

REAL COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2014

Real County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2014

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Commissioner's Court
Real County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Real County, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress for the Public Employees Retirement System and OPEB, and budgetary comparison information on pages 3–10, 42, and 45–48 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 Real County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



BEYER & CO.
Certified Public Accountants
February 4, 2015

Management's Discussion and Analysis

Financial Highlights

- . The assets of Real County, Texas, exceeded its liabilities at the close of the most recent fiscal year by \$34,363,708 (Net Position). Of this amount, \$471,124 or 1% (unrestricted Net Position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total Net Position decreased by \$1,151,314. This decrease is mainly attributable to road depreciation of \$1,351,842.
- . As of the close of the current fiscal year, Real County, Texas' governmental funds reported combined ending fund balances of \$1,648,551, an increase of \$208,709 in comparison with the prior year. Approximately 53% of this total amount, \$875,920, is available for spending at the government's discretion (unassigned fund balance). The fund balance increase of \$208,709 is a result of careful budget management.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include only Real County, Texas itself (known as the primary government). The government-wide financial statements can be found on pages 11-12 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Real County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Real County, Texas are governmental funds.

Governmental funds:

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

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

Real County, Texas maintains ten (10) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge fund, and the grant fund all of which are considered to be major funds. Data from the other seven (7) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Real County, Texas adopts an annual appropriated budget for its General fund and the Road and Bridge funds.

The basic governmental fund financial statements can be found on pages 13-19 of this report.

Proprietary funds:

Real County, Texas does not maintain any type of proprietary fund.

Agency funds:

Real County, Texas also has one agency fund. This fund is not included in the county-wide statement but is shown separately on page 20.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-40 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Real County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 41 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 42-43 and on pages 44-49 of this report.

Government-wide Financial Analysis

Net Position may serve over time as a useful indicator of a government's financial position. In the case of Real County, Texas, assets exceeded liabilities by \$34,363,708 at the close of the most recent fiscal year.

A substantial portion of Real County, Texas' Net Position (96 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. Real County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Real County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

REAL COUNTY, TEXAS NET POSITION

	Governmental Activities		Total	
	2014	2013	2014	2013
Current and Other Assets	\$1,994,481	\$1,732,496	\$1,994,481	\$1,732,496
Capital Assets	33,141,445	34,493,287	33,141,445	34,493,287
Total Assets	35,135,926	36,225,783	35,135,926	36,225,783
Long-Term Liabilities	604,659	605,473	604,659	605,473
Other Liabilities	167,559	105,318	167,559	105,318
Total Liabilities	772,218	710,791	772,218	710,791
Invested in Capital Assets, Net of Related Debt	33,141,445	34,493,287	33,141,445	34,493,287
Restricted	751,139	432,287	751,139	432,287
Unrestricted	471,124	589,418	471,124	589,418
Total Net Position	\$34,363,708	\$35,514,992	\$34,363,708	\$35,514,992

An additional portion of Real County, Texas' Net Position (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted Net Position (\$471,124) may be used to meet the government ongoing obligations to citizens and creditors. At the end of the current fiscal year, Real County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Real County, Texas reported positive balances in Net Position, both for the government as a whole, as well as for its separate governmental activities.

Governmental activities:

Governmental activities decreased Real County, Texas' Net Position by \$1,151,314, thereby accounting for 100 percent of the total decrease in the Net Position of Real County, Texas. This decrease is mainly attributable to depreciation of \$1,351,842.

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

	Governmental Activities		Total	
	2014	2013	2014	2013
Revenues:				
Program Revenues:				
Charges for Services	\$405,727	\$386,266	\$405,727	\$386,266
Operating Grants and Contributions	126,941	161,934	126,941	161,934
Capital Grants and Contributions	230,153	358,896	230,153	358,896
General Revenues:				
Maintenance and Operations Taxes	1,933,563	1,908,551	1,933,563	1,908,551
Sales Taxes	105,180	94,629	105,180	94,629
Other Taxes	20,812	17,908	20,812	17,908
Unrestricted Investment Earnings	18,005	5,244	18,005	5,244
Miscellaneous	50,448	35,798	50,448	35,798
Total Revenue	2,890,829	2,969,226	2,890,829	2,969,226
Expenses:				
General Administration	391,118	395,735	391,118	395,735
Judicial	176,555	201,527	176,555	201,527
Legal	81,517	87,781	81,517	87,781
Financial Administration	173,244	181,733	173,244	181,733
Public Facilities	425,984	398,423	425,984	398,423
Public Safety	686,132	692,504	686,132	692,504
Public Transportation	1,817,947	1,910,501	1,817,947	1,910,501
Culture and Recreation	2,480	4,228	2,480	4,228
Health and Welfare	218,495	266,402	218,495	266,402
Conservation - Agriculture	68,671	61,654	68,671	61,654
Total Expenses	4,042,143	4,200,488	4,042,143	4,200,488
Increase in Net Position Before Transfers and Special Items	(1,151,314)	(1,231,262)	(1,151,314)	(1,231,262)
Transfers	0	0	0	0
Increase in Net Position	(1,151,314)	(1,231,262)	(1,151,314)	(1,231,262)
Net Position at 09/30/2013	35,514,992	36,746,254	35,514,992	36,746,254
Net Position at 09/30/2014	\$34,363,678	\$35,514,992	\$34,363,678	\$35,514,992

Revenues decreased by \$78,397 (3 percent) during the year while expenses decreased by \$158,345 (4 percent) during the year. Most of the revenue decrease was from a decrease in Capital Grants \$128,743. The property taxes increased by \$25,012 and sales tax revenue increased by \$10,551. Most of the expense decrease was from public transportation (\$92,554) and Health and Welfare (\$47,907).

Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$391,118	\$22,595	\$0	\$0
Judicial	176,555	137,044		
Legal	81,517	981	23,333	
Financial Administration	173,244	21,233		
Public Facilities	425,984			230,153
Public Safety	686,132	13,394		
Public Transportation	1,817,947	208,230	30,220	
Culture and Recreation	2,480			
Health and Welfare	218,495	2,250	73,388	
Conservation - Agriculture	68,671			
Total Government Activities	\$4,042,143	\$405,727	\$126,941	\$230,153

Revenues by Source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$405,727	14.03%
Operating Grants and Contributions	126,941	4.39%
Capital Grants and Contributions	230,153	7.96%
Maintenance and Operations Taxes	1,933,563	66.89%
Sales Taxes	105,180	3.64%
Other Taxes	20,812	0.72%
Unrestricted Investment Earnings	18,005	0.62%
Miscellaneous	50,448	1.75%
	\$2,890,829	100.00%

Financial Analysis of the Government's Funds

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

Governmental funds:

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

As of the end of the current fiscal year, Real County, Texas' governmental funds reported combined ending fund balances of \$1,648,551, an increase of \$208,709 in comparison with the prior year. Approximately 53 percent of this total amount \$875,920 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been either committed, restricted, or non-spendable.

The general fund is the chief operating fund of Real County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,101,681, while total fund balance reached \$1,118,262. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 61 percent of total general fund expenditures, while total fund balance represents 62 percent of that same amount.

The fund balance of Real County, Texas' general fund increased by \$10,757 during the current fiscal year. This is a result of careful budget management.

At the end of the current fiscal year, restricted fund balance of the road and bridge fund was \$636,395, while total fund balance reached \$636,395. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 123 percent of total road and bridge fund expenditures, while total fund balance represents 123 percent of that same amount.

The fund balance of Real County, Texas' road and bridge fund increased by \$303,474 during the current fiscal year. Key factors in this increase are as follows:

- . Careful budget management.

At the end of the current fiscal year, restricted fund balance of the grant fund was minus \$225,761, while total fund balance reached a minus \$225,761. As a measure of the grant fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Restricted fund balance represents 00 percent of total grant fund expenditures, while total fund balance represents 00 percent of that same amount. There is no analysis for the grant fund because it is a construction grant and thus an analysis would be impractical.

General Fund Budgetary Highlights

There were no differences between the original budget and the final amended budget for the general fund. The actual expenditures were less than the amended budget amount of \$2,233,533 by \$452,809.

Capital Asset and Debt Administration

Capital assets:

Real County, Texas' investment in capital assets for its governmental activities as of September 30, 2014, amounts to \$33,141,445 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total decrease in Real County, Texas' investment in capital assets for the current fiscal year was 3.92 percent.

There was no County construction in the 2013-2014 year. There is no construction contemplated at September 30, 2014.

REAL COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Total	
	2014	2013	2014	2013
Land	\$189,778	\$189,778	\$189,778	\$189,778
Building and Improvements	695,770	717,012	695,770	717,012
Machinery and Equipment	43,331	91,728	43,331	91,728
Infrastructure	32,212,566	33,494,769	32,212,566	33,494,769
Total	<u>\$33,141,445</u>	<u>\$34,493,287</u>	<u>\$33,141,445</u>	<u>\$34,493,287</u>

Additional information on Real County, Texas' capital assets can be found in note IV C on page 32 of this report.

Long-term bonded debt:

At the end of the current fiscal year, Real County, Texas had no bonded debt.

Future Outlook

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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's business office, at Real County, Texas, P.O. Box 69, Leakey, Texas 78873.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

REAL COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Primary Governmental	
	Activities	Total
ASSETS		
Cash and Cash Equivalents	\$1,784,891	\$1,784,891
Receivables (net of allowance for uncollectibles)	193,009	193,009
Prepaid Items	16,581	16,581
Capital assets not being depreciated:		
Land	189,778	189,778
Total Capital assets being depreciated, net		
Building and Improvements	695,770	695,770
Machinery and Equipment	43,331	43,331
Infrastructure	32,212,566	32,212,566
Total Assets	\$35,135,926	\$35,135,926
LIABILITIES:		
Accounts Payable	\$139,653	\$139,653
Accrued Wages Payable	27,906	27,906
Noncurrent Liabilities:		
Due within one year	7,665	7,665
Due in more than one year	596,994	596,994
Total Liabilities	772,218	772,218
NET POSITION		
Invested in Capital Assets, Net of Related Debt	33,141,445	33,141,445
Restricted		
Administration - Archives	23,595	23,595
Public Transportation	669,899	669,899
Public Safety	57,645	57,645
Unrestricted	471,124	471,124
Total Net Position	\$34,363,708	\$34,363,708

The accompanying notes are an integral part of this statement.

