridges
- Sales Taxes
- Other Taxes
- Penalty and Interest
- Grants and Contributions Not Restricted
- Miscellaneous Revenue
- Investment Earnings

Total General Revenues

Change in Net Position

- Net Assets - Beginning
- Prior Period Adjustment
- Net Position--Ending

The notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position	
Capital Grants and Contributions	Primary Government Governmental
\$ -	\$ (534,043)
-	(2,816,524)
76,704	(4,832,897)
-	(1,549,451)
-	(367,270)
721,244	149,189
-	(331,979)
-	(318,918)
-	(78,620)
-	(500)
-	(199,155)
<u>\$ 797,948</u>	<u>(10,880,168)</u>

7,514,057
180,730
1,326,010
1,824,960
328,163
96,481
486,534
539,503
43,858
<u>12,340,296</u>
1,460,128
16,691,384
(32,611)
<u>\$ 18,118,901</u>

GILLESPIE COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013

	General Fund	Road and Bridge Fund	GOB Series 2013 Jail Project
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,854,722	\$ 1,352,348	\$ 13,952,402
Taxes Receivable	237,033	42,787	-
Allowance for Uncollectible Taxes (credit)	(4,741)	(856)	-
Receivables (Net)	314,597	33,779	-
Intergovernmental Receivables	1,545	-	-
Due from Other Funds	80,601	-	-
Inventories	30,370	1,987	-
<b>Total Assets</b>	<b>\$ 8,514,127</b>	<b>\$ 1,430,045</b>	<b>\$ 13,952,402</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 221,468	\$ 101,907	\$ 138,374
Wages and Salaries Payable	258,882	15,909	-
Intergovernmental Payable	4,345	-	-
Due to Other Funds	-	2,245	-
Unearned Revenues	2,594	-	-
<b>Total Liabilities</b>	<b>487,289</b>	<b>120,061</b>	<b>138,374</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	232,292	41,931	-
<b>Total Inflows of Resources</b>	<b>232,292</b>	<b>41,931</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
Inventories	30,370	1,987	-
Restricted Fund Balance:			
Road & Bridge Maintenance & Construction	-	1,266,066	-
Capital Acquisition & Contractual Obligation	-	-	13,814,028
Retirement of Long-Term Debt	-	-	-
Special Revenue	-	-	-
Unassigned Fund Balance	7,764,176	-	-
<b>Total Fund Balances</b>	<b>7,794,546</b>	<b>1,268,053</b>	<b>13,814,028</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 8,514,127</b>	<b>\$ 1,430,045</b>	<b>\$ 13,952,402</b>

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

Other Funds	Total Governmental Funds
\$ 1,561,382	\$ 24,720,854
5,688	285,508
(114)	(5,711)
9,171	357,547
75,248	76,793
-	80,601
-	32,357
<u>\$ 1,651,375</u>	<u>\$ 25,547,949</u>
\$ 4,515	\$ 466,264
2,737	277,528
-	4,345
78,356	80,601
8,817	11,411
<u>94,425</u>	<u>840,149</u>
<u>5,575</u>	<u>279,798</u>
<u>5,575</u>	<u>279,798</u>
-	32,357
-	1,266,066
-	13,814,028
71,574	71,574
1,482,899	1,482,899
(3,098)	7,761,078
<u>1,551,375</u>	<u>24,428,002</u>
<u>\$ 1,651,375</u>	<u>\$ 25,547,949</u>

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

<b>Total Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>24,428,002</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$16,973,555 and the accumulated depreciation was \$7,677,214. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		7,531,987
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2013 capital outlays and debt principal payments is to decrease net position.		1,596,037
The 2013 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(651,377)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		(14,785,748)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>18,118,901</b>

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

GILLESPIE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	General Fund	Road and Bridge Fund	GOB Series 2013 Jail Project
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ 7,476,480	\$ 1,319,891	\$ -
General Sales and Use Taxes	1,824,960	-	-
Other Taxes	4,117	-	-
Penalty and Interest on Taxes	80,202	14,049	-
Licenses and Permits	26,230	675,144	-
Intergovernmental Revenue and Grants	599,764	-	-
Charges for Services	963,817	-	-
Fines	79,668	203,167	-
Investment Earnings	34,024	3,227	5,329
Rents and Royalties	124,773	-	-
Other Revenue	535,359	4,275	-
Total Revenues	<u>11,749,394</u>	<u>2,219,753</u>	<u>5,329</u>
<b>EXPENDITURES:</b>			
Current:			
General Government:			
Judicial	933,420	-	-
General Administration	3,008,826	-	-
Public Safety	4,898,906	-	-
Road and Bridge	-	2,352,825	-
Health and Sanitation	368,896	-	-
Public Facilities	518,728	-	-
Libraries and Education	316,124	-	-
Agriculture Services	323,187	-	-
Debt Service:			
Bond Principal	-	-	-
Bond Interest	-	-	-
Fiscal Agent's Fees	-	-	-
Issuance Costs	-	-	199,155
Capital Outlay:			
Capital Outlay	-	-	954,586
Total Expenditures	<u>10,368,087</u>	<u>2,352,825</u>	<u>1,153,741</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,381,307</u>	<u>(133,072)</u>	<u>(1,148,412)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Capital-related Debt Issued (Regular Bonds)	-	-	14,110,000
Sale of Real and Personal Property	2,531	-	-
Transfers In	236,715	192,000	-
Premium or Discount on Issuance of Bonds	-	-	1,089,155
Prepaid Interest	-	-	-
Transfers Out (Use)	(192,000)	-	(236,715)
Total Other Financing Sources (Uses)	<u>47,246</u>	<u>192,000</u>	<u>14,962,440</u>
Net Change in Fund Balances	1,428,553	58,928	13,814,028
Fund Balance - October 1 (Beginning)	6,365,993	1,209,125	-
Fund Balance - September 30 (Ending)	<u>\$ 7,794,546</u>	<u>\$ 1,268,053</u>	<u>\$ 13,814,028</u>

The notes to the Financial Statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 180,286	\$ 8,976,657
-	1,824,960
324,046	328,163
2,230	96,481
-	701,374
825,797	1,425,561
113,180	1,076,997
3,110	285,945
1,278	43,858
148,298	273,071
12,990	552,624
<u>1,611,215</u>	<u>15,585,691</u>
27,611	961,031
345,622	3,354,448
79,472	4,978,378
26,446	2,379,271
-	368,896
122,295	641,023
-	316,124
-	323,187
140,000	140,000
34,225	34,225
500	500
-	199,155
<u>258,388</u>	<u>1,212,974</u>
<u>1,034,559</u>	<u>14,909,212</u>
<u>576,656</u>	<u>676,479</u>
-	14,110,000
2,877	5,408
-	428,715
4,018	1,093,173
29,409	29,409
-	(428,715)
<u>36,304</u>	<u>15,237,990</u>
<u>612,960</u>	<u>15,914,469</u>
<u>938,415</u>	<u>8,513,533</u>
<u>\$ 1,551,375</u>	<u>\$ 24,428,002</u>

GILLESPIE COUNTY  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	15,914,469
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2013 capital outlays and debt principal payments is to decrease the change in net position.		1,596,037
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(651,377)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.		(15,399,001)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>1,460,128</b>

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

GILLESPIE COUNTY  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2013

	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 397,047	\$ 1,353,324
Other Receivables	448	175
Due from Other Governments	-	18,240
Total Assets	<u>397,495</u>	<u>\$ 1,371,739</u>
<b>LIABILITIES</b>		
Accounts Payable	12,644	\$ -
Wages and Salaries Payable	211	-
Due to Other Governments	-	657,270
Due to Others	-	714,469
Total Liabilities	<u>12,855</u>	<u>\$ 1,371,739</u>
<b>NET POSITION</b>		
Unrestricted Net Position	<u>384,640</u>	
Total Net Position	<u>\$ 384,640</u>	

The accompanying notes are an integral part of this statement.