REAL COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014

Functions/Programs	Expenses	Program	Operating	Capital	Net (Expense)	
		Revenues Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Revenue and Changes in Total
Primary government						
Government activities:						
General Administration	\$391,118	\$22,595	\$0	\$0	(\$368,523)	(\$368,523)
Judicial	176,555	137,044			(39,511)	(39,511)
Legal	81,517	981	23,333		(57,203)	(57,203)
Financial Administration	173,244	21,233			(152,011)	(152,011)
Public Facilities	425,984			230,153	(195,831)	(195,831)
Public Safety	686,132	13,394			(672,738)	(672,738)
Public Transportation	1,817,947	208,230	30,220		(1,579,497)	(1,579,497)
Culture and Recreation	2,480				(2,480)	(2,480)
Health and Welfare	218,495	2,250	73,388		(142,857)	(142,857)
Conservation - Agriculture	68,671				(68,671)	(68,671)
Total government activities	<u>4,042,143</u>	<u>405,727</u>	<u>126,941</u>	<u>230,153</u>	<u>(3,279,322)</u>	<u>(3,279,322)</u>
Total Primary Government	<u>\$4,042,143</u>	<u>\$405,727</u>	<u>\$126,941</u>	<u>\$230,153</u>	<u>(3,279,322)</u>	<u>(3,279,322)</u>
General Revenues						
Taxes						
Property Taxes, Levies for General Purposes					1,933,593	1,933,593
Sales					105,180	105,180
Other					20,812	20,812
Unrestricted Investment Earnings					18,005	18,005
Miscellaneous					50,448	50,448
Total General Revenues and Transfers					<u>2,128,038</u>	<u>2,128,038</u>
Change in Net Position					(1,151,284)	(1,151,284)
Net Position - Beginning					35,514,992	35,514,992
Net Position - Ending					<u>\$34,363,708</u>	<u>\$34,363,708</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

REAL COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General Fund	Road and Bridge	Grant Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$1,154,678	\$639,896	\$0	\$120,428	\$1,915,002
Receivables (net of allowance for uncollectibles)	81,829	38,170		152	120,151
Prepaid Items	16,581				16,581
Total Assets	\$1,253,088	\$678,066	\$0	\$120,580	\$2,051,734
LIABILITIES AND FUND BALANCES:					
Accounts Payable	\$41,301	\$1,777	\$95,650	\$925	\$139,653
Bank Overdraft			130,111		130,111
Accrued Wages Payable	19,431	8,475			27,906
Total Liabilities	60,732	10,252	225,761	925	297,670
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	74,094	31,419			105,513
Fund Balances:					
Non-Spendable					
Prepaid Items	16,581				16,581
Restricted					
Administration - Archives				23,595	23,595
Public Transportation		636,395		33,504	669,899
Public Safety				57,645	57,645
Committed					
Public Safety				4,911	4,911
Unassigned	1,101,681		(225,761)		875,920
Total Fund Balance	1,118,262	636,395	(225,761)	119,655	1,648,551
Total Liabilities and Fund Balances	\$1,253,088	\$678,066	\$0	\$120,580	\$2,051,734

The accompanying notes are an integral part of this statement.

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

Total Fund Balances - governmental funds balance sheet

Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	\$1,648,551
Capital assets used in governmental activities are not reported in the funds.	33,141,445
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	72,858
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	105,513
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(604,659)</u>
Net Position of governmental activities - statement of Net Position	<u><u>\$34,363,708</u></u>

The accompanying notes are an integral part of this statement.

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

	General Fund	Road and Bridge	Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property	\$1,359,807	\$582,592	\$0	\$0	\$1,942,399
Sales	105,180				105,180
Other	20,812				20,812
Intergovernmental	96,721	20,292	230,153	9,928	357,094
Licenses and Permits		208,230			208,230
Charges for Services	105,441			24,209	129,650
Fines and Forfeitures	68,006				68,006
Interest	17,669			336	18,005
Miscellaneous	38,671	11,309		468	50,448
Total Revenues	<u>1,812,307</u>	<u>822,423</u>	<u>230,153</u>	<u>34,941</u>	<u>2,899,824</u>
EXPENDITURES					
Current:					
General Administration	369,626			16,672	386,298
Legal	81,517				81,517
Judicial	171,878				171,878
Financial Administration	171,352				171,352
Public Facilities	53,344		361,790		415,134
Public Safety	653,639			8,500	662,139
Public Transportation		513,964		9,465	523,429
Health and Welfare	210,697				210,697
Conservation - Agriculture	68,671				68,671
Total Expenditures	<u>1,780,724</u>	<u>513,964</u>	<u>361,790</u>	<u>34,637</u>	<u>2,691,115</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,583	308,459	(131,637)	304	208,709
OTHER FINANCING SOURCES (USES):					
Operating Transfers In				28,438	28,438
Operating Transfers Out	(20,826)	(4,985)		(2,627)	(28,438)
Total Other Financing Sources (Uses)	<u>(20,826)</u>	<u>(4,985)</u>	<u>0</u>	<u>25,811</u>	<u>0</u>
Net Changes in Fund Balances	10,757	303,474	(131,637)	26,115	208,709
Fund Balances - Beginning	1,107,505	332,921	(94,124)	93,540	1,439,842
Fund Balances - Ending	<u>\$1,118,262</u>	<u>\$636,395</u>	<u>(\$225,761)</u>	<u>\$119,655</u>	<u>\$1,648,551</u>

The accompanying notes are an integral part of this statement.

REAL COUNTY, TEXAS
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 SEPTEMBER 30, 2014

Net Changes in Fund Balances - total governmental funds \$208,709

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(1,351,842)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	(159)
(Increase) decrease in Compensated absences from beginning of period to end of period.	814
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	<u>(8,806)</u>
Change in Net Position of governmental activities - statement of activities	<u><u>(\$1,151,284)</u></u>

The accompanying notes are an integral part of this statement.

REAL COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$1,357,593	\$1,357,593	\$1,359,807	\$2,214
Sales	85,000	85,000	105,180	20,180
Other	13,500	13,500	20,812	7,312
Intergovernmental	114,693	114,693	96,721	(17,972)
Charges for Services	104,750	104,750	105,441	691
Fines and Forfeitures	78,500	78,500	68,006	(10,494)
Interest	6,000	6,000	17,669	11,669
Miscellaneous	93,450	93,450	38,671	(54,779)
Total Revenues	1,853,486	1,853,486	1,812,307	(41,179)

EXPENDITURES

Current:

General Administration				
County Judge	45,966	45,966	29,171	16,795
County and District Clerk	129,140	129,140	121,381	7,759
Veterans Officer	850	850	121	729
Non-Departmental	252,475	252,475	218,953	33,522
Legal				
County Attorney	91,331	91,331	81,517	9,814
Judicial				
Court Expense	131,005	131,005	69,813	61,192
District Attorney	34,252	34,252	33,714	538
Justices of the Peace	65,475	65,475	62,224	3,251
Law Library	7,900	7,900	6,127	1,773
Financial Administration				
County Treasurer	80,726	80,726	76,898	3,828
Tax Assessor-Collector	97,281	97,281	94,454	2,827
Public Facilities				
Courthouse Building	86,450	86,450	53,344	33,106
Public Safety				
Constables	69,098	69,098	66,660	2,438
EMS	10,750	10,750	5,692	5,058
D.P.S.	3,400	3,400	582	2,818
Jail	178,250	178,250	128,579	49,671
Sheriff	473,865	473,865	452,126	21,739

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Health and Welfare				
Welfare and Pauper	\$192,087	\$192,087	\$19,421	\$172,666
Senior Citizens	212,864	212,864	191,276	21,588
Conservation - Agriculture				
Agriculture Extension Service	38,568	38,568	36,871	1,697
Predatory Animal Control	31,800	31,800	31,800	0
Total Expenditures	<u>2,233,533</u>	<u>2,233,533</u>	<u>1,780,724</u>	<u>452,809</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(380,047)</u>	<u>(380,047)</u>	<u>31,583</u>	<u>411,630</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers out			(20,826)	(20,826)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(20,826)</u>	<u>(20,826)</u>
Net Changes in Fund Balances	<u>(380,047)</u>	<u>(380,047)</u>	<u>10,757</u>	<u>390,804</u>
Fund Balances - Beginning	<u>1,107,505</u>	<u>1,107,505</u>	<u>1,107,505</u>	
Fund Balances - Ending	<u>\$727,458</u>	<u>\$727,458</u>	<u>\$1,118,262</u>	<u>\$390,804</u>

The accompanying notes are an integral part of this statement.

REAL COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$581,540	\$581,540	\$582,592	\$1,052
Intergovernmental	15,000	15,000	20,292	5,292
Licenses and Permits	200,000	200,000	208,230	8,230
Miscellaneous	7,500	7,500	11,309	3,809
Total Revenues	804,040	804,040	822,423	18,383
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	660,338	660,338	513,964	146,374
Total Expenditures	660,338	660,338	513,964	146,374
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	143,702	143,702	308,459	164,757
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	0	0	(4,985)	(4,985)
Total Other Financing Sources (Uses)	0	0	(4,985)	(4,985)
Net Changes in Fund Balances	143,702	143,702	303,474	159,772
Fund Balances - Beginning	332,921	332,921	332,921	
Fund Balances - Ending	\$476,623	\$476,623	\$636,395	\$159,772

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

REAL COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2014

	Agency Funds <hr/> County Officer Accounts <hr/>
ASSETS	
Cash and Cash Equivalents	\$87,909
Receivables (net of allowance for uncollectibles)	<u>0</u>
Total Assets	<u><u>87,909</u></u>
LIABILITIES:	
Accounts Payable	\$0
Due to Others	<u>87,909</u>
Total Liabilities	<u><u>87,909</u></u>
NET POSITION	
Held in Trust - unexpendable	0
Held in Trust - historical purposes	<u>0</u>
Total Net Position	<u><u>\$0</u></u>

REAL COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. Summary of Significant Accounting Policies

A. Reporting entity

Real County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. The accounting policies of Real County, Texas, (the County) conform to generally accepted accounting principles. The County also applies all relevant Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting policies of Real County, Texas, (the County) conform to generally accepted accounting principles generally accepted in the United States of America. The County also applies all relevant Government Accounting Standards Board (GASB) pronouncements.

B. Government-Wide and Fund Financial Statements

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

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

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

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

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

The government reports the following major governmental funds:

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

The road and bridge fund accounts for the activities of the government's road and bridge operations.

The grant fund accounts for grant monies used for various grant projects.

- C. Fiduciary fund financial statements include a Statement of Net Position. The County’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value.

2. Receivables and Payables

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

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

All property tax receivables are shown net of an allowance for uncollectible. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at September 30, 2014 and 10 percent of the delinquent outstanding property taxes at September 30, 2014.

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for in the Balance Sheet. In the General Fund, disbursements for supplies and materials are considered to be expenditures at the time of purchase. There were no inventory items at September 30, 2014. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted Assets

There were no restricted assets at September 30, 2014.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the 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. There was no County construction in the 2013-2014 year. There is no construction contemplated at September 30, 2014.

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

Years

Buildings	50
Building Improvements	20
System Infrastructure	30
Vehicles	5
Office Equipment	5
Computer Equipment	5

6. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

8. Fund Balances – Governmental Funds

As of September 30, 2014, fund balances of the governmental funds are classified as follows:

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

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

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

Unassigned — all other spendable amounts.