GILLESPIE COUNTY  
STATEMENT OF CHANGES IN NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Private Purpose Trust Funds
<b>ADDITIONS:</b>	
Charges for Services	\$ 12,799
Investment Earnings	668
Total Additions	<u>13,467</u>
<b>DEDUCTIONS:</b>	
Salaries and Wages	4,469
Employee Benefits	346
Professional Services	6,146
Conference/Travel Expenses	1,050
Supplies	1,467
Books	10,000
Total Deductions	<u>23,478</u>
Change in Net Position	(10,011)
Total Net Position -October 1 (Beginning)	<u>394,651</u>
Total Net Position September 30 (Ending)	<u><u>\$ 384,640</u></u>

The notes to the Financial Statements are an integral part of this statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Gillespie County have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The *Governmental Accounting Standards Board* (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

1.A. REPORTING ENTITY

The County has developed criteria to determine if the activities of any outside agencies or organizations should be included within its financial statements. The criteria includes the amount of oversight responsibility exercised by the County over the activities of an agency or organization, the scope of public service of an agency or organization, and the nature of any special financing relationships which may exist between the County and an agency or organization. Oversight responsibility includes financial interdependency, selection of the governing authority, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The County's financial statements include all funds over which the County exercises oversight responsibility. Also, the County is not included as a part of any other reporting entity.

1.B. BASIS OF PRESENTATION

***Government-wide Financial Statements:***

The government-wide financial statements include the statement of Net Position and the statement of activities. Government-wide Financial Statements display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

***Fund Financial Statements:***

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria.

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditure/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

## **Governmental Funds**

### General Fund

The General Fund, the main operating fund of the County, is always classified as a major fund. It is the primary fund of the County and is used to account for and report all financial resources not accounted for and reported in another fund.

### Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects.

### Capital Projects Funds

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

### Debt Service Funds

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure of principal and interest on general long-term debt of the County. Ad valorem taxes are used for the payment of principal and interest on the County's debt.

## **Fiduciary Funds (Not included in government-wide statements)**

### Agency Funds

Agency funds account for assets held by the County in a purely custodial capacity. The reporting entity includes five agency funds. Since agency funds are custodial in nature (i.e. assets equal liabilities) they do not involve the measurement of results of operations.

### Private Purpose Trust Funds

Private Purpose Trust Funds report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

## **Major and Nonmajor Funds**

The funds are further classified as major or nonmajor. The major funds are as follows:

<b>Major Fund</b>	<b>Brief Description</b>
General Fund	See above for description.
Special Revenue Fund: Road and Bridge	Accounts for all road and bridge construction and maintenance activity.
Capital Projects Fund: GOB Series 2013 Jail Project	Accounts for the jail construction project funded with General Obligation Bonds Series 2013.

**Nonmajor funds** consist of special revenue funds and debt service funds and are detailed in the Combining and Individual Fund Statements - Nonmajor Funds.

## 1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

### **Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. Agency and Private Purpose Trust Funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statement, governmental funds and fiduciary funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized revenues when both "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or within 60 days after year end. Also under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

## 1.D. ASSETS, LIABILITIES AND EQUITY

### **Cash and Cash Investments**

For the purpose of the Statement of Net Position, "Cash and Cash Equivalents" includes demand deposit accounts, certificates of deposit and government investment pools. All amounts are considered available upon demand and are considered to be "cash equivalents."

Several funds may be invested in an investment account and each fund has an equity interest therein. Interest earned on the Investment of these monies is allocated based upon relative equity at month end.

## Receivables and Payables

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

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

Ad valorem property taxes attach as enforceable liens as of January 1. Taxes are levied prior to September 30, payable on October 1, and are delinquent on February 1. The majority of the County's property tax collections occur during December and early January each year. To the extent that County property tax revenue results in current receivables as defined by the Governmental Accounting Standards Board (GASB), they are recognized when levied.

## Inventories

Inventories are valued at cost using the first-in, first-out method. Inventories in the General Fund consist of fuel and postage held for consumption. Inventories in the Special Revenue Fund consist of sign machine supplies. The cost of inventories is recorded as expenditures when consumed rather than 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 governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of 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.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 50
Vehicles	3 - 10
Machinery and Equipment	5 - 15
Infrastructure	5 - 50

## **Compensated Absences**

Vacation pay and sick leave benefits are accrued by County employees according to guidelines set out in the County's personnel policy. The policy allows employees to accumulate vacation, sick leave and overtime within certain limitations. Employees accrue 10 to 18 days of vacation each year (depending upon their length of service) and are allowed to accumulate unused vacation for two years. Unused vacation is paid upon termination or retirement. The County's policy allows for accumulation of up to 480 hours of sick leave, but does not provide for payment of any unused sick leave. Also, in accordance with the Fair Labor Standards Act, as it applies to local governments, non-exempt County employees have been granted compensatory time for hours worked beyond their regular working hours since October 1, 1987. Accumulated compensatory time is also paid upon termination of employment. The estimated cost of unused vacation and compensatory time is recorded in the accompanying financial statements in the government-wide financial statements.

## **Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **Equity Classifications**

### Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

## Fund Statements

Beginning with fiscal year end September 30, 2011, the County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are in non-spendable form (such as inventory and prepaids) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e. County Commissioners). 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.
- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the County Commissioners or by an official or body to which the County Commissioners delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The County Commissioners establish (and modify or rescind) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the County Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

The County's fund balance policy indicates that the County will typically use restricted, committed, and/or assigned fund balances, in that order, prior to using unassigned resources, but the County reserves the right to deviate from this general strategy.

## **Net Position**

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## **Use of 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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.