As of September 30, 2014, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$16,581
Restricted	
Administration - Archives	23,595
Public Transportation	669,899
Public Safety	57,645
Committed	
Public Safety	4,911
Unassigned	875,920
Total Fund Balance	<u>\$1,648,551</u>

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

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

9. Deferred outflows/inflows of resources

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

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

10. Net position flow assumption

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

11. New Pronouncements

In June 2011, the GASB issued Statement No. 65, **ITEMS PREVIOUSLY REPORTED AS ASSETS AND LIABILITIES**. GASBS No. 65 changes the reporting for bond issuance costs from capitalization and amortization to expensing in the current year. This Statement is effective for periods beginning after December 15, 2012. The adoption of GASBS No. 65 will have the effect of restating the beginning Net Position at the beginning of the year ended September 30, 2014. In subsequent years the costs will be expensed currently rather than being capitalized and amortized.

II. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$604,659 difference are as follows:

Other Post Employment Benefits	\$596,994
Compensated Absences	<u>7,665</u>
	<u>\$604,659</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in Net Position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$33,141,445 difference are as follows:

Capital Assets Not being Depreciated	\$189,778
Capital Assets Being Depreciated	66,394,289
Depreciation Expense	(33,442,622)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$33,141,445</u>

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectible.)" The details of this \$105,513 difference are as follows:

Property Taxes Receivable	\$112,610
Allowance for Doubtful Accounts	<u>(7,097)</u>
Net	<u>\$105,513</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$72,858 difference are as follows:

Fines and Fees Rreceivable	\$186,711
Allowance for Doubtful Accounts	<u>(113,853)</u>
Net	<u>\$72,858</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in Net Position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this (\$1,351,842) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$0
Capital Outlay - Additions - Being Depreciated	0
Capital Outlay - Additions - Net	0
Depreciation Expense	(1,351,842)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u><u>(\$1,351,842)</u></u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

The final amended budget is used in this report.

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

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

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

When the Budget has been adopted by the Commissioners' Court, the County Treasurer is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund.

Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2014 fiscal year were adopted for the General Fund, the Road and Bridge Fund, and certain non-major funds.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2014, expenditures did not exceed appropriations in any fund.

III. Stewardship, Compliance, and Accountability (Continued)

- C. Deficit fund equity: The County had no deficit fund balances as of September 30, 2014 except for the grant fund which had a deficit fund balance of \$225,761. The deficit is expected to be liquidated by future resources of the fund.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies. The county had no investments at September 30, 2014.

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. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County has a deposit policy for custodial credit risk. As of September 30, 2014, the County's bank balances of \$1,915,183 was not exposed to custodial credit risk because it was insured by the FDIC and collateralized with securities of \$3,854,238 held by the pledging financial institution's trust department or agent, in the County's name. The book balance was \$1,784,891 at September 30, 2014.

B. Receivables

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

	General Fund	Road and Bridge	Other Governmental Funds	Total
<u>Receivables</u>				
Ad Valorem Taxes	\$79,077	\$33,533		\$112,610
Fines	186,711			186,711
Officers	3,972	6,750	152	10,874
Other	3,764			3,764
Gross Receivables	273,524	40,283	152	313,959
Less: Allowance for Uncollectibles	118,837	2,113		120,950
Net Total Receivables	\$154,687	\$38,170	\$152	\$193,009

C. Capital Assets

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

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not Being Depreciated:				
Land	\$189,778	\$0	\$0	\$189,778
Total Capital Assets Not Being Depreciated:	189,778	0	0	189,778
Capital Assets Being Depreciated:				
Building and Improvements	1,075,090	0	0	1,075,090
Machinery and Equipment	1,123,395	0	0	1,123,395
Infrastructure	64,195,804	0	0	64,195,804
Total Capital Assets Being Depreciated:	66,394,289	0	0	66,394,289
Less: Accumulated Depreciation for:				
Building and Improvements	358,078	21,242	0	379,320
Machinery and Equipment	1,031,667	48,397	0	1,080,064
Infrastructure	30,701,035	1,282,203	0	31,983,238
Total Accumulated Depreciation	32,090,780	1,351,842	0	33,442,622
Total Capital Assets Depreciated, Net	34,303,509	(1,351,842)	0	32,951,667
Governmental Activities Capital Assets, Net	\$34,493,287	(\$1,351,842)	\$0	\$33,141,445

The depreciation for the year ended September 30, 2014 was as follows:

General Administration	\$4,470
Judicial	4,677
Financial Administration	1,880
Public Facilities	10,850
Public Safety	24,357
Public Transportation	1,295,330
Culture and Recreation	2,480
Health and Welfare	7,798
Total government activities	<u>\$1,351,842</u>

Construction commitments - None

D. Interfund Receivables, Payables, and Transfers

There were no due to/from other funds at September 30, 2014.

There were no advances at September 30, 2014.

Material transfers are as follows:

1. There were transfers from the general fund (\$20,826), the road and brodge fund (\$4,985), and the abandoned vehicle fund (\$2,627) to the records archive (\$6,433) and the records management fund (\$22,005). These transfers were for operating capital and are non-recurring.

E. Leases

Operating Leases

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$7,802 for the year ended September 30, 2014. The future minimum lease payments for these leases are as follows:

Year Ending Sept 30,	<u>Amount</u>
2015	\$ 7,479
2016	7,479
2017	6,585
2018	<u>5,692</u>
Total	<u>\$27,235</u>

F. Long-Term Debt

The government has no capital leases or bonded debt as of September 30, 2014.