At September 30, 2013, the carrying amount of the County's deposits was \$5,580,253 and the bank balance was \$5,686,977. The County's cash deposits held at Security State Bank & Trust at September 30, 2013 and during the year ended September 30, 2013 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

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

The County's temporary investments consisted of certificates of deposit and local government investment pools at September 30, 2013 and are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>FDIC Coverage</u>	<u>Pledged Securities</u>
<u>Certificates of Deposit -</u>				
Blanco National Bank	\$ 2,400,000	\$ 2,400,000	\$ 250,000	\$ 2,297,411
Security State Bank & Trust	2,650,000	2,650,000	250,000	14,062,057
<u>Liquid Asset Portfolio -</u>				
TexPool	9,108,492	9,108,492	*	*
TexasClass	5,627,176	5,627,176	*	*
<b>Total Governmental Activities</b>	<b>\$ 19,785,668</b>	<b>\$ 19,785,668</b>		

\* TexPool and TexasClass are Local Government Investment Pools established in conformity with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code and the Public Investment Act, Chapter 2256 of the Code. TexPool and TexasClass are 2(a)7 like funds, meaning that they are structured similar to money market mutual funds. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the funds seek to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. TexPool and TexasClass are rated AAAM and must maintain a weighted average maturity not to exceed 60 days. At September 30, 2013, TexPool had a weighted average maturity of 41 days and TexasClass had a weighted average maturity of 40 days. The County considers the holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, short of a significant change in value. The State Comptroller oversees TexPool and TexasClass, with a third party managing the daily operations of the pool under contract.

Policies Governing Deposits and Investments

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

**Custodial Credit Risk - Deposits:** This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end were covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

**Custodial Credit Risk - Investments:** This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investments (certificates of deposit) were secured by FDIC insurance and pledged securities.

**Other Credit Risk:** There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2013, the County was not exposed to concentration of credit risk or foreign currency risk.

3.B. RECEIVABLES

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

	<u>General</u>	<u>Road and Bridge</u>	<u>GOB Series 2013 Jail Project</u>	<u>Other Govern- mental Funds</u>	<u>TOTAL</u>
Receivables:					
Property Taxes	\$ 237,033	\$ 42,787	\$ -	\$ 5,688	\$ 285,508
Other	314,597	33,779	-	9,171	357,547
Intergovernmental	<u>1,545</u>	<u>-</u>	<u>-</u>	<u>75,248</u>	<u>76,793</u>
Gross Receivables	\$ 553,175	\$ 76,566	\$ -	\$ 90,107	\$ 719,848
Less: Allowance for Uncollectibles	<u>4,741</u>	<u>856</u>	<u>-</u>	<u>114</u>	<u>5,711</u>
Net Total Receivables	<u>\$ 548,434</u>	<u>\$ 75,710</u>	<u>\$ -</u>	<u>\$ 89,993</u>	<u>\$ 714,137</u>

Governmental funds report *Deferred Inflows of Resources - Unavailable Revenue* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report *Unearned Revenue* or defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, *Unavailable and Unearned Revenues* reported in the governmental funds were as follows:

General Fund -	
Unavailable Revenue - Property Taxes	\$ 232,292
Unearned Revenue – Prepaid Rents	2,594
Special Revenue Road and Bridge Fund -	
Unavailable Revenue - Property Taxes	41,931
Other Governmental Funds -	
Unavailable Revenue - Property Taxes	5,575
Unearned Revenue – Prepaid Rents	8,817
	<hr/>
TOTAL UNAVAILABLE AND UNEARNED REVENUES	\$ 291,209
	<hr/> <hr/>

### 3.C. COURT FINES AND FEES RECEIVABLE

With the implementation of GASB Statement Number 34, the County has determined the amount of court fines and fees receivable to be \$1,479,846 which represents amounts owed and outstanding for the last 10 years. Based on historical collection rates for the various courts, the County has estimated an allowance for uncollectible court fines and fees of \$1,257,869, resulting in a net receivable of \$221,977.

### 3.D. PROPERTY TAXES

Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the 2012 tax roll, the total assessed valuation was \$2,897,908,400 and the taxes assessed amounted to \$8,986,414. The total tax rate was \$0.3101 per \$100 valuation and allocated \$0.3039 to maintenance and operations and \$0.0062 to interest and sinking funds. The maximum tax levy allowed by State law for the above purposes is \$0.80 per \$100 valuation.

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. Due to the immaterial amount of additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements.

### 3.E. CAPITAL ASSETS

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

<b>Primary Government</b>	<u>Balance 10/1/12</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 9/30/13</u>
<i>Governmental Activities:</i>				
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 1,195,265	\$ -	\$ -	\$ 1,195,265
Easements	554,250	-	-	554,250
Construction In Progress	2,245,022	954,586	(2,008,307)	1,191,301
<b>Total Capital Assets, Not Being Depreciated</b>	<u>\$ 3,994,537</u>	<u>\$ 954,586</u>	<u>\$(2,008,307)</u>	<u>\$ 2,940,816</u>
<b>Capital Assets, Being Depreciated:</b>				
Buildings	5,625,158	-	-	5,625,158
Building Improvements	180,270	-	-	180,270
Machinery and Equipment	7,173,590	194,640	(206,007)	7,162,223
Other Improvements	-	2,304,255	-	2,304,255
<b>Total Capital Assets Being Depreciated</b>	<u>12,979,018</u>	<u>2,498,895</u>	<u>(206,007)</u>	<u>15,271,906</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	(1,790,335)	(113,344)	-	(1,903,679)
Building Improvements	(7,325)	(13,121)	-	(20,446)
Machinery and Equipment	(5,879,554)	(445,681)	202,350	(6,122,885)
Other Improvements	-	(79,231)	-	(79,231)
<b>Total Accumulated Depreciation</b>	<u>(7,677,214)</u>	<u>(651,377)</u>	<u>202,350</u>	<u>(8,126,241)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>5,301,804</u>	<u>1,847,518</u>	<u>(3,657)</u>	<u>7,145,665</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 9,296,341</u>	<u>\$ 2,280,204</u>	<u>\$ (2,011,964)</u>	<u>\$ 10,086,481</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 143,808
Public Safety	213,427
Judicial	41,778
Road and Bridge	111,666
Health and Sanitation	15,815
Public Facilities	97,047
Libraries and Education	13,981
Agricultural Services	13,855
<b>Total Depreciation Expense - Governmental Activities</b>	<u>\$ 651,377</u>

### 3.F. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at September 30, 2013, consisted of the following:

#### Due to/from other funds

	Due To	Due From
General Fund	\$ -	\$ 80,601
Road & Bridge Fund	2,245	-
Nonmajor Governmental Funds	78,356	-
<b>TOTAL</b>	<b>\$ 80,601</b>	<b>\$ 80,601</b>

During the year ended September 30, 2013 the County's transfers between funds consisted of the following:

#### Interfund transfers

	Transfers In	Transfers Out
General Fund	\$ 236,715	\$ 192,000
Road & Bridge Fund	192,000	-
GOB Series 2013 Jail Project	-	236,715
<b>TOTAL TRANSFERS</b>	<b>\$ 428,715</b>	<b>\$ 428,715</b>

This balance results from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

### 3.G. LONG-TERM LIABILITIES

The following is a summary of the long-term liability transactions of the County for the year ended September 30, 2013.

	Balance 10/01/12	Issued	Retired	Balance 9/30/13	Due Within One Year
General Obligation Refunding Bonds – Series 2011	\$ 1,415,000	\$ -	\$ 140,000	\$ 1,275,000	\$ 150,000
General Obligation Bonds – Series 2013	-	14,110,000	-	14,110,000	395,000
Premium on General Obligation Bonds Series 2013	-	1,093,173	20,497	1,072,676	-
State Comptroller Obligation	42,376	-	10,593	31,783	10,593
Capital Leases	-	-	-	-	-
Compensated Absences	302,586	155,662	149,043	309,205	-
<b>TOTAL</b>	<b>\$ 1,759,962</b>	<b>\$ 15,358,835</b>	<b>\$ 325,257</b>	<b>\$ 16,798,664</b>	<b>\$ 555,593</b>

Certificates of Obligation	Balance at 9/30/13	Due Within One Year
General Obligation Refunding Bonds – Series 2010 Original issue amount \$1,590,000, interest rates of 0.80% to 3.40%, With final maturity date February 15, 2021	1,275,000	150,000
General Obligation Bonds – Series 2013 Original issue amount \$14,110,000, interest rates of 2.0% to 4.0%, With final maturity date February 15, 2033	<u>14,110,000</u>	<u>395,000</u>
<b>TOTAL CERTIFICATES OF OBLIGATION</b>	<b><u>\$ 15,385,000</u></b>	<b><u>\$ 545,000</u></b>

### Long Term Debt Advance Refunding

On December 16, 2010 the County issued \$1,590,000 of refunding bonds (Gillespie County, Texas General Obligation Refunding Bonds, Series 2010) to finance the remaining callable obligations from the County's Series 2001 Certificates of Obligation. The bonds were called and were redeemed by depositing \$1,151,254 into an escrow account on December 16, 2010. The following obligations are considered to be defeased and the liability removed from the accompanying financial statements:

Description	Refunded Amount	Balance 9/30/2013
Gillespie County Certificates of Obligation - Series 2001	\$ 1,515,000	\$ 1,270,000
<b>Total Amount Refunded</b>	<b><u>\$ 1,515,000</u></b>	<b><u>\$ 1,270,000</u></b>

### General Obligation Bonds – Series 2013

The County issued \$14,110,000 general obligation bonds for the construction and equipping of a new County Jail. The bonds mature on February 15 in each of the years 2014 through 2033, bearing interest at rates from 2.0% to 4.0%.

Debt service requirements for the General Obligation Refunding Bonds - Series 2011 and the General Obligation Bonds – Series 2013 are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2014	\$ 545,000	\$ 658,316	\$ 1,203,316
2015	680,000	520,328	1,200,328
2016	690,000	506,515	1,196,515
2017	705,000	492,028	1,197,028
2018	725,000	476,740	1,201,740
2019-2023	3,620,000	2,025,635	5,645,635
2024-2028	3,790,000	1,317,200	5,107,200
2029-2033	4,630,000	477,400	5,107,400
<b>TOTAL</b>	<b><u>\$ 15,385,000</u></b>	<b><u>\$ 6,474,162</u></b>	<b><u>\$ 21,859,162</u></b>

### State Comptroller Obligation

On November 15, 1995, Gillespie County was notified by the State Comptroller of Public Accounts that in the course of an ongoing audit of a major corporation doing business in Texas, it was discovered that the firm had incorrectly credited several million dollars in sales tax to state government, as well as to nearly 400 cities and counties across the state. As a result of the audit, it was determined that Gillespie County was overpaid \$211,870 in County sales tax over a four-year period and would be required to reimburse that amount to the State Comptroller. On October 21, 1996, the State Comptroller agreed to a repayment schedule of twenty (20) years with no interest. The first quarterly payment was due on January 1, 1997, with annual requirements of \$10,593 for the next twenty (20) years. All payments will be funded by the General Fund.

The annual requirements due to the State are as follows:

Year Ending September 30,	Amount Due
2014	\$ 10,593
2015	10,593
2016	10,597
TOTAL	<u>\$ 31,783</u>

### Operating Leases

Commitments under operating (non-capitalized) lease agreements for equipment provide for minimum future rental payments as of September 30, 2013, as follows:

Year Ended September 30	
2014	\$ 52,867
2015	28,808
Total Minimum Rentals	<u>\$ 81,675</u>
Rental Expenditures in Fiscal Year 2013	<u>\$ 60,652</u>

### 3.H. CLAIMS AND CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and/or state 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 is currently involved in one pending litigation suit and is subject to other various litigation and claims arising out of the normal course of operations. Although the outcome of this claim is not presently determinable, in the opinion County management, the resolution of this matter will not have a material adverse effect on the County's financial position. Therefore, no provision for any liability, if any, has been made in the accompanying financial statements.

### 3.I. RISK MANAGEMENT

Gillespie County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, error and omissions and personnel risks which relate to workers' compensation.

The County contracted with Wells Fargo Insurance Services, USA to provide the aforementioned types of insurance coverage through OneBeacon Insurance Group, LLC.

Gillespie County also provides a Blanket Accident Insurance Policy for Emergency Service Organizations covering the Gillespie County Rural Volunteer Departments; a property and liability insurance policy covering Gillespie County Rural Schools; a liability policy covering the Gillespie County Airport; and a Crime Policy through commercial insurance carriers.

### 3.J. HEALTH INSURANCE

The County provides group medical and basic life insurance coverage for full-time employees through the Texas Association of Counties (TAC). The county pays the premiums for these eligible employees. Employees, at their options, may authorize payroll withholdings to pay premiums for eligible family members or for other supplemental coverage.

### 3.K. EMPLOYEE RETIREMENT PLAN

#### **Plan Description**

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

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

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

## Funding Policy

Gillespie County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. For 2013 and 2012 the County elected to contribute 15.00% each year, although the actuarially determined rate was 10.69% and 10.55% respectively. The contribution rate payable by the employee members is the rate of 7% as adopted by the Commissioners' Court of Gillespie County. The Commissioners' Court within the options available in TCDRS Act may change the employee deposit rate and the County contribution rate.

## Annual Pension Cost

For the County's accounting year ended September 30, 2013, the annual pension cost for the TCDRS plan for its employees was \$740,956 and the actual contributions were \$740,956.

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 valuation as of December 31, 2011 and December, 2012, the basis for determining the contribution rate for calendar years 2012 and 2013. The December 31, 2012 actuarial valuation is the most recent valuation.

### ACTUARIAL VALUATION INFORMATION

Actuarial valuation date	12/31/12	12/31/11	12/31/10
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	6.1	6.2	6.1
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value
<b>Actuarial Assumptions:</b>			
Investment return <sup>1</sup>	8%	8%	8%
Projected salary increases <sup>1</sup>	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%
<sup>1</sup> includes inflation at the stated rate			

**TREND INFORMATION FOR THE  
RETIREMENT PLAN FOR THE EMPLOYEES OF  
GILLESPIE COUNTY**

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/09	\$ 447,327	100%	-0-
9/30/10	651,259	100%	-0-
9/30/11	746,510	100%	-0-
9/30/12	731,730	100%	-0-
9/30/13	740,956	100%	-0-

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 liability of benefits. The funded status as of December 31, 2012, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll(Actuarial) (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/12	\$ 13,771,679	\$ 16,120,485	\$ 2,348,806	85.43%	\$ 4,901,795	47.92%

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

Retired County employees and their dependents are eligible to elect continued coverage under the County's healthcare program upon retirement if they were carrying the healthcare coverage at the time of their retirement and they have at least 8 years of continuous service upon retirement with the County. The County currently contributes 50% (or up to \$100/month) of the premium charged for such benefits for qualifying retirees. The County does not contribute any amount for continued dependent coverage. The Commissioners' Court, as the governing body of the County, approves such Other Postemployment Benefits (OPEB) on a year-to-year basis during the annual budget process and has not created a constitutionally valid obligation for OPEB beyond fiscal year 2013. As of September 30, 2013, there are 12 retirees who qualify for the \$100/month OPEB benefit. The cost of OPEB for the year ended September 30, 2013 was \$11,600 and the amount projected to be incurred in the year ending September 30, 2014 is \$13,900.