The changes in long-term liabilities are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<u>Governmental Activities:</u>						
Compensated Absences	\$8,479	\$7,665	\$8,479	\$7,665	\$7,665	\$0
OPEB Liability	596,994			596,994	0	596,994
Grand Total	<u>\$605,473</u>	<u>\$7,665</u>	<u>\$8,479</u>	<u>\$604,659</u>	<u>\$7,665</u>	<u>\$596,994</u>

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2014-15 year is \$7,665. The compensated absences are deemed to be current liabilities. The County implemented GASB 45 during the year ended September 30, 2009. The County expensed \$0 for the year and accrued \$596,994 as a long-term debt at September 30, 2014.

V. Other Information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claim liabilities are estimated considering the effects of inflation, recent claim settlement trends (including frequency and amounts of payouts) and other economic and social factors (including the effects of specific, incremental claim adjustment expense, salvage and subrogation).

Changes in accrued liabilities for these claims follow:

	Year ended <u>06/30/14</u>	Year ended <u>06/30/13</u>
Unpaid claims, beginning of fiscal year	\$ -0-	\$ -0-
Incurred claims (including IBNRs)		
Claim payments	<u>-0-</u>	<u>-0-</u>
Unpaid claims, end of fiscal year	<u>\$ -0-</u>	<u>\$ -0-</u>

1. General Liability Insurance

The County is insured for general, police officers and automobile liability.

The County has joined together with other governments in the Texas Association of Counties Risk Management Pool. The County pays an annual premium to Risk Management for auto vehicle insurance coverage. The agreement with Risk Management provides that Risk Management will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 to \$300,000 for each insurance event. The County anticipates no contingent losses.

Texas Association of Counties Risk Management Pool has published its own financial report that can be obtained from the Texas Association of Counties Risk Management Pool.

The County continues to carries commercial fidelity bonds for elected officials and for management.

2. Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Association of Counties Risk Management Pool.

3. Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Association of Counties Risk Management Pool.

4. Group Health and Life Insurance

The County maintains a group health insurance plan for active employees and their eligible dependents. Costs are recorded in the fund from which the employees' compensation is paid.

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Workforce Commission (TWC).

B. Related Party Transaction

Commissioner Pct. No. 2 owns Cold River Hardware where the county purchased supplies for \$784 during the fiscal year. The store closed in February 2014. Also, Commissioner Pct. No. 2's mother worked as an Election Worker and the county paid her through payroll \$740 during the fiscal year.

C. Subsequent Events

There were no subsequent events requiring disclosure.

D. Contingent Liabilities

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

The county is not a defendant in any cases. However, the Commissioners, County Judge, and Constable of Real County, Texas were a party in a lawsuit filed by a former Constable regarding his resignation and alleged open meetings act violations. The jury found in favor of the County and awarded attorney's fees and expenses in the amount of \$73,885.95. The Plaintiff has since filed for bankruptcy and it is unclear what part, if any, of the above fees and expenses the County will collect. Therefore, no amount was set up as an accounts receivable.

E. Other Post Employment Benefits

The County of Real Post-retirement Healthcare Benefits Program is a single-employer defined benefit healthcare plan administered by the office of the County Treasurer. The Post-retirement Healthcare Benefits Program was initiated in 2009 by action of the Commissioners Court. The Post-retirement Healthcare Benefits Program provides medical benefits to eligible retirees. Dependent spouses who are eligible for Medicare may enroll but must pay 100% of the applicable premium. For employees who retire prior to age 65, they may continue medical coverage by paying the full premium applicable to the health benefits plan for active employees (this includes coverage for spouses). Medicare eligible retirees are covered by an County Silver Choice Monumental Medicare Supplemental policies (medical and prescription drugs). Retiring employees must meet one of the following criteria to be eligible for the County provided retiree health benefit: (i) be age 60 with at least 8 years of service, or (ii) any age with at least 30 years of service, or (iii) meet the Rule of 75 (age plus service equals 75 or more). Employees who retire prior to age 65 must continue coverage under the Blue Cross/Blue Shield plan for active employees (and pay the full premium rate for active employees) until age 65 in order to receive the County provided retiree coverage provided under the County Choice Medicare Supplemental policies.

Funding Policy: The County currently funds the benefits provided through the Program on a pay-as-you-go basis. Since the County does not prefund future benefits to be provided under the Program, there are no accumulated plan assets. The County pays for 100% of the cost of Medicare Supplement for Medicare eligible retirees. The County subsidizes the cost of continued coverage for pre-65 retirees for those who elect coverage and pay the active employee premium rate. During the fiscal year ending September 30, 2013, the County paid \$15,346 in premiums for the one current retiree receiving benefits under the Program.

Annual OPEB Cost and Net OPEB Obligation: The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for 2013, the amount actually contributed to the plan during 2013, and changes in the County's net OPEB obligation to Post-retirement Healthcare Benefits Program for 2013:

Annual Required Contribution (ARC):	\$152,718
Interest on Net OPEB Obligation	18,719
Adjustment to Annual Required Contribution	<u>(27,063)</u>
Annual OPEB Cost (expense)	144,374
Contributions Made	<u>(15,346)</u>
Increase in Net OPEB	129,028
Net OPEB Obligation, Beginning of Year - 9/30/2012	<u>467,966</u>
Net OPEB Obligation, End of Year - 9/30/2013	<u><u>\$596,994</u></u>
Net OPEB Obligation Reported by Governmental Funds	<u>\$596,994</u>
Total Net OPEB Obligation	<u><u>\$596,994</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2013 and the two preceding years were as follows:

<i>Fiscal Year Ended</i>	<i>Annual OPEB Cost</i>	<i>% of Annual OPEB Cost Contributed</i>	<i>Net OPEB Obligation</i>
9/30/2013	\$ 144,374	10.63%	596,994
9/30/2011/12	\$ 286,666	10.97%	467,966
9/30/2010	\$ 118,521	3.01%	212,746
9/30/2009	\$ 102,135	2.50%	99,577

* GASB 45 reporting not required for these periods

Funded Status and Funding Progress: As of October 1, 2012, the most recent valuation date, the plan was 0% funded (the County does not prefund these benefits). The actuarial accrued liability for benefits was \$1.596 million, and the actuarial value of plan assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.596 million. The covered payroll (annual payroll of active employees covered by the plan) was \$1.011 million, and the ratio of the UAAL to covered payroll was 158%.

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

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

In the October 1, 2012 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.0% discount rate for valuing the liability for benefits, and an annual healthcare cost trend rate of 9.0% initially, reduced by decrements to an ultimate rate of 5.0% after four years. The UAAL is being amortized as a level dollar amount over a period of 30 years (the maximum permitted period).

F. Commitments

The County had no major commitments at September 30, 2014.

G. 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 656 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

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

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

The governing body elected to pay a rate of 13.84% for the 2013 year and a rate of 14.87% for the 2014 year that did not exceed the actuarially determined rate as allowed by the provisions of the TCDRS Act.

The contribution rate payable by the employee members for calendar year 2014 is the rate of 7.00% and 7.00 % for the 2013 year as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Actuarial Valuation Information

Actuarial valuation date	12/31/2011	12/31/2012	12/31/2013
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	20.0	20.0	20.0
Asset valuation method	SAF: 10-yr smoothed value; ESF: Fund Value	SAF: 10-yr smoothed value; ESF: Fund Value	SAF: 5-yr smoothed value; ESF: Fund Value
Actuarial Assumptions			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.0%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Annual Pension Cost

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

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
09-30-12	129,650	100%	-0-
09-30-13	135,547	100%	-0-
09-30-14	145,357	100%	-0-

ANALYSIS OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2013	\$3,980,636	\$4,613,312	\$632,676	86.29%	\$1,027,306	61.59%

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

H. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year.

Governmental Activities: In the Government-Wide statements and in the Funds, the state grant for County Attorneys was understated by \$23,333 in the 2012-2013 audit year. This restatement had a corresponding effect on change in net assets.

	Net Position, as Previously Reported	County Attorney State Grant	Net Position As Restated
Governmental Activities:			
Net Position	\$35,491,659	\$23,333	\$35,514,992
Total Governmental Activities	<u>\$35,491,659</u>	<u>\$23,333</u>	<u>\$35,514,992</u>
	Fund Balance as Previously Reported	County Attorney State Grant	Fund Balance As Restated
Governmental Funds:			
Fund Balance	\$1,416,509	\$23,333	\$1,439,842
Total Governmental Funds	<u>\$1,416,509</u>	<u>\$23,333</u>	<u>\$1,439,842</u>

REQUIRED SUPPLEMENTARY INFORMATION

REAL COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2014

ANALYSIS OF FUNDING PROGRESS

EMPLOYEE RETIREMENT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2011	\$3,451,446	\$3,912,855	\$461,409	88.21%	\$896,709	51.46
2012	3,758,792	4,368,428	609,636	86.04	974,588	62.55
2013	3,980,636	4,613,312	632,676	86.29	1,027,306	61.59

ANALYSIS OF FUNDING PROGRESS

OTHER POST EMPLOYMENT RETIREMENT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
09/30/10	\$0	\$1,461,017	\$1,461,017	00.0%	\$1,042,963	140%
09/30/11	\$0	\$1,596,649	\$1,596,649	00.0%	\$1,044,369	153%
09/30/12	\$0	\$1,595,965	\$1,595,965	00.0%	\$1,010,608	158%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

REAL COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2014

SPECIAL REVENUE

	ABANDONED VEHICLE	FLOOD PLAIN	LATERAL ROAD	RECORDS ARCHIVE	RECORDS MANAGE- MENT	SHERIFF FORFEI- TURE FUND	TECH- NOLOGY FEE FUND	TOTAL
ASSETS								
Cash and Cash Equivalents	\$1,918	\$4,911	\$33,504	\$10,639	\$13,856	\$50,295	\$5,305	\$120,428
Receivables (net of allowance for uncollectibles)					25	27	100	152
Total Assets	\$1,918	\$4,911	\$33,504	\$10,639	\$13,881	\$50,322	\$5,405	\$120,580
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts Payable					\$925			\$925
Total Liabilities	0	0	0	0	925	0	0	925
Fund Balances								
Restricted								
Administration - Archives				10,639	12,956			23,595
Public Transportation			33,504					33,504
Public Safety	1,918					50,322	5,405	57,645
Committed								
Public Safety		4,911						4,911
Unassigned								0
Total Fund Balances	1,918	4,911	33,504	10,639	12,956	50,322	5,405	119,655
TOTAL LIABILITIES AND FUND BALANCES	\$1,918	\$4,911	\$33,504	\$10,639	\$13,881	\$50,322	\$5,405	\$120,580