**3.M. DEFERRED COMPENSATION PLAN**

The County offers all its employees deferred compensation programs through Nationwide Retirement Solutions, Inc. and the Variable Annuity Life Insurance Company (VALIC). The plan, created in accordance with Internal Revenue Code Section 457(B), permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County, subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

The County has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

At September 30, 2013, the participant balances were \$155,429 in Nationwide and \$67,720 in VALIC.

### 3.N. FUND BALANCE DEFICIT

The Grant Fund had a fund balance deficit of \$3,098 at September 30, 2013. This deficit will be funded in the fiscal year 2013-2014 with a transfer from the General Fund.

### 3.O. IMPLEMENTATION OF NEW GASB ACCOUNTING STANDARDS

The County has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as well as the early implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Under GASB 63 and 65, amounts previously reported as deferred charges as a part of total assets have been reported in a separate section as deferred outflows or resources and amounts previously reported as deferred revenue as a part of total liabilities have been reported in a separate section as deferred inflows of resources.

The implementation of GASB 63 resulted in the reclassification of \$279,798 (deferred ad valorem tax revenue which is expected to be collected in future years) to a deferred inflow of resources on the Governmental Funds Balance Sheet.

The implementation of GASB 65 resulted in a prior period adjustment of \$32,611 (expensing bond issuance costs) in the Government Wide Statement of Net Position.

### 3.P. PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$32,611 was made to the Government Wide Statement of Net Position and the Government Wide Statement Activities. This adjustment was to expense all capitalized bond issue costs with the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

### 3.Q. SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 14, 2014, the date which the financial statements were available to be issued. The County is not aware of any subsequent events that materially impact the financial statements.

## REQUIRED SUPPLEMENTARY INFORMATION

**GILLESPIE COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 7,570,608	\$ 7,570,608	\$ 7,476,480	\$ (94,128)
General Sales and Use Taxes	1,301,000	1,301,000	1,824,960	523,960
Other Taxes	-	-	4,117	4,117
Penalty and Interest on Taxes	50,000	50,000	80,202	30,202
Licenses and Permits	20,000	20,000	26,230	6,230
Intergovernmental Revenue and Grants	502,700	502,700	599,764	97,064
Charges for Services	728,730	728,730	963,817	235,087
Fines	80,000	80,000	79,668	(332)
Investment Earnings	40,000	40,000	34,024	(5,976)
Rents and Royalties	120,000	120,000	124,773	4,773
Other Revenue	105,400	105,400	535,359	429,959
Total Revenues	<u>10,518,438</u>	<u>10,518,438</u>	<u>11,749,394</u>	<u>1,230,956</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Judicial	970,671	986,966	933,420	53,546
General Administration	3,764,510	3,697,145	3,008,826	688,319
Public Safety	5,249,145	5,252,450	4,898,906	353,544
Health and Sanitation	954,168	966,733	368,896	597,837
Public Facilities	600,955	607,155	518,728	88,427
Libraries and Education	321,253	321,253	316,124	5,129
Agriculture Services	316,763	345,763	323,187	22,576
Total Expenditures	<u>12,177,465</u>	<u>12,177,465</u>	<u>10,368,087</u>	<u>1,809,378</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,659,027)</u>	<u>(1,659,027)</u>	<u>1,381,307</u>	<u>3,040,334</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	2,531	2,531
Transfers In	-	-	236,715	236,715
Transfers Out (Use)	(390,000)	(390,000)	(192,000)	198,000
Total Other Financing Sources (Uses)	<u>(390,000)</u>	<u>(390,000)</u>	<u>47,246</u>	<u>437,246</u>
Net Change	<u>(2,049,027)</u>	<u>(2,049,027)</u>	<u>1,428,553</u>	<u>3,477,580</u>
Fund Balance - October 1 (Beginning)	<u>6,365,993</u>	<u>6,365,993</u>	<u>6,365,993</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 4,316,966</u>	<u>\$ 4,316,966</u>	<u>\$ 7,794,546</u>	<u>\$ 3,477,580</u>

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

EXHIBIT G-2

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ 1,337,166	\$ 1,337,166	\$ 1,319,891	\$ (17,275)
Penalty and Interest on Taxes	4,000	4,000	14,049	10,049
Licenses and Permits	575,000	575,000	675,144	100,144
Fines	152,000	152,000	203,167	51,167
Investment Earnings	2,625	2,625	3,227	602
Other Revenue	500	500	4,275	3,775
Total Revenues	<u>2,071,291</u>	<u>2,071,291</u>	<u>2,219,753</u>	<u>148,462</u>
<b>EXPENDITURES:</b>				
Current:				
Road and Bridge	2,786,996	2,786,996	2,352,825	434,171
Total Expenditures	<u>2,786,996</u>	<u>2,786,996</u>	<u>2,352,825</u>	<u>434,171</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(715,705)</u>	<u>(715,705)</u>	<u>(133,072)</u>	<u>582,633</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	2,675,000	2,675,000	192,000	(2,483,000)
Transfers Out (Use)	(2,325,000)	(2,325,000)	-	2,325,000
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>192,000</u>	<u>(158,000)</u>
Change in Fund Balance	(365,705)	(365,705)	58,928	424,633
Fund Balance - October 1 (Beginning)	1,209,125	1,209,125	1,209,125	-
Fund Balance - September 30 (Ending)	<u>\$ 843,420</u>	<u>\$ 843,420</u>	<u>\$ 1,268,053</u>	<u>\$ 424,633</u>

**GILLESPIE COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2013**

**Texas County and District Retirement System Trend Data  
Schedule of Funding Progress for the Retirement Plan  
For the Employees of Gillespie County, Texas  
(unaudited)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/07	9,115,285	10,619,109	1,503,824	85.84%	3,669,397	40.98%
12/31/08	8,818,968	11,029,018	2,210,050	79.96%	3,988,068	55.42%
12/31/09	10,119,172	12,352,755	2,233,583	81.92%	4,373,531	51.07%
12/31/10	11,051,919	13,341,378	2,289,459	82.84%	4,676,134	48.96%
12/31/11	12,258,829	14,664,319	2,405,490	83.60%	4,800,119	50.11%
12/31/12	13,771,679	16,120,485	2,348,806	85.43%	4,901,795	47.92%

SUPPLEMENTARY INFORMATION

GILLESPIE COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013

	11 Grants Fund	20 Law Library Fund	21 Lateral Road Fund	24 Probate Training Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 22,379	\$ -	\$ 23,622
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables (Net)	-	1,225	-	299
Intergovernmental Receivables	75,248	-	-	-
<b>Total Assets</b>	<b>\$ 75,248</b>	<b>\$ 23,604</b>	<b>\$ -</b>	<b>\$ 23,921</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 2,036	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	78,346	-	-	-
Unearned Revenues	-	-	-	-
<b>Total Liabilities</b>	<b>78,346</b>	<b>2,036</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>Total Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Special Revenue	-	21,568	-	23,921
Unassigned Fund Balance	(3,098)	-	-	-
<b>Total Fund Balances</b>	<b>(3,098)</b>	<b>21,568</b>	<b>-</b>	<b>23,921</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 75,248</b>	<b>\$ 23,604</b>	<b>\$ -</b>	<b>\$ 23,921</b>

EXHIBIT H-1 (Cont'd)

25 Court Reporter Service Fund	28 County Records Management	29 County Clerk Records Management	30 Sheriff Seizure Fund	31 Justice Courthouse Security Fund	32 Courthouse Security Fund	34 District Clerk Records Management	35 County and District Ct. Technology
\$ 2,457	\$ 75,769	\$ 60,026	\$ 17,334	\$ 24,171	\$ 44,054	\$ 5,336	\$ 11,668
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
315	644	2,520	-	233	1,410	120	257
-	-	-	-	-	-	-	-
<u>\$ 2,772</u>	<u>\$ 76,413</u>	<u>\$ 62,546</u>	<u>\$ 17,334</u>	<u>\$ 24,404</u>	<u>\$ 45,464</u>	<u>\$ 5,456</u>	<u>\$ 11,925</u>
\$ 630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	448	-	-	930	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>630</u>	<u>-</u>	<u>448</u>	<u>-</u>	<u>-</u>	<u>930</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,142	76,413	62,098	17,334	24,404	44,534	5,456	11,925
-	-	-	-	-	-	-	-
<u>2,142</u>	<u>76,413</u>	<u>62,098</u>	<u>17,334</u>	<u>24,404</u>	<u>44,534</u>	<u>5,456</u>	<u>11,925</u>
<u>\$ 2,772</u>	<u>\$ 76,413</u>	<u>\$ 62,546</u>	<u>\$ 17,334</u>	<u>\$ 24,404</u>	<u>\$ 45,464</u>	<u>\$ 5,456</u>	<u>\$ 11,925</u>

GILLESPIE COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013

	36 Hotel Occupancy Tax Fund	37 Pretrial Intervention Fund	51 Justice Court Technology Fund	54 Pioneer Memorial Library Grant
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 390,615	\$ 122,526	\$ 90,599	\$ 470
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables (Net)	-	-	938	-
Intergovernmental Receivables	-	-	-	-
Total Assets	<u>\$ 390,615</u>	<u>\$ 122,526</u>	<u>\$ 91,537</u>	<u>\$ 470</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Retirement of Long-Term Debt	-	-	-	-
Special Revenue	390,615	122,526	91,537	470
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	<u>390,615</u>	<u>122,526</u>	<u>91,537</u>	<u>470</u>
Total Liabilities, Deferred Inflows &	<u>\$ 390,615</u>	<u>\$ 122,526</u>	<u>\$ 91,537</u>	<u>\$ 470</u>

The notes to the Financial Statements are an integral part of this statement.

EXHIBIT H-1 (Cont'd)

72 Airport Operations Fund	78 LEOSE Training Fund	81 Tax Assessor M V I Fund	93 Sheriff Abandoned Vehicle	Total Nonmajor Special Revenue Funds	53 Interest and Sinking Fund	62 GOB Series 2013 Interest and Sinking	Total Nonmajor Debt Service Funds
\$ 585,583	\$ 12,184	\$ 107	\$ 1,198	\$ 1,490,098	\$ 37,852	\$ 33,432	\$ 71,284
-	-	-	-	-	5,688	-	5,688
-	-	-	-	-	(114)	-	(114)
919	-	-	-	8,880	291	-	291
-	-	-	-	75,248	-	-	-
<u>\$ 586,502</u>	<u>\$ 12,184</u>	<u>\$ 107</u>	<u>\$ 1,198</u>	<u>\$ 1,574,226</u>	<u>\$ 43,717</u>	<u>\$ 33,432</u>	<u>\$ 77,149</u>
\$ 1,849	\$ -	\$ -	\$ -	\$ 4,515	\$ -	\$ -	\$ -
1,359	-	-	-	2,737	-	-	-
10	-	-	-	78,356	-	-	-
8,817	-	-	-	8,817	-	-	-
<u>12,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,425</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	5,575	-	5,575
-	-	-	-	-	5,575	-	5,575
-	-	-	-	-	38,142	33,432	71,574
574,467	12,184	107	1,198	1,482,899	-	-	-
-	-	-	-	(3,098)	-	-	-
<u>574,467</u>	<u>12,184</u>	<u>107</u>	<u>1,198</u>	<u>1,479,801</u>	<u>38,142</u>	<u>33,432</u>	<u>71,574</u>
<u>\$ 586,502</u>	<u>\$ 12,184</u>	<u>\$ 107</u>	<u>\$ 1,198</u>	<u>\$ 1,574,226</u>	<u>\$ 43,717</u>	<u>\$ 33,432</u>	<u>\$ 77,149</u>

GILLESPIE COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013

	73 Airport Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ -	\$ 1,561,382
Taxes Receivable	-	5,688
Allowance for Uncollectible Taxes (credit)	-	(114)
Receivables (Net)	-	9,171
Intergovernmental Receivables	-	75,248
Total Assets	\$ -	\$ 1,651,375
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 4,515
Wages and Salaries Payable	-	2,737
Due to Other Funds	-	78,356
Unearned Revenues	-	8,817
Total Liabilities	-	94,425
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue - Property Taxes	-	5,575
Total Inflows of Resources	-	5,575
<b>FUND BALANCES</b>		
Restricted Fund Balance:		
Retirement of Long-Term Debt	-	71,574
Special Revenue	-	1,482,899
Unassigned Fund Balance	-	(3,098)
Total Fund Balances	-	1,551,375
Total Liabilities, Deferred Inflows &	\$ -	\$ 1,651,375

The notes to the Financial Statements are an integral part of this statement.

GILLESPIE COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	11 Grants Fund	20 Law Library Fund	21 Lateral Road Fund	24 Probate Training Fund
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Penalty and Interest on Taxes	-	-	-	-
Intergovernmental Revenue and Grants	75,248	-	26,446	-
Charges for Services	-	17,082	-	3,806
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Rents and Royalties	-	-	-	-
Other Revenue	-	-	-	571
Total Revenues	<u>75,248</u>	<u>17,082</u>	<u>26,446</u>	<u>4,377</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Judicial	-	24,826	-	-
General Administration	-	-	-	-
Public Safety	78,346	-	-	-
Road and Bridge	-	-	26,446	-
Public Facilities	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Fiscal Agent's Fees	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>78,346</u>	<u>24,826</u>	<u>26,446</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,098)</u>	<u>(7,744)</u>	<u>-</u>	<u>4,377</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	-	-
Premium or Discount on Issuance of Bonds	-	-	-	-
Prepaid Interest	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,098)</u>	<u>(7,744)</u>	<u>-</u>	<u>4,377</u>
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>29,312</u>	<u>-</u>	<u>19,544</u>
Fund Balance - September 30 (Ending)	<u>\$ (3,098)</u>	<u>\$ 21,568</u>	<u>\$ -</u>	<u>\$ 23,921</u>

The notes to the Financial Statements are an integral part of this statement.