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

REAL COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	SPECIAL REVENUE							TOTAL
	ABANDONED VEHICLE	FLOOD PLAIN	LATERAL ROAD	RECORDS ARCHIVE	RECORDS MANAGE- MENT	SHERIFF FORFEI- TURE FUND	TECH- NOLOGY FEE FUND	
REVENUES								
Intergovernmental	\$0	\$0	\$9,928	\$0	\$0	\$0	\$0	\$9,928
Charges for Services		50		10,135	12,381		1,643	24,209
Interest						336		336
Miscellaneous						468		468
Total Revenues	0	50	9,928	10,135	12,381	804	1,643	34,941
EXPENDITURES								
Current:								
General Administration								
Records Management				1,702	14,970			16,672
Public Safety								
Sheriff						5,373	3,127	8,500
Public Transportation								
Road and Bridge			9,465					9,465
Total Expenditures	0	0	9,465	1,702	14,970	5,373	3,127	34,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	50	463	8,433	(2,589)	(4,569)	(1,484)	304
OTHER FINANCING SOURCES (USES):								
Operating Transfers In				6,433	22,005			28,438
Operating Transfers Out	(2,627)							(2,627)
Total Other Financing Sources (Uses)	(2,627)	0	0	6,433	22,005	0	0	25,811
Net Changes in Fund Balances	(2,627)	50	463	14,866	19,416	(4,569)	(1,484)	26,115
Fund Balances - Beginning	4,545	4,861	33,041	(4,227)	(6,460)	54,891	6,889	93,540
Fund Balances - Ending	\$1,918	\$4,911	\$33,504	\$10,639	\$12,956	\$50,322	\$5,405	\$119,655

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

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

REAL COUNTY, TEXAS
 RECORDS ARCHIVE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$7,000	\$7,000	\$10,135	\$3,135
Total Revenues	7,000	7,000	10,135	3,135
EXPENDITURES				
Current				
General Administration				
Records Management	13,700	13,700	1,702	11,998
Total Expenditures	13,700	13,700	1,702	11,998
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,700)	(6,700)	8,433	15,133
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	6,433	6,433
Total Other Financing Sources (Uses)	0	0	6,433	6,433
Net Changes in Fund Balances	(6,700)	(6,700)	14,866	21,566
Fund Balances - Beginning	(4,227)	(4,227)	(4,227)	
Fund Balances - Ending	(\$10,927)	(\$10,927)	\$10,639	\$21,566

REAL COUNTY, TEXAS
 FLOOD PLAIN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$500	\$500	\$50	(\$450)
Total Revenues	500	500	50	(450)
EXPENDITURES				
Current				
General Administration				
Flood Plain	0	0	0	0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	500	50	(450)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	500	500	50	(450)
Fund Balances - Beginning	4,861	4,861	4,861	
Fund Balances - Ending	\$5,361	\$5,361	\$4,911	(\$450)

REAL COUNTY, TEXAS
 LATERAL ROAD
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$9,500	\$9,500	\$9,928	\$428
Total Revenues	9,500	9,500	9,928	428
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	9,500	9,500	9,465	35
Total Expenditures	9,500	9,500	9,465	35
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	463	463
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	463	463
Fund Balances - Beginning	33,041	33,041	33,041	
Fund Balances - Ending	\$33,041	\$33,041	\$33,504	\$463

REAL COUNTY, TEXAS
 RECORDS MANAGEMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$9,000	\$9,000	\$12,381	\$3,381
Total Revenues	9,000	9,000	12,381	3,381
EXPENDITURES				
Current				
General Administration				
Records Management	20,000	20,000	14,970	5,030
Total Expenditures	20,000	20,000	14,970	5,030
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,000)	(11,000)	(2,589)	8,411
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	0	0	22,005	22,005
Total Other Financing Sources (Uses)	0	0	22,005	22,005
Net Changes in Fund Balances	(11,000)	(11,000)	19,416	30,416
Fund Balances - Beginning	(6,460)	(6,460)	(6,460)	
Fund Balances - Ending	(\$17,460)	(\$17,460)	\$12,956	\$30,416

AGENCY

REAL COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	County Officer Accounts	Total
ASSETS		
Cash and Cash Equivalents	\$87,909	\$87,909
Total Assets	<u>\$87,909</u>	<u>\$87,909</u>
LIABILITIES:		
Accounts Payable		
Due to Others	\$87,909	\$87,909
Total Liabilities	<u>\$87,909</u>	<u>\$87,909</u>

REAL COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

<u>COUNTY OFFICER ACCOUNTS</u>	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2014
ASSETS				
Cash and Cash Equivalents	\$110,439	\$0	\$22,530	\$87,909
Total Assets	<u>\$110,439</u>	<u>\$0</u>	<u>\$22,530</u>	<u>\$87,909</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$110,439	\$0	\$22,530	\$87,909
Total Liabilities	<u>\$110,439</u>	<u>\$0</u>	<u>\$22,530</u>	<u>\$87,909</u>

<u>TOTAL</u>	BALANCE 10/1/2012	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2014
ASSETS				
Cash and Cash Equivalents	\$110,439	\$0	\$22,530	\$87,909
Total Assets	<u>\$110,439</u>	<u>\$0</u>	<u>\$22,530</u>	<u>\$87,909</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$110,439	\$0	\$22,530	\$87,909
Total Liabilities	<u>\$110,439</u>	<u>\$0</u>	<u>\$22,530</u>	<u>\$87,909</u>