25 Court Reporter Service Fund	28 County Records Management	29 County Clerk Records Management	30 Sheriff Seizure Fund	31 Justice Courthouse Security Fund	32 Courthouse Security Fund	34 District Clerk Records Management	35 County and District Ct. Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,836	7,713	36,079	-	-	19,398	1,626	3,334
-	-	-	23	3,110	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,073	-	-	-	-
<u>3,836</u>	<u>7,713</u>	<u>36,079</u>	<u>2,096</u>	<u>3,110</u>	<u>19,398</u>	<u>1,626</u>	<u>3,334</u>
2,785	-	-	-	-	-	-	-
-	-	25,220	727	-	46,960	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,785</u>	<u>-</u>	<u>25,220</u>	<u>727</u>	<u>-</u>	<u>46,960</u>	<u>-</u>	<u>-</u>
<u>1,051</u>	<u>7,713</u>	<u>10,859</u>	<u>1,369</u>	<u>3,110</u>	<u>(27,562)</u>	<u>1,626</u>	<u>3,334</u>
-	-	-	2,523	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,523	-	-	-	-
<u>1,051</u>	<u>7,713</u>	<u>10,859</u>	<u>3,892</u>	<u>3,110</u>	<u>(27,562)</u>	<u>1,626</u>	<u>3,334</u>
<u>1,091</u>	<u>68,700</u>	<u>51,239</u>	<u>13,442</u>	<u>21,294</u>	<u>72,096</u>	<u>3,830</u>	<u>8,591</u>
<u>\$ 2,142</u>	<u>\$ 76,413</u>	<u>\$ 62,098</u>	<u>\$ 17,334</u>	<u>\$ 24,404</u>	<u>\$ 44,534</u>	<u>\$ 5,456</u>	<u>\$ 11,925</u>

GILLESPIE COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	36 Hotel Occupancy Tax Fund	37 Pretrial Intervention Fund	51 Justice Court Technology Fund	54 Pioneer Memorial Library Grant
<b>REVENUES:</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	324,046	-	-	-
Penalty and Interest on Taxes	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	7,735	12,571	-
Fines	-	-	-	-
Investment Earnings	610	-	-	-
Rents and Royalties	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>324,656</u>	<u>7,735</u>	<u>12,571</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Judicial	-	-	-	-
General Administration	272,715	-	-	-
Public Safety	-	-	-	-
Road and Bridge	-	-	-	-
Public Facilities	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Fiscal Agent's Fees	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>272,715</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>51,941</u>	<u>7,735</u>	<u>12,571</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	-	-	-	-
Premium or Discount on Issuance of Bonds	-	-	-	-
Prepaid Interest	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	51,941	7,735	12,571	-
Fund Balance - October 1 (Beginning)	<u>338,674</u>	<u>114,791</u>	<u>78,966</u>	<u>470</u>
Fund Balance - September 30 (Ending)	<u>\$ 390,615</u>	<u>\$ 122,526</u>	<u>\$ 91,537</u>	<u>\$ 470</u>

The notes to the Financial Statements are an integral part of this statement.

72 Airport Operations Fund	78 LEOSE Training Fund	81 Tax Assessor M V I Fund	93 Sheriff Abandoned Vehicle	Total Nonmajor Special Revenue Funds	53 Interest and Sinking Fund	62 GOB Series 2013 Interest and Sinking	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,286	\$ -	\$ 180,286
-	-	-	-	324,046	-	-	-
-	-	-	-	-	2,230	-	2,230
465,715	-	-	-	567,409	-	-	-
-	-	-	-	113,180	-	-	-
-	-	-	-	3,110	-	-	-
610	-	-	3	1,246	27	5	32
148,298	-	-	-	148,298	-	-	-
10,346	-	-	-	12,990	-	-	-
<u>624,969</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>1,170,279</u>	<u>182,543</u>	<u>5</u>	<u>182,548</u>
-	-	-	-	27,611	-	-	-
-	-	-	-	345,622	-	-	-
-	1,126	-	-	79,472	-	-	-
-	-	-	-	26,446	-	-	-
122,295	-	-	-	122,295	-	-	-
-	-	-	-	-	140,000	-	140,000
-	-	-	-	-	34,225	-	34,225
-	-	-	-	-	500	-	500
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
122,295	1,126	-	-	601,446	174,725	-	174,725
<u>502,674</u>	<u>(1,126)</u>	<u>-</u>	<u>3</u>	<u>568,833</u>	<u>7,818</u>	<u>5</u>	<u>7,823</u>
354	-	-	-	2,877	-	-	-
-	-	-	-	-	-	4,018	4,018
-	-	-	-	-	-	29,409	29,409
<u>354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,877</u>	<u>-</u>	<u>33,427</u>	<u>33,427</u>
503,028	(1,126)	-	3	571,710	7,818	33,432	41,250
71,439	13,310	107	1,195	908,091	30,324	-	30,324
<u>\$ 574,467</u>	<u>\$ 12,184</u>	<u>\$ 107</u>	<u>\$ 1,198</u>	<u>\$ 1,479,801</u>	<u>\$ 38,142</u>	<u>\$ 33,432</u>	<u>\$ 71,574</u>

GILLESPIE COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	73 Airport Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES:</b>		
Taxes:		
Property Taxes	\$ -	\$ 180,286
Other Taxes	-	324,046
Penalty and Interest on Taxes	-	2,230
Intergovernmental Revenue and Grants	258,388	825,797
Charges for Services	-	113,180
Fines	-	3,110
Investment Earnings	-	1,278
Rents and Royalties	-	148,298
Other Revenue	-	12,990
Total Revenues	<u>258,388</u>	<u>1,611,215</u>
<b>EXPENDITURES:</b>		
Current:		
General Government:		
Judicial	-	27,611
General Administration	-	345,622
Public Safety	-	79,472
Road and Bridge	-	26,446
Public Facilities	-	122,295
Debt Service:		
Bond Principal	-	140,000
Bond Interest	-	34,225
Fiscal Agent's Fees	-	500
Capital Outlay:		
Capital Outlay	258,388	258,388
Total Expenditures	<u>258,388</u>	<u>1,034,559</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>576,656</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Sale of Real and Personal Property	-	2,877
Premium or Discount on Issuance of Bonds	-	4,018
Prepaid Interest	-	29,409
Total Other Financing Sources (Uses)	<u>-</u>	<u>36,304</u>
Net Change in Fund Balance	-	612,960
Fund Balance - October 1 (Beginning)	-	938,415
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 1,551,375</u>

The notes to the Financial Statements are an integral part of this statement.

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

	BALANCE OCTOBER 1 2012	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2013
<b>STATE COURT COSTS, FEES, FINES</b>				
Assets:				
Cash and Cash Equivalents	\$ 51,843	\$ 330,352	\$ 320,136	\$ 62,059
Due From Other Governments	17,506	18,240	17,506	18,240
Total Assets	<u>\$ 69,349</u>	<u>\$ 348,592</u>	<u>\$ 337,642</u>	<u>\$ 80,299</u>
Liabilities:				
Due to Other Governments	<u>\$ 69,349</u>	<u>\$ 80,299</u>	<u>\$ 69,349</u>	<u>\$ 80,299</u>
 <b>WASTE WATER (STATE FEE)</b>				
Assets:				
Cash and Cash Equivalents	<u>\$ 660</u>	<u>\$ 1,650</u>	<u>\$ 1,810</u>	<u>\$ 500</u>
Liabilities:				
Due to Other Governments	<u>\$ 660</u>	<u>\$ 2,770</u>	<u>\$ 2,930</u>	<u>\$ 500</u>
 <b>APPELLATE JUDICIAL SYSTEM</b>				
Assets:				
Cash and Cash Equivalents	\$ 1,354	\$ 2,466	\$ 2,505	\$ 1,315
Other Receivables	201	175	201	175
Total Assets	<u>\$ 1,555</u>	<u>\$ 2,641</u>	<u>\$ 2,706</u>	<u>\$ 1,490</u>
Liabilities:				
Due to Others	<u>\$ 1,555</u>	<u>\$ 5,511</u>	<u>\$ 5,576</u>	<u>\$ 1,490</u>
 <b>UNCLAIMED MONEY FUND</b>				
Assets:				
Cash and Cash Equivalents	<u>\$ 48,699</u>	<u>\$ 4,233</u>	<u>\$ 2,185</u>	<u>\$ 50,747</u>
Liabilities:				
Due to Others	<u>\$ 48,699</u>	<u>\$ 4,233</u>	<u>\$ 2,185</u>	<u>\$ 50,747</u>
 <b>OFFICIALS' FEES ACCOUNTS</b>				
Assets:				
Cash and Cash Equivalents	<u>\$ 1,055,838</u>	<u>\$ 57,485,682</u>	<u>\$ 57,302,817</u>	<u>\$ 1,238,703</u>
Liabilities:				
Due to Other Governments	\$ 501,801	\$ 53,201,444	\$ 53,126,774	\$ 576,471
Due to Others	554,037	4,284,237	4,176,042	662,232
Total Liabilities	<u>\$ 1,055,838</u>	<u>\$ 57,485,681</u>	<u>\$ 57,302,816</u>	<u>\$ 1,238,703</u>

The notes to the Financial Statements are an integral part of this statement.

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

	BALANCE OCTOBER 1 2012	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2013
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,158,394	\$ 57,824,383	\$ 57,629,453	\$ 1,353,324
Other Receivables	201	175	201	175
Due From Other Governments	17,506	18,240	17,506	18,240
<b>Total Assets</b>	<u>\$ 1,176,101</u>	<u>\$ 57,842,798</u>	<u>\$ 57,647,160</u>	<u>\$ 1,371,739</u>
<b>Liabilities:</b>				
Due to Other Governments	\$ 571,810	\$ 53,284,513	\$ 53,199,053	\$ 657,270
Due to Others	604,291	4,293,981	4,183,803	714,469
<b>Total Liabilities</b>	<u>\$ 1,176,101</u>	<u>\$ 57,578,494</u>	<u>\$ 57,382,856</u>	<u>\$ 1,371,739</u>

The notes to the Financial Statements are an integral part of this statement.

GILLESPIE COUNTY  
 COMBINING STATEMENT OF NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 SEPTEMBER 30, 2013

	80 County Attorney Hot Check Fund	84 Alternative Dispute Resolution	89 McDermott Building (Library)	92 Breiten Fund (PML)
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 17,726	\$ 1,797	\$ 145,003	\$ 232,518
Other Receivables	-	448	-	-
Total Assets	<u>17,726</u>	<u>2,245</u>	<u>145,003</u>	<u>232,518</u>
<b>LIABILITIES</b>				
Accounts Payable	10,847	1,797	-	-
Wages and Salaries Payable	211	-	-	-
Total Liabilities	<u>11,058</u>	<u>1,797</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Unrestricted Net Position	<u>6,668</u>	<u>448</u>	<u>145,003</u>	<u>232,518</u>
Total Net Position	<u>\$ 6,668</u>	<u>\$ 448</u>	<u>\$ 145,003</u>	<u>\$ 232,518</u>

The notes to the Financial Statements are an integral part of this statement.

99 Light Up the Block Fund	Total Private Purpose Trust Funds
\$ 3	\$ 397,047
-	448
<u>\$ 3</u>	<u>\$ 397,495</u>
\$ -	\$ 12,644
-	211
<u>\$ -</u>	<u>\$ 12,855</u>
3	384,640
<u>\$ 3</u>	<u>\$ 384,640</u>

GILLESPIE COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Data Control Codes	80 County Attorney Hot Check Fund	84 Alternative Dispute Resolution	89 McDermott Building (Library)	92 Breiten Fund (PML)
<b>ADDITIONS:</b>				
Charges for Services	\$ 6,205	\$ 6,594	\$ -	\$ -
Investment Earnings	-	-	255	413
Total Additions	<u>6,205</u>	<u>6,594</u>	<u>255</u>	<u>413</u>
<b>DEDUCTIONS:</b>				
Salaries and Wages	4,469	-	-	-
Employee Benefits	346	-	-	-
Professional Services	-	6,146	-	-
Conference/Travel Expenses	1,050	-	-	-
Supplies	1,467	-	-	-
Books	-	-	-	10,000
Total Deductions	<u>7,332</u>	<u>6,146</u>	<u>-</u>	<u>10,000</u>
Change in Net Assets	(1,127)	448	255	(9,587)
Total Net Position - October 1 (Beginning)	<u>7,795</u>	<u>-</u>	<u>144,748</u>	<u>242,105</u>
Total Net Position - September 30 (Ending)	<u>\$ 6,668</u>	<u>\$ 448</u>	<u>\$ 145,003</u>	<u>\$ 232,518</u>

The notes to the Financial Statements are an integral part of this statement.

<u>99</u> <u>Light Up</u> <u>the Block</u> <u>Fund</u>	<u>Total</u> <u>Private</u> <u>Purpose</u> <u>Trust Funds</u>
\$ -	\$ 12,799
-	668
<hr/>	<hr/>
-	13,467
<hr/>	<hr/>
-	4,469
-	346
-	6,146
-	1,050
-	1,467
-	10,000
<hr/>	<hr/>
-	23,478
<hr/>	<hr/>
-	(10,011)
<hr/>	<hr/>
3	394,651
<hr/>	<hr/>
\$ 3	\$ 384,640
<hr/>	<hr/>